

Information Statement

Dated September 9, 2002

Business Development Bank of Canada



GLOBAL STOCK INDEX OPAL™ NOTES SERIES 1

Due October 9, 2008

Price: \$1,000.00 per Note

Business Development Bank of Canada ("BDC") has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the Notes (as defined below) are true and accurate in all material aspects and that there are no other material facts in relation to the Notes the omission of which would make any statement herein, whether of fact or opinion, misleading.

No person has been authorized to give any information or to make any representations other than those that may be contained in:

- (a) this Information Statement,*
- (b) any amendments made from time to time to this Information Statement, or*
- (c) any supplementary terms and conditions provided in any Global Note or other definitive replacement note therefor,*

in connection with the offering or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this Information Statement nor the issue of the Notes nor any sale thereof shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of BDC since the date hereof. This Information Statement does not constitute an offer or invitation by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Information Statement and the offering and sale of the Notes are restricted within Canada and to Canadian residents and may be subject to further restrictions within any relevant province or territory. BDC and the selling agents require persons into whose possession this Information Statement comes to inform themselves of and observe any and all such restrictions.

More particularly, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and the Notes may not be offered, sold or delivered within the United States or to United States persons (as such expressions are defined in the United States Internal Revenue Code and Regulations thereunder).

In this Information Statement, capitalized terms will have the meanings ascribed to them and references to "\$" are to Canadian dollars.

No securities commission or similar authority has in any way passed upon the merits of the Notes and any representation to the contrary may be an offence.

"OPAL" is a trade-mark of Canadian Imperial Bank of Commerce, and has been licensed for use by BDC.

None of Canadian Imperial Bank of Commerce or any of their respective affiliates makes any representation, condition or warranty, express or implied, to the Investors or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Notes to track the performance of the Indices or general stock market performance or any other economic factors.

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Series 1
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SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Information Statement. Capitalized terms that are used but not defined in this summary are defined elsewhere in the Information Statement.

A Global Stock Index OPAL™ Note, Series 1, (a "Note") is a variable interest note issued by Business Development Bank of Canada. On the maturity of the Note (namely, October 9, 2008), the Investor will receive in Canadian dollars the Principal Amount, plus interest (if any) based on the performance of a notional Basket of Indices – namely the price versions of the Nikkei 225 Index, the S&P 500 Index, the Dow Jones EURO STOXX 50SM Index, the S&P/TSX 60 Index, the FTSE 100 Index and the Nasdaq-100 Index[®]. The Note is an issuance of a series of Optimizing Performance Linked Notes or "OPAL"™ Notes.

Interest, if any, payable at maturity will equal the Principal Amount times the Overall Return. Generally stated, the Overall Return will be the average of six Index Returns (each of which may be positive or negative) – one for each of the six Indices. An Index Return for an Index (i.e., its percentage increase or decrease from issuance) will be determined each year after issuance of the Notes. After an Index Return for an Index is determined, subsequent performance of such Index does not factor into the determination of interest payable under the Notes.

For example, on the Year 1 End Date, an Index Return will be determined for the Index having the "best return" of those in the Basket – namely, having the largest positive return among the six Indices (or the least negative return if all Indices have performed negatively), measured from the Issue Date to the Year 1 End Date, and such Index is then removed from the Basket. On the Year 2 End Date, an Index Return will be determined for the Index having the best return among the five Indices remaining in the Basket, again measured from the Issue Date to the Year 2 End Date, and such second Index is then removed from the Basket. And so on, on each Year End Date occurring up to Year 6 End Date, whereupon the Index Return for the sole remaining Index will be determined, measured from the Issue Date to the Year 6 End Date. The Overall Return will be the average of the Index Returns for the six Indices, provided that if such average is not greater than zero, no interest will be payable.

