

BEAR STEARNS COMPANIES INC  
Form 424B5  
May 03, 2001

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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-52902

**Subject to completion, dated May 3, 2001**

**This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**PROSPECTUS SUPPLEMENT**

(To Prospectus Dated January 11, 2001)

**US\$250,000,000**

**The Bear Stearns Companies Inc.**

**6.50% Global Notes due 2006**

*Set forth below is a summary of the terms of the Notes offered by this prospectus supplement and the accompanying prospectus. For more detail, see "Description of the Notes."*

**Global Offering**

We are offering the Notes in the United States and in parts of Europe and Asia where it is legal to offer the Notes.

**Allocation of Notes**

The Underwriters intend to sell the amount of Notes to the bidders who participate in the DAiSS<sup>SM</sup> (Dutch Auction internet Syndication System<sup>SM</sup>) auction in accordance with the DAiSS<sup>SM</sup> auction allocation rules. See Appendix A for the DAiSS<sup>SM</sup> auction rules.

**Interest and Pricing**

The Notes have a fixed annual interest rate of 6.50%. The purchase price for the Notes will be set at a premium or discount to par. Any discount shall not be greater than 1% of par. Interest will be paid every six months on May 1 and November 1.

**Maturity**

The Notes will mature on May 1, 2006.

**Ranking**

The Notes will be our unsecured senior debt and will rank equally with all of our other unsecured and unsubordinated debt.

**Redemption**

The Notes are only redeemable prior to maturity if certain events involving US taxation occur.

**No Sinking Fund**

The Notes will not be subject to any sinking fund.

**Book-Entry Notes**

The Notes will be represented by one or more global securities registered in the name of Cede & Co., as nominee of The Depository Trust Company.

**Listing**

We will make application to the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 for the Notes to be admitted to the official list of the UK Listing Authority and to the London Stock Exchange Limited for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities.

The Notes that we are offering are a further issuance of, are fungible with and are consolidated to form a single series with our 6.50% Global Notes due May 1, 2006 issued on April 27, 2001. The Notes offered by this prospectus supplement will have the same CUSIP number, Common Code and International Security Identification Number and will trade interchangeably with the previously issued Notes in this series immediately upon settlement. Currently, \$750,000,000 aggregate principal amount of those Notes are outstanding. This issuance, if all the Notes are sold, will increase the aggregate principal amount of the outstanding Notes of this series to \$1,000,000,000.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

	<u>Per Note</u>	<u>Total</u>
Initial public offering price	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to us	%	\$

Bear, Stearns & Co. Inc. is the Global Coordinator for the offering of the Notes. Bear, Stearns International Limited is the International Coordinator for all Notes to be sold to purchasers in Europe. The Underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company, Clearstream Banking, société anonyme and Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system against payment on or about May , 2001.

After this offering is complete, the Underwriters may use this prospectus supplement and the accompanying prospectus in connection with market-making transactions at negotiated prices related to the prevailing market prices at the time of sale. The Underwriters may act as principal or agent in these transactions.

**Bear, Stearns & Co. Inc.**

**Bear, Stearns International Limited**

**Wells Fargo Brokerage Services, LLC**

The date of this prospectus supplement is May , 2001

Pricing and allocation of the Notes will be established through DAiSS<sup>SM</sup> (Dutch Auction internet Syndication System<sup>SM</sup>). DAiSS<sup>SM</sup> is a rules-based, proprietary, single-priced, modified Dutch Auction syndication system, developed by Bear Stearns for the pricing and allocation of securities. DAiSS<sup>SM</sup> allows bidders to directly participate in the pricing of the Notes, through Internet access to an auction site, by submitting conditional offers to buy that are subject to acceptance by the Underwriters and us. These bids may directly affect the price at which the Notes are sold by the Underwriters to the bidders. The final offering price at which the Notes will be sold and the allocation of the Notes by the Underwriters among bidders will be based on the results of the DAiSS<sup>SM</sup> auction. The DAiSS<sup>SM</sup> auction rules are contained in Appendix A and should be carefully reviewed by each bidder participating in the DAiSS<sup>SM</sup> auction. We will file a prospectus supplement setting forth the final price of the Notes and other information regarding the underwriting arrangements with the Securities and Exchange Commission promptly after the DAiSS<sup>SM</sup> auction is completed.

