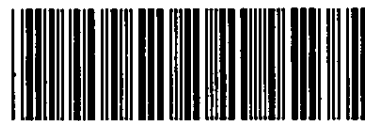


**BEAR STEARNS OVERSEAS FUNDING  
UNLIMITED**

**Report and Financial Statements for the year ended**

**31 December 2012**

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**REPORT AND FINANCIAL STATEMENTS 2012**

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**GENERAL INFORMATION**

<b>Directors</b>	D M Quinn	(Resigned on 2nd October 2012)
	L J MacNamara	(Resigned on 2nd October 2012)
	N G Walsh	(Resigned on 2nd October 2012)
	Fuad Khawaja	(Appointed on 2nd October 2012)
	Karim Khelil	(Appointed on 2nd October 2012)
	Ian Robert Lyall	(Appointed on 2nd October 2012)
<b>Secretary</b>	J P Morgan Secretaries (UK) Limited	
<b>Registered office</b>	25 Bank Street Canary Wharf London E14 5JP United Kingdom	
<b>Auditors</b>	PricewaterhouseCoopers Chartered Accountants and Statutory Auditors One Spencer Dock North Wall Quay Dublin 1 Ireland	
<b>Ultimate parent</b>	JPMorgan Chase & Co 270 Park Avenue New York NY10017 United States of America	

## **REPORT OF THE DIRECTORS**

The Directors present their annual report and the audited financial statements of Bear Stearns Overseas Funding Unlimited (the "Company") for the year ended 31 December 2012. The Company is part of JPMorgan Chase & Co group (together with its subsidiaries, the "Group")

## **ACTIVITIES**

The Company's main activity is the provision of finance to group companies

## **BUSINESS REVIEW AND FUTURE DEVELOPMENT**

Pre-tax profits have decreased from US\$0.81 million in 2011 to US\$0.65 million in 2012. This decrease is due to lower interest earnings on loans to group entities. A number of initiatives are currently being examined in relation to current treasury activities. The Directors do not anticipate any changes to its current business in the forthcoming year.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The major risks associated with this business are the credit risk embedded in its loans to affiliates and the interest rate risk embedded in its loan portfolio. Credit risk is managed through an established credit approval process which assesses the future creditworthiness of counterparties. This includes analysis of the counterparties, regular review of borrower information and financials and the monitoring of credit limits. Any interest rate mismatch is managed centrally by the Treasury team.

## **RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES**

The result for the year ended 31 December 2012 is set out in the profit and loss account on page 8. The Directors do not recommend the payment of a dividend.

No loans, guarantees or security were outstanding to Directors or to the Company Secretary or to persons who were connected to a Director or the Company Secretary as at 31 December 2012 (31 December 2011: NIL) and no loans, guarantees or security were extended to Directors or to the Company Secretary or to persons who were connected to a Director or the Company Secretary during the year. The Directors and secretary who held office at 31 December 2012 had no interests in the share capital of the Company. The company became UK tax resident on 2 October 2012.

## **CHARITABLE & POLITICAL DONATIONS**

During the year, the company made no charitable or political donations.

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable English law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**EVENTS OCCURRING SUBSEQUENT TO THE BALANCE SHEET DATE**

There have been no significant post balance sheet events requiring disclosure in the financial statements

As a result of the cancellation of the service level agreement mentioned in Note 2 we expect administrative expenses to be significantly reduced during 2013

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the directors confirms that

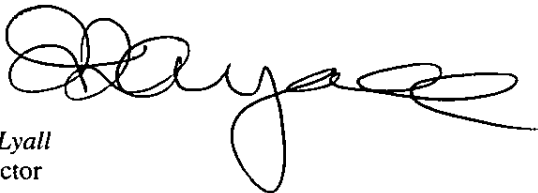
a) so far as they are aware, there is no relevant information of which the company's auditors are unaware, and

b) they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, PricewaterhouseCoopers, Chartered Accountants and Statutory Auditors, have indicated their willingness to continue in office and a resolution that they will be re-appointed will be proposed at the Annual General Meeting

By order of the Board

A handwritten signature in black ink, appearing to read 'Ian Lyall', with a stylized, flowing script.