- Issuer:** The Notes will be issued by Business Development Bank of Canada ("BDC").
- Principal Amount:** The Notes will be sold in a denomination of \$1,000.00 per Note (the "Principal Amount"), with a minimum subscription of five (5) Notes per holder (each a "Investor").
- | | | | |
|---------------------|---|-----------------------------------|---------------------------------------|
| Issue Price: | <u>Price to the Investor</u> ⁽¹⁾ | <u>Upfront Selling Agent Fees</u> | <u>Proceeds to BDC</u> ⁽²⁾ |
| | \$1,000.00 (Par) per Note | \$37.50 | \$962.50 |
- (1) The Issue Price has been determined by negotiation between BDC and BDC World Markets Inc. (the "Selling Agent").
- (2) Before deduction of expenses of issue which, together with the Selling Agent's commissions, will be paid by the issuer out of general funds.
- Issue Date:** The Notes will be issued on or about October 9, 2002 (the actual date of issuance being the "Issue Date").
- Maturity Date/Term:** The Notes will mature on October 9, 2008 (the "Maturity Date"), resulting in a term to maturity of approximately six years.
- Amounts Payable At Maturity:** The amount payable under a Note on the Maturity Date will be equal to the sum of (i) the Principal Amount, plus (ii) Variable Interest (subject to the provisions outlined under "DESCRIPTION OF THE NOTES – *Special Circumstances*" set out below), if any.
- Principal Amount Payment:** An Investor will be paid on the Maturity Date the Principal Amount of \$1,000.00 per Note. The Notes cannot be redeemed or retracted prior to the Maturity Date.
- The Indices:** Variable Interest, if any, payable under the Notes is linked to the performances of the price versions of the Nikkei 225 Index, the S&P 500 Index, the Dow Jones EURO STOXX 50SM Index, the S&P/TSX 60 Index, the FTSE 100 Index and the Nasdaq-100 Index (each an "Index" and collectively, the "Indices"). Each Index is more completely described below under "THE INDICES".
- Variable Interest Payment:** An Investor will be paid interest ("Variable Interest"), if any, in Canadian dollars on the Maturity Date (subject to the provisions outlined under "DESCRIPTION OF THE NOTES –

Special Circumstances" set out below). An Investor cannot elect to receive Variable Interest prior to the Maturity Date. Variable Interest, if any, per Note payable on the Maturity Date will be in an amount equal to the result obtained using the following formula:

$$\text{Variable Interest} = \$1,000.00 \times \text{Overall Return}$$

Generally stated, the Overall Return will be the average of six Index Returns (each of which may be positive or negative) - one for each of the six Indices. An Index Return for an Index (i.e., its percentage increase or decrease from issuance) will be determined each year after issuance of the Notes. **After an Index Return for an Index is determined, subsequent performance of such Index does not factor into the determination of interest payable under the Notes.** See "VARIABLE INTEREST CALCULATION" starting on page 3 below for the precise formula for determining Variable Interest and for example calculations. See "DESCRIPTION OF THE NOTES" starting on page 7 for further details.

Variable Interest, if any, payable on the Notes and the value of the Notes themselves will NOT track the average performance of the Indices. See "VARIABLE INTEREST CALCULATION" below and the included examples.

- Special Circumstances:** If a Market Disruption Event in respect of an Index occurs on a day on which the Closing Value of such Index is to be determined for computing Variable Interest, determination of that Closing Value will be postponed to a later date. The occurrence of an Extraordinary Event in respect of an Index may result in a substitute index replacing the affected Index or may accelerate the payment of Variable Interest, if any, and the manner in which it is calculated. However, the Principal Amount of each Note will not be repaid until the Maturity Date in any event. See "DESCRIPTION OF THE NOTES – *Special Circumstances*" starting on page 8.
- Eligibility for Investment:** The Notes, if issued on the date hereof, would be qualified investments under the Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by BDC or a corporation with which BDC does not deal at arm's length within the meaning of the Act), and the Notes would not constitute foreign property for the purposes of the Act.
- Secondary Market:** There is currently no market for the Notes, and there can be no assurance that such a market will develop. If such a market develops, there can be no assurance that it will be liquid. The Notes will not be listed on any stock exchange.
- Book-Entry Registration:** The Notes will be evidenced by a single global certificate held by The Canadian Depository for Securities Limited or its successor ("CDS"), or its nominee on its behalf, as registered holder of the Notes. Registration of the interests in and transfers of the Notes will be made only through its book-entry system. Subject to certain limited exceptions, no Investor will be entitled to any certificate or other instrument from BDC or CDS evidencing the ownership thereof and no Investor will be shown on the records maintained by CDS except through an agent who is a participant of CDS.
- Risk Factors:** A person should consider carefully certain risk factors set out on page 21 before reaching a decision to buy the Notes.