Information regarding the anticipated range of the public offering price of the Notes, minimum admissible bids, maximum clearing bid, maximum quantity restrictions and other specific rules governing the auction process will be contained in the term sheet and the auction rules made available to participating bidders in the offering cul-de-sac on the DAiSS<sup>SM</sup> auction site. In order to participate in the DAiSS<sup>SM</sup> auction, each bidder must complete certain jurisdictional eligibility certifications and comply with specified auction registration and document review procedures. Upon approval of a particular bidder's registration, the bidder will be permitted access to various screens on the DAiSS<sup>SM</sup> auction site in order to participate in the DAiSS<sup>SM</sup> auction. Copies of each of the term sheet, the form of DAiSS<sup>SM</sup> home page, official documents screen and cash bid, bid assist and bid monitor screen are attached to this prospectus supplement as Appendices B, C, D and E respectively.

Offers and sales of the Notes are subject to restrictions in certain jurisdictions. In particular, there are restrictions on the distribution of this prospectus supplement and the accompanying prospectus and the offer or sale of the Notes in the United Kingdom, and details of

these restrictions are set out in "Underwriting" in this prospectus supplement. The distribution of this prospectus supplement and the accompanying prospectus and the offer or sale of the Notes in certain other jurisdictions may be restricted by law. Persons who come into possession of this prospectus supplement and the accompanying prospectus or any Notes must inform themselves about and observe any applicable restrictions on the distribution of this prospectus supplement and the accompanying prospectus and the offer and sale of the Notes.

We accept responsibility for the information contained in this prospectus supplement and the accompanying prospectus. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this prospectus supplement and the accompanying prospectus is in accordance with the facts and does not omit anything likely to affect the import of the information.

You must read this prospectus supplement and the accompanying prospectus as one along with all the documents which are deemed to be incorporated in this prospectus supplement and the accompanying prospectus by reference (see "Where You Can Find More Information"). This prospectus supplement and the accompanying prospectus must be read and construed on the basis that the incorporated documents are so incorporated and form part of this document, except as specified in this document.

We have not authorized any person to give any information or represent anything not contained in this prospectus supplement and the accompanying prospectus. You must not rely on any unauthorized information.

In order to facilitate the offering of the Notes, Bear Stearns, in its capacity as Global Coordinator of the offering of the Notes, may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level which might not otherwise prevail in the open market. Specifically,

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Bear Stearns, on behalf of the Underwriters, may over-allot or otherwise create a short position in the Notes for the account of the Underwriters by selling more Notes than have been sold to them by us. Bear Stearns, on behalf of the Underwriters, may elect to cover any such short position by purchasing Notes in the open market. In addition, Bear Stearns, on behalf of the Underwriters, may stabilize or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales of Notes. No representation is made as to the magnitude or effect of any such stabilization or other transactions. Such transactions, if commenced, may be discontinued at any time.

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#### FORWARD-LOOKING STATEMENTS

*This prospectus supplement and the accompanying prospectus include and incorporate by reference "forward-looking statements" within the meaning of the securities laws. All statements regarding our expected financial position, business and financing plans are forward-looking statements. Forward-looking statements also include representations of our expectations or beliefs concerning future events that involve risks and uncertainties, including those associated with the effect of international, national and regional economic conditions and the performance of our products within the prevailing economic environment. Although we believe that the expectations reflected in those forward-looking statements are reasonable, those expectations may prove to be incorrect. Cautionary statements describing important factors that could cause actual results to differ materially from our expectations are disclosed in this prospectus supplement along with the forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by such cautionary statements. These forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances on which the forward-looking statement is based.*

#### CERTAIN DEFINITIONS

Unless otherwise stated in this prospectus supplement:

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the "Company," "we," "us" and "our" refer to The Bear Stearns Companies Inc. and its subsidiaries;

"AMEX" refers to the American Stock Exchange;

"Bear Stearns" refers to Bear, Stearns & Co. Inc.;

"BSB" refers to Bear Stearns Bank plc;

"BSSC" refers to Bear, Stearns Securities Corp.;

"BSIL" refers to Bear, Stearns International Limited;

"NYSE" refers to the New York Stock Exchange;

"DAiSS<sup>SM</sup>" refers to Dutch Auction internet Syndication System<sup>SM</sup>; and

"US dollars," "dollars," "US \$" and "\$" refer to the lawful currency of the United States of America.

Other capitalized terms that are used but not defined in this prospectus supplement have the meanings given to them in the accompanying prospectus.