*Ian Lyall*  
Director

3 September 2013



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEAR STEARNS OVERSEAS FUNDING**

We have audited the financial statements of Bear Stearns Overseas Funding for the year ended 31 December 2012 which comprise of profit and loss account, the balance sheet, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

*PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland, I D E Box No 137  
T +353 (0) 1 792 6000, F +353 (0) 1 792 6200, [www.pwc.com/ie](http://www.pwc.com/ie)*

Chartered Accountants



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEAR STEARNS  
OVERSEAS FUNDING - continued**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'Ronan Doyle'.

**Ronan Doyle (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin

**3 September 2013**

**PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2012**

	Note	Year ended 31 December 2012 US\$	Year ended 31 December 2011 US\$
<b>Interest Income</b>			
Interest receivable and similar income	1	1,369,596	1,526,065
Interest payable and similar expense		(2,815)	-
		<hr/>	<hr/>
<b>OPERATING INCOME</b>		1,366,781	1,526,065
Administrative expenses		(716,562)	(714,339)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		650,219	811,726
Taxation	3	(161,350)	(202,931)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		488,869	608,795
		<hr/>	<hr/>

There were no other recognised gains or losses in the period and therefore no separate statement of total recognised gains and losses has been presented. The results for the period reflect continuing activities. The reconciliation of movement in shareholders' funds is detailed in note 7 to the financial statements. The accompanying notes on pages 11-14 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 3rd September 2013.

Signed on behalf of the Board of Directors

  
Ian Lyall  
Director

Bear Stearns Overseas Funding Unlimited  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

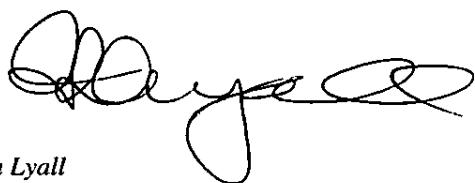
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**BALANCE SHEET**  
As at ended 31 December 2012

	Note	31 December 2012 US\$	31 December 2011 US\$
<b>ASSETS</b>			
<b>Current assets</b>			
Debtors	4	1,174,881,103	1,174,365,873
		<u>1,174,881,103</u>	<u>1,174,365,873</u>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	5	10,002	10,002
Share premium account		999,990,000	999,990,000
Profit and loss account		<u>174,854,742</u>	<u>174,365,871</u>
<b>Shareholders' Funds</b>	7	1,174,854,744	1,174,365,873
<b>Current liabilities</b>			
Other creditors	6	<u>26,359</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>1,174,881,103</u>	<u>1,174,365,873</u>

These financial statements were approved by the Board of Directors on 3rd September 2013. The accompanying notes on pages 11-14 form an integral part of the financial statements.

Signed on behalf of the Board of Directors



Ian Lyall  
Director

Bear Stearns Overseas Funding Unlimited  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

September 03 2013

**STATEMENT OF ACCOUNTING POLICIES  
for the year ended 31 December 2012**

**Basis of Preparation**

The financial statements are prepared in accordance with UK Laws comprising the Companies Act, 2006 as well as accounting standards generally accepted in the United Kingdom and comply with the financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in England & Wales. The significant accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared in United States dollars under the historical cost convention.

**Foreign currency**

The Company's functional currency is the United States dollar. The Company translates monetary assets and liabilities at year end exchange rates and non-monetary assets and liabilities at historical rates. Income and expense accounts are translated at the average rates in effect during the year. Gains and losses from foreign currency translations are included in the profit and loss account under administrative expenses.

**Income and expense recognition**

Income and expenses are recognised on an accruals basis.