VARIABLE INTEREST CALCULATION

Each Note will bear interest (referred to as Variable Interest), if any, payable in Canadian dollars, without any need for the Investor to elect or otherwise take any action. Variable Interest, if any, will be paid on the Maturity Date (subject to (i) postponement of the determination of the amount of Variable Interest due to a Market Disruption Event or (ii) the earlier occurrence of an Extraordinary Event, as described under "DESCRIPTION OF THE NOTES – *Special Circumstances*" starting on page 8 below).

Variable Interest, if any, per Note payable on the Maturity Date will be an amount in Canadian dollars equal to the result obtained using the following formula:

$$\text{Variable Interest} = \$1,000.00 \times \text{Overall Return}$$

Where:

"Overall Return" means the number, expressed as a percentage (rounded to three decimal places), equal to the greater of (i) the average (which may be positive or negative) of the six Index Returns for the Indices determined in respect of the Year End Dates, and (ii) nil.

"Index Return" means, in respect of a Year End Date, the number (expressed as a percentage, rounded to three decimal places) equal to the Index Performance of the Index included in the Basket on such Year End Date which is the largest positive number compared with all other Index Performances of any other Indices included in the Basket on such Year End Date (or the least negative number if all such Index Performances are negative), provided that on the Year 6 End Date when only a single Index remains in the Basket, the Index Return in respect of the Year 6 End Date shall be the Index Performance of such single Index in respect of the Year 6 End Date.

"Year End Date" means each of the Year 1 End Date, the Year 2 End Date, the Year 3 End Date, the Year 4 End Date, the Year 5 End Date and the Year 6 End Date.

"Year 1 End Date" means October 9, 2003.

"Year 2 End Date" means October 9, 2004.

"Year 3 End Date" means October 9, 2005.

"Year 4 End Date" means October 9, 2006.

"Year 5 End Date" means October 9, 2007.

"Year 6 End Date" means October 7, 2008.

"Index Performance" means, in respect of an Index and a Year End Date, the number (expressed as a percentage, rounded to three decimal places) calculated as follows:

$$\text{Index Performance} = \frac{\text{Year End Value} - \text{Issue Value}}{\text{Issue Value}}$$

"Year End Value" means, in respect of an Index and a Year End Date, the Closing Value of such Index for such Year End Date, provided that, if such Year End Date is not an Exchange Day in respect of such Index, then Year End Value in respect of such Index and such Year End Date means the Closing Value of such Index for the immediately preceding applicable Exchange Day, and further subject to the provisions set out below under "DESCRIPTION OF THE NOTES – *Special Circumstances*".

"Issue Value" means, in respect of an Index, the Closing Value of the Index for the Issue Date, subject to the provisions set out below under "DESCRIPTION OF THE NOTES – *Special Circumstances*".

"Basket" means, as of any Year End Date, all Indices except each Index whose Index Performance was determined as the Index Return for a prior occurring Year End Date.

"Closing Value" means, in respect of an Index, the official closing value for such Index as announced by the applicable Index Source, provided that, if on or after the Issue Date such Index Source materially changes the time of day at which such official closing value is determined or no longer announces such official closing value, the Calculation Agent may thereafter deem the Closing Value to be the value of such Index as of the time of day used by such Index Source to determine the official closing value prior to such change or failure to announce.

"Index Source" means, in respect of an Index, the entity which calculates and publishes such Index on the Issue Date (or, where such Index has been substituted into the Basket for another Index, on the date of such substitution), or any Successor Source.

“Successor Source” means, in respect of an Index, any entity which succeeds an Index Source in respect of such Index and continues calculation and publication of such Index, provided that such successor is acceptable to the Calculation Agent.

The amount of Variable Interest, if any, that may be payable is uncertain. An Investor will not be paid any Variable Interest if the average of the Index Returns is not greater than zero.