Bear Stearns, BSB, BSSC and BSIL are subsidiaries of The Bear Stearns Companies Inc.

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### WHERE YOU CAN FIND MORE INFORMATION

We file annual and quarterly reports, proxy statements and other information required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with the Securities and Exchange Commission (the "SEC"). You may read and copy any document we file at the SEC's public reference rooms located at 450 Fifth Street, N.W., Washington, D.C. 20549, at Seven World Trade Center, 13th Floor, New York, New York 10048, U.S.A. and at Northwest Atrium Center, 5000 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511, U.S.A. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>. Copies of these reports, proxy statements and other information can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, U.S.A.

The SEC allows us to "incorporate by reference" the information that we file with them, which means that we can disclose important information to you by referring you to the other information we have filed with the SEC. The information that we incorporate by reference is considered to be part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information.

The following documents filed by us with the SEC pursuant to Section 13 of the Exchange Act (File No. 1-8989) and any future filings under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act made before the termination of the offering of the Notes are incorporated by reference:

- (i) the Annual Report on Form 10-K (including the portions of the Company's Annual Report to Stockholders and Proxy Statement incorporated by reference therein) for the fiscal year ended November 30, 2000;
- (ii) the Quarterly Report on Form 10-Q for the quarter ended February 23, 2001; and

(iii)

the Current Reports on Form 8-K dated December 13, 2000, January 4, 2001, January 11, 2001, February 15, 2001, February 15, 2001, March 21, 2001, March 30, 2001 and April 20, 2001.

We will provide to you without charge, a copy of any or all documents incorporated by reference into this prospectus supplement except the exhibits to such documents (unless such exhibits are specifically incorporated by reference in such documents). You may request copies by writing or telephoning us at the Corporate Communications Department, The Bear Stearns Companies Inc., 245 Park Avenue, New York, New York 10167, U.S.A.; telephone number (212) 272-2000. In addition, once the Notes are admitted to the Official List of the UK Listing Authority (as defined below), these documents will be available from BSIL in its capacity as listing agent for the Notes at its principal office at One Canada Square, London E14 5AD, England.

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## SUMMARY OF THE OFFERING

<b>Issuer</b>	The Bear Stearns Companies Inc.
<b>Securities Offered</b>	US \$250,000,000 aggregate principal amount of 6.50% Global Notes due 2006. The Notes that we are offering are a further issuance of, are fungible with and are consolidated to form a single series with our 6.50% Global Notes due May 1, 2006 issued on April 27, 2001. The Notes offered by this prospectus supplement will have the same CUSIP number, Common Code and International Security Identification Number and will trade interchangeably with the previously issued Notes in this series immediately upon settlement. Currently, \$750,000,000 aggregate principal amount of those Notes are outstanding. This issuance, if all the Notes are sold, will increase the aggregate principal amount of the outstanding Notes of this series to \$1,000,000,000.
<b>Specified Currency</b>	The Notes will be denominated in US dollars and all payments on the Notes will be made in US dollars.
<b>Establishment of Offering Price Through DAiSS<sup>SM</sup></b>	<p>Pricing and allocation of the Notes will be established through DAiSS<sup>SM</sup>. DAiSS<sup>SM</sup> is a rules-based, proprietary, single-priced, modified Dutch Auction syndication system designed to facilitate the direct participation of the ultimate purchasers of the Notes from the Underwriters in the pricing and allocation of securities. DAiSS<sup>SM</sup> allows bidders to directly participate in the pricing of the Notes, through Internet access to an auction site, by submitting conditional offers to buy that are subject to acceptance by the Underwriters and us. These bids may directly affect the price at which the Notes are sold. The final offering price at which the Notes will be sold and the allocation of the Notes by the Underwriters among participating bidders will be based on the results of the DAiSS<sup>SM</sup> auction.</p> <p>It is anticipated that the public offering price for the Notes will be based on the yield as determined by the final clearing spread at the close of the DAiSS<sup>SM</sup> auction plus the yield on the Specified Pricing Index as described in the DAiSS<sup>SM</sup> auction rules. The Specified Pricing Index for this offering is the 5.75% U.S. Treasury Notes due November 15, 2005, as reported on page BSET 6 (Bear Stearns Electronic Trading) on Bloomberg L.P. as determined at the time of pricing. The purchase price of the Notes will be set at a premium or discount to par. Any discount shall not be greater than 1% of par. Additional information regarding pricing of the Notes, including minimum admissible bids and maximum quantity restrictions, is contained in the term sheet. The term sheet is available to participating bidders in the offering cul-de-sac on the DAiSS<sup>SM</sup> auction site and is attached to this prospectus supplement as Appendix B.</p>

If bids in an amount equal to the aggregate amount of Notes offered have not been received at the close of the regular auction period in the DAiSS<sup>SM</sup> auction, Bear Stearns will consult with us and may submit a bid at the maximum clearing spread in an amount that will bring the total amount bid to the aggregate amount of the offering. See "Underwriting" below.