**Taxation**

Corporation tax is recognised on taxable profits at the standard rate. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not recognised on permanent differences.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. A deferred tax asset is deemed recoverable where on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2012**

**1. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 December 2012 US\$	Year ended 31 December 2011 US\$
Interest received - group companies	1,369,596	1,526,065
	<u>1,369,596</u>	<u>1,526,065</u>

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	Year ended 31 December 2012 US\$	Year ended 31 December 2011 US\$
Operating profit is after charging		
Auditors' remuneration was borne by J P Morgan Bank Dublin plc		
- Audit – for audit of statutory financial statements	13,000	13,000
- Other assurance services	-	-
- Tax advisory services	-	-
- Other non-audit services	-	-
	<u></u>	<u></u>

Directors' remuneration is borne by affiliated companies within the Group

**Information regarding employees.** While the company does not employ any staff directly, it has access to skilled personnel through its Service Agreement with JP Morgan Bank Dublin Plc

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)**

**3. TAXATION**

	Year ended 31 December 2012 US\$	Year ended 31 December 2011 US\$
Corporation tax charge for the year	161,350	202,931
Adjustments in respect of prior years	-	-
	<u>161,350</u>	<u>202,931</u>

Reconciliation of effective tax rate

Profit before tax	650,219	811,726
Add Interest on Late Tax payment charge	<u>2,815</u>	<u>-</u>
Profit on ordinary activities before tax	653,034	811,726
Irish Corporation Tax charge at standard rate of 12.5% (2011 12.5%)	57,761	101,465
Irish Additional corporation tax on passive income 12.5% (2011 12.5%)	57,761	101,466
UK Corporation Tax charge at standard rate of 24%	45,828	-
Corporation tax charge for the period	<u>161,350</u>	<u>202,931</u>

**4. DEBTORS**

	2012 US\$	2011 US\$
Amounts due from group companies	1,174,881,103	1,174,342,001
Corporation tax receivable	<u>-</u>	<u>23,872</u>
	<u>1,174,881,103</u>	<u>1,174,365,873</u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)**

**5. CALLED UP SHARE CAPITAL**

	<b>2012 US\$</b>	<b>2011 US\$</b>
<b>Called up and allotted</b>		
10,002 ordinary shares of US\$1 each, fully paid	10,002	10,002
	<u>10,002</u>	<u>10,002</u>

**6. OTHER CREDITORS**

	<b>2012 US\$</b>	<b>2011 US\$</b>
Corporation tax payable	26,359	-
	<u>26,359</u>	<u>-</u>

**7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2012 US\$</b>	<b>2011 US\$</b>
Profit after tax for the financial year and net addition to shareholders' funds	488,871	608,795
Shareholders' funds at beginning of year	1,174,365,873	1,173,757,078
	<u>1,174,854,744</u>	<u>1,174,365,873</u>

**8. FINANCIAL COMMITMENTS AND CONTINGENCIES**

At 31 December 2012 (2011 Nil) the Company had no financial commitments or other contingencies

**9. SEGMENTAL INFORMATION**

The Company's principal trading activity is to provide financing to group companies. All revenues and profits are derived in one geographical area, United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2012 (continued)**

**10. FINANCIAL REPORTING STANDARD ("FRS") 1 EXEMPTION - CASH FLOW STATEMENTS**

The Company has taken advantage of the provisions of FRS1, "Cash Flow Statements" (revised 1996), which exempt the Company from preparation of a cash flow statement because it is a fully owned subsidiary of the Group, JPMorgan Chase & Co, whose financial statements are publicly available

**11. ULTIMATE HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS**

The immediate holding company is Bear Stearns International Funding (Bermuda) Limited, a company registered in Bermuda. The Company's ultimate holding company is JPMorgan Chase & Co, a company registered in Delaware, United States of America. The smallest group into which the financial statements of Bear Stearns Overseas Funding Unlimited are consolidated is that headed by Bear Stearns International Funding (Bermuda) Limited. The largest and smallest parent groups' consolidated accounts can be obtained from the Company's registered office.

An exemption contained in FRS 8 "Related Party Disclosures" permits the Company from not disclosing related party transactions and detailing transactions and balances with group companies as it is a wholly owned subsidiary of another company which prepares group accounts which are made available to the public.

**12. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 3rd September 2013.