Example Calculations

The examples set out below demonstrate how Variable Interest is to be calculated pursuant to the above formula and are included for illustration purposes only. The Closing Values of the Indices used to illustrate the calculation of Variable Interest are not estimates or forecasts of the Closing Values of the Indices for the various Year End Dates. The examples assume the Investor has purchased a single Note.

Example #1: Assumes strong collective performance of the Indices.

Valuation Date	Closing Value					
	Nikkei 225 Index	S&P 500 Index	Dow Jones EUROSTOXX 50 Index	S&P/TSX 60 Index	FTSE 100 Index	Nasdaq-100 Index
Issue Date	10,200.00	950.00	2,800.00	375.00	4,400.00	1,000.00
1 2003-10-09	9,282.00	1,092.50	2,744.00	457.50	4,092.00	1,160.00
2 2004-10-09	11,602.50	775.68	2,250.08	333.98	5,442.36	1,264.40
3 2005-10-09	11,486.48	930.81	3,217.61	397.43	6,639.68	1,567.86
4 2006-10-09	10,797.29	1,033.20	4,472.48	592.17	4,647.78	1,379.71
5 2007-10-09	15,764.04	1,074.53	3,220.19	574.41	5,670.29	1,835.02
6 2008-10-07	23,330.78	1,310.92	3,477.80	603.13	5,159.96	2,569.03
Overall Index Performance *	128.733%	37.992%	24.207%	60.834%	17.272%	156.903%

* “Overall Index Performance” means, in respect of an Index, the percentage gain or loss in such Index measured from such Index’s assumed Issue Value to its assumed Closing Value on the Year 6 End Date.

Valuation Date	Index Performance						Index Return
	Nikkei 225 Index	S&P 500 Index	Dow Jones EUROSTOXX 50 Index	S&P/TSX 60 Index	FTSE 100 Index	Nasdaq-100 Index	
1 2003-10-09	-9.000%	15.000%	-2.000%	22.000%	-7.000%	16.000%	22.000%
2 2004-10-09	13.750%	-18.350%	-19.640%		23.690%	26.440%	26.440%
3 2005-10-09	12.613%	-2.020%	14.915%		50.902%		50.902%
4 2006-10-09	5.856%	8.758%	59.732%				59.732%
5 2007-10-09	54.549%	13.108%					54.549%
6 2008-10-07		37.992%					37.992%
Average of the Index Returns = 41.936%							

In this example, the average of the Index Returns would have been 41.936%, compared to the average of the assumed Overall Index Performances of the Indices over the term of the Notes (the “Average Overall Index Performance”) being 70.990%.

Accordingly, Variable Interest = Principal Amount x Overall Return (being the average of the Index Returns) = \$1,000.00 x 41.936% = \$419.36. Therefore, under this example, Variable Interest of \$419.36, plus the original Principal Amount of \$1,000.00, would have been payable on the Maturity Date.

Example #2: Assumes relatively weak collective performance of the Indices.

Valuation Date		Closing Value					
		Nikkei 225 Index	S&P 500 Index	Dow Jones EUROSTOXX 50 Index	S&P/TSX 60 Index	FTSE 100 Index	Nasdaq-100 Index
	Issue Date	10,200.00	950.00	2,800.00	375.00	4,400.00	1,000.00
1	2003-10-09	7,446.00	1,159.00	2,324.00	277.50	3,520.00	1,200.00
2	2004-10-09	6,701.40	1,611.01	2,533.16	260.85	2,745.60	1,092.00
3	2005-10-09	6,567.37	2,013.76	2,609.15	245.20	2,471.04	829.92
4	2006-10-09	9,325.67	1,510.32	2,713.52	267.27	3,360.61	655.64
5	2007-10-09	11,563.83	1,465.01	2,930.60	189.76	4,469.62	576.96
6	2008-10-07	15,726.81	1,084.11	2,871.99	220.12	3,933.26	438.49
Overall Index Performance		54.184%	14.117%	2.571%	-41.301%	-10.608%	-56.151%

Valuation Date		Index Performance						Index