Participation in the DAiSS<sup>SM</sup> auction is subject to specific rules and procedures. These procedures, including how to bid, how to change a bid, how the offering will be allocated and other mechanical and legal aspects of participating in the DAiSS<sup>SM</sup> auction, are contained in the auction rules. The DAiSS<sup>SM</sup> auction rules are available to participating bidders in the offering cul-de-sac on the DAiSS<sup>SM</sup> auction site and are attached to this prospectus supplement as Appendix A. You should review the auction rules for a more detailed description of the offering procedures.

**Date of Original Issuance  
(Settlement Date)**

May , 2001.

**Maturity Date**

May 1, 2006.

**Interest Payment Dates**

May 1 and November 1 in each year, beginning November 1, 2001.

**Ranking**

The Notes will be unsecured and will rank equally with all our other unsecured and unsubordinated debt. Because we are a holding company, the Notes will be effectively subordinated to the claims of creditors of our subsidiaries with respect to their assets. At February 23, 2001:

we had outstanding (on an unconsolidated basis) approximately \$35.9 billion of debt and other obligations, including approximately \$34.5 billion of senior debt, none of which is secured; and

our subsidiaries had outstanding (after consolidation and eliminations) approximately \$124.5 billion of debt and other obligations (including \$47.3 billion related to securities sold under repurchase agreements, \$46.7 billion related to payables to customers, \$20.9 billion related to financial instruments sold, but not yet purchased, and \$9.6 billion of other liabilities, including \$4.2 billion of debt).

**Mandatory Redemption or  
Sinking Fund**

None.

**Optional Redemption**

The Notes may only be redeemed prior to maturity if certain events involving US taxation occur. See "Redemption Upon Certain Tax Events" below.

**Payment of Additional Amounts** Subject to the various exceptions and limitations set forth in this prospectus supplement, we will pay as additional interest or, as the case may be, principal on the Notes all such additional amounts that are necessary in order that the net payment by us or a paying agent of the principal of and interest on the Notes to a person that is not a US Holder (as defined under "Certain US Federal Income Tax Considerations"), after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority of the United States or in the United States, imposed by withholding with respect to the payment, will not be less than the amount provided in the Notes to be then due and payable. See "Description of the Notes Payment of Additional Amounts" below.

**Redemption Upon Certain Tax Events** If (a) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under those laws) of the United States (or any political subdivision or taxing authority of the United States or in the United States), or any change in, or amendments to, the official position regarding the application or interpretation of these laws, regulations or rulings, which is announced or becomes effective on or after the date of this prospectus supplement, we become or will become obligated to pay additional amounts as described in this prospectus supplement under the heading "Description of the Notes Payment of Additional Amounts" below or (b) any act is taken by a taxing authority of the United States on or after the date of this prospectus supplement, whether that act is taken with respect to us or any affiliate, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, in whole but not in part, the Notes on any interest payment date on not less than 30 nor more than 60 days' prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued on the Notes to the date fixed for redemption; provided that we determine, in our business judgment, that the obligation to pay such additional amounts cannot be avoided by the use of reasonable measures available to us, not including substitution of the obligor under the Notes. See "Description of the Notes Redemption Upon Certain Tax Events" below.

**Use of Proceeds** We will use the net proceeds before expenses from the sale of the Notes of approximately \$ million for general corporate purposes. These purposes may include additions to working capital, the repayment of short-term and long-term debt and making investments in or extending credit to our subsidiaries.

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**Book-Entry Form** The Notes will be issued only in book-entry form. This means that we will not issue certificates to you. Instead, the Notes will be issued in the form of one or more fully registered global securities, which will be deposited with a custodian. The Notes will be registered in the name of Cede & Co., as the nominee for The Depository Trust Company. You will not receive a definitive note representing your interest. This form will be referred to as "book-entry only." You may elect to hold your interests in the global securities through either The Depository Trust Company ("DTC") (in the United States) or Clearstream Banking, société anonyme ("Clearstream") or Morgan

Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system ("Euroclear") (in Europe). Interests will be held on behalf of the participants of Clearstream and Euroclear on the books of their respective depositories. See "Description of Debt Securities - Global Securities" in the accompanying prospectus and "Description of the Notes - Book-Entry, Delivery and Form - Global Clearance and Settlement Procedures" below.

**Events of Default**

See "Description of Debt Securities - Events of Default" in the accompanying prospectus.

**Limitation on Liens**

See "Description of Debt Securities - Limitation on Liens" in the accompanying prospectus.

**Listing**

We will make application to the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 (the "UK Listing Authority") for the Notes to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange Limited (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. We cannot guarantee that our application will be approved, and settlement of the Notes is not conditioned on obtaining the listing.

**Governing Law**

New York.

**Selling Restrictions**

There are selling restrictions for certain jurisdictions, including the United Kingdom. See "Underwriting" below.

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**RATIO OF EARNINGS TO FIXED CHARGES**

Our ratio of earnings to fixed charges was 1.3 for the three months ended February 23, 2001 and 1.2 for the fiscal year ended November 30, 2000. The ratio was calculated by dividing the sum of the fixed charges into the sum of the earnings before taxes and fixed charges. Fixed charges for purposes of the ratio consist of interest expense and certain other immaterial expenses.

**THE BEAR STEARNS COMPANIES INC.**

We are a holding company that, through our subsidiaries, principally Bear Stearns, BSSC, BSIL and BSB, is a leading investment banking, securities trading and brokerage firm serving corporations, governments, institutional and individual investors worldwide. BSSC, a subsidiary of Bear Stearns, provides professional and correspondent clearing services, in addition to clearing and settling our proprietary and customer transactions. Our business includes:

market-making and trading in US government, government agency, corporate debt and equity, mortgage-related, asset-backed and municipal securities;

trading in options, futures, foreign currencies, interest rate swaps and other derivative products;

securities, options and futures brokerage;

providing securities clearance services;

managing equity and fixed income assets for institutional and individual clients;



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financing customer activities;

securities lending;

securities and futures arbitrage;

involvement in specialist activity on both the NYSE and the AMEX;

underwriting and distributing securities;

arranging for the private placement of securities;

assisting in mergers, acquisitions, restructurings and leveraged transactions;

making principal investments in leveraged acquisitions;

engaging in commercial real estate activities;

investment management and advisory services; and

advisory, fiduciary, custody, agency and securities research services.

Our business is conducted:

from our principal offices in New York City;

from domestic regional offices in Atlanta, Boston, Chicago, Dallas, Denver, Los Angeles, San Francisco and San Juan;

from representative offices in Beijing, Buenos Aires, Sao Paulo, Seoul and Shanghai;

through international offices in Dublin, Hong Kong, London, Lugano, Singapore and Tokyo; and

through joint ventures with other firms in Belgium, Greece and Spain.

We are incorporated in the State of Delaware. Our principal executive office is located at 245 Park Avenue, New York, New York 10167, USA, and our telephone number is (212) 272-2000. Our internet address is <http://www.bearstearns.com>.

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### Directors of the Company

The following table sets forth certain information concerning the directors of the Company.

Name

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	Age  (as of January 22, 2001)	Principal Occupation and Directorships Held	Year First Elected to Serve as Director of the Company
James E. Cayne	66	President and Chief Executive Officer of the Company and Bear Stearns and member of the Executive Committee	1985
Carl D. Glickman	74	Private Investor; Director, Office Max Inc.; Trustee, Lexington Corporate Property Trust	1985
Alan C. Greenberg	73	Chairman of the Board of the Company and Bear Stearns and Chairman of the Executive Committee	1985
Donald J. Harrington, C.M.	55	President, St. John's University; Director, The Reserve Fund, Reserve Institutional Trust, Reserve Tax-Exempt Trust, Reserve New York Tax-Exempt Trust and Reserve Special Portfolios Trust	1993
William L. Mack	60	President and Senior Managing Partner, The Mack Organization; Founder and Managing Partner, The Apollo Real Estate Investment Funds; Chairman of the Board of Metropolis Realty Trust, Inc. and Mack-Cali Realty Corporation; Director, Koger Equity, Inc., Vail Resorts, Inc. and Wyndham International, Inc.	1997
Frank T. Nickell	53	President and Chief Executive Officer of Kelso & Company; Director, Blackrock Inc, Earle M. Jorgensen Company and Peebles Inc.	1993
Frederic V. Salerno	57	Vice Chairman and CFO of Verizon Communications; Director, Avnet, Inc., Orion Power Holdings and Viacom, Inc.	1992
Alan D. Schwartz	50	Executive Vice President and Head of the Investment Banking Group of Bear Stearns; Director, Unique Casual Restaurants, Inc.	1987(1)
Warren J. Spector	43	Executive Vice President and Head of the Fixed Income Group of Bear Stearns	1990(1)
Vincent Tese	57	Chairman and Director of Wireless Cable International Inc.; Director, Allied Waste Industries Inc., Angram, Inc., Bowne & Co., Inc., Xanboo Inc., Cablevision Inc., Mack-Cali Realty Corp., Orion Power Holdings, Inc., National Wireless Holdings Inc. and Lynch Interactive Corp.	1994
Fred Wilpon	64	Chairman of the Board of Directors of Sterling Equities, Inc.; Director, Loews Corporation; President and Chief Executive Officer of the New York Mets	1993

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(1)

Did not serve as director during 1997 and 1998.

Mr. Cayne has been Chief Executive Officer and President of the Company and Bear Stearns for more than the past five years.

Mr. Glickman has been a private investor for more than the past five years. Mr. Glickman is also currently Chairman of the Compensation Committee of the Board of Directors of the Company.

Mr. Greenberg has been Chairman of the Board of the Company for more than the past five years.

Father Harrington has been the President of St. John's University for more than the past five years.

Mr. Mack has been President and Senior Managing Partner of The Mack Organization (a national owner, developer and investor in office and industrial buildings and other real estate) and Managing Partner of the Apollo Real Estate Investment Funds for more than the past five years. Mr. Mack is Chairman of the Board of Mack-Cali Realty Corporation (a publicly traded real estate investment trust). Mr. Mack is Chairman of the Board of Metropolis Realty Trust, Inc. (the owner of high rise office buildings).

Mr. Nickell has been President of Kelso & Company, a privately held merchant banking firm, for more than the past five years. Mr. Nickell was appointed Chief Executive Officer of Kelso & Company in 1998.

Mr. Salerno is the Vice Chairman and CFO of Verizon Communications (formerly Bell Atlantic Corporation). Prior to June 2000, Mr. Salerno was the Senior Executive Vice President and CFO/Strategy and Business Development of Bell Atlantic Corporation. Prior to the merger of NYNEX Corp. ("NYNEX") and Bell Atlantic Corporation, Mr. Salerno was the Vice Chairman of the Board of NYNEX for more than five years. Mr. Salerno served as Chairman of the Board of the State University of New York from 1990 to 1996.

Mr. Schwartz has been an Executive Vice President of Bear Stearns for more than the past five years. Prior to June 30, 1999, Mr. Schwartz was an Executive Vice President of the Company and a member of the Executive Committee for more than the past five years. Mr. Schwartz is responsible for all of the investment banking activities of Bear Stearns.

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Mr. Spector has been an Executive Vice President of Bear Stearns for more than the past five years. Prior to June 30, 1999, Mr. Spector was an Executive Vice President of the Company and a member of the Executive Committee for more than the past five years. Mr. Spector is responsible for all of the fixed income activities of Bear Stearns.

Mr. Tese has been Chairman of Wireless Cable International Inc. since April 1995. Mr. Tese was Chairman of Cross Country Wireless Inc. from October 1994 to July 1995 and was a corporate officer and a general partner of Cross Country Wireless Inc.'s predecessors, Cross Country Wireless Cable I, L.P. and Cross Country Wireless Cable West, L.P., from 1990 until October 1994. Mr. Tese was the Director of Economic Development for the State of New York from June 1987 to December 1994. Mr. Tese is currently Chairman of the Audit Committee of the Board of Directors of the Company.

Mr. Wilpon has been Chairman of the Board of Directors of Sterling Equities, Inc., a privately held entity, and certain affiliates thereof, which are primarily real estate development/owner management companies, for more than the past five years. Mr. Wilpon has also been President and Chief Executive Officer of the New York Mets baseball team for more than the past five years.

There is no family relationship among any of the directors or executive officers.

All directors hold office until our next Annual Meeting of Stockholders or until their successors have been duly elected and qualified. Officers serve at the discretion of the Board of Directors.

The business address for each director is 245 Park Avenue, New York, New York 10167, USA.

### USE OF PROCEEDS

We will use the net proceeds before expenses from the sale of the Notes of approximately \$ million for general corporate purposes. These purposes may include additions to working capital, the repayment of short-term and long-term debt and making investments in or extending

credit to our subsidiaries.

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### CAPITALIZATION

The following table sets forth our consolidated capitalization as of February 23, 2001 and as adjusted to give effect to the offering of the Notes. It is important that you read the following information along with the consolidated financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" and "General Information."

	February 23, 2001	
	Actual	As Adjusted
(Unaudited, in thousands)		
<b>Short-Term Borrowings(1)(3):</b>		
Bank Borrowings	\$ 1,901,898	\$ 1,901,898
Commercial Paper	7,669,291	7,669,291
Medium-Term Notes	6,236,083	6,236,083
<b>Total Short-Term Borrowings</b>	<b>\$ 15,807,272</b>	<b>\$ 15,807,272</b>
<b>Long-Term Borrowings(2)(3):</b>		
Floating Rate Notes due 2001 to 2007	\$ 4,810,541	\$ 4,810,541
Fixed Rate Senior Notes due 2001 to 2009; interest rates ranging from 6.125% to 9.375%	6,965,907	
Medium-Term Notes	7,870,417	7,870,417
<b>Total Long-Term Borrowings</b>	<b>19,646,865</b>	
<b>Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities(4)</b>	<b>500,000</b>	<b>500,000</b>
<b>Stockholders' Equity:</b>		
Preferred Stock, \$1.00 par value, Series A, E, F and G, 10,000,000 shares authorized, 6,250,000 shares issued	800,000	800,000
Common Stock, \$1.00 par value; 200,000,000 shares authorized; 184,805,848 shares issued	184,806	184,806
Paid-in Capital	2,585,506	2,585,506
Retained Earnings	2,733,919	2,733,919
Employee Stock Compensation Plans	1,867,646	1,867,646
Unearned Compensation	(206,516)	(206,516)
<b>Treasury Stock:</b>		
Adjustable Rate Cumulative Preferred Stock, Series A 2,520,750 shares	(103,421)	(103,421)
Common Stock 78,222,638 shares	(2,240,535)	(2,240,535)
<b>Total Stockholders' Equity</b>	<b>5,621,405</b>	<b>5,621,405</b>
<b>Total Long-Term Borrowings, Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities and Stockholders' Equity</b>	<b>\$ 25,768,270</b>	

- (1) Between February 23, 2001 and May 1, 2001, there was a net increase in short-term borrowings of approximately \$287.0 million.
- (2) Between February 23, 2001 and May 1, 2001, the Company issued approximately \$1.4 billion in long-term borrowings and retired approximately \$792.6 million of its long-term borrowings.
- (3) By virtue of the nature of our business and that of our subsidiaries, our borrowings, particularly our short-term borrowings, fluctuate from day to day in the ordinary course of business. Except as disclosed in Notes (1) and (2), since February 23, 2001, there has been no material change in our consolidated capitalization.
- (4) The Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities reflects the preferred securities of Bear Stearns Capital Trust I and Bear Stearns Capital Trust II. Each of the trusts is a wholly-owned subsidiary of the Company and holds certain of our subordinated debentures as its sole asset.

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### SELECTED CONSOLIDATED FINANCIAL DATA

The financial data in the following table for the three months ended February 23, 2001 and February 25, 2000 has been derived from our unaudited consolidated financial statements for those periods. The financial data in the following table for the fiscal year ended November 30, 2000, the five months ended November 26, 1999, and the fiscal years ended June 30, 1999, 1998, 1997 and 1996 has been derived from our audited consolidated financial statements for those periods. See "Where You Can Find More Information" and "General Information."

	Three Months Ended	
	February 23, 2001	February 25, 2000
(Unaudited, in thousands, except share, per share and other data)		
<b>Operating Results:</b>		
Revenues	\$ 2,146,069	\$ 2,688,025
Interest expense	932,282	1,181,959
Revenues, net of interest expense	1,213,787	1,506,066
<b>Non-interest expenses</b>		
Employee compensation and benefits	642,259	718,655
Other	318,564	333,608
Total non-interest expenses	960,823	1,052,263
Income before provision for income taxes and cumulative effect of change in accounting principle	252,964	453,803
Provision for income taxes	87,010	175,622
Income before cumulative effect of change in accounting principle	165,954	278,181
Cumulative effect of change in accounting principle, net of tax	(6,273)	
Net income	\$ 159,681	\$ 278,181
Net income applicable to common shares	\$ 149,903	\$ 268,403
<b>Financial Position:</b>		
Total assets	\$ 167,817,274	\$ 175,009,863
Long-term borrowings	\$ 19,646,865	\$ 17,748,479
Stockholders' equity(1)	\$ 6,121,405	\$ 5,437,291

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Three Months Ended

Common shares and common share equivalents outstanding(2)	159,125,959	162,607,443
<b>Per Share Data:(2)</b>		
Basic earnings per share:		
Before change in accounting principle	\$ 1.15	\$ 1.89
Cumulative effect of change in accounting principle	(.04)	
	<u>\$ 1.11</u>	<u>\$ 1.89</u>
Diluted earnings per share:		
Before change in accounting principle	\$ 1.10	\$ 1.89
Cumulative effect of change in accounting principle	(.04)	
	<u>\$ 1.06</u>	<u>\$ 1.89</u>
Cash dividends declared per common share	\$ 0.15	\$ 0.15
Book value per common share	\$ 31.94	\$ 28.21
<b>Other Data:</b>		
Return on average common equity	13.6%	27.9%
Profit margin(3)	20.8%	30.1%
Employees	11,298	10,210

- (1) As of February 23, 2001 and February 25, 2000, stockholders' equity includes \$500 million of Guaranteed Preferred Beneficial Interests in Company Subordinated Debt Securities, which reflects preferred securities of Bear Stearns Capital Trust I and Bear Stearns Capital Trust II.
- (2) Reflects all stock dividends prior to February 23, 2001.
- (3) Represents the ratio of income before provision for income taxes to revenues, net of interest expense.

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	Fiscal Year Ended November 30, 2000	Five Months Ended November 26, 1999	Fiscal Year Ended June 30,			
			1999	1998	1997	1996
(In thousands, except share, per share and other data)						
<b>Operating Results:</b>						
Revenues	\$ 10,276,569	\$ 3,470,290	\$ 7,882,038	\$ 7,979,936	\$ 6,077,278	\$ 4,963,863
Interest expense	4,800,891	1,531,787	3,379,914	3,638,513	2,551,364	1,981,171
Revenues, net of interest expense	5,475,678	1,938,503	4,502,124	4,341,423	3,525,914	2,982,692
Non-interest expenses						
Employee compensation and benefits	2,814,193	973,990	2,285,594	2,111,741	1,726,931	1,469,448
Other	1,489,962	510,921	1,152,422	1,166,190	785,293	678,318
Total non-interest expenses	4,304,155	1,484,911	3,438,016	3,277,931	2,512,224	2,147,766
Income before provision for income taxes	1,171,523	453,592	1,064,108	1,063,492	1,013,690	834,926
Provision for income taxes	398,340	167,778	391,060	403,063	400,360	344,288
Net income	\$ 773,183	\$ 285,814	\$ 673,048	\$ 660,429	\$ 613,330	\$ 490,638

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	Fiscal Year	Five Months	Fiscal Year Ended June 30,			
	Ended November 30, 2000	Ended November 26, 1999				
Net income applicable to common shares	734,070	269,517	\$ 633,618	\$ 629,417	\$ 589,497	\$ 466,145
<b>Financial Position:</b>	\$	\$				
Total assets	\$ 171,166,473	\$ 162,037,962	\$ 153,894,340	\$ 154,495,895	\$ 121,433,535	\$ 92,085,157
Long-term borrowings	\$ 20,095,888	\$ 15,911,392	\$ 14,647,092	\$ 13,295,952	\$ 8,120,328	\$ 6,043,614
Stockholders' equity(1)	\$ 6,154,288	\$ 5,441,947	\$ 5,455,509	\$ 4,641,533	\$ 3,626,371	\$ 2,895,414
Common shares and common share equivalents outstanding(2)	158,039,960	165,956,810	167,265,996	167,173,826	167,096,515	166,780,371
<b>Per Share Data:(2)</b>						
Basic earnings per share	\$ 5.37	\$ 1.78	\$ 4.26	\$ 4.17	\$ 3.81	\$ 2.96
Diluted earnings per share	\$ 5.35	\$ 1.78	\$ 4.26	\$ 4.17	\$ 3.81	\$ 2.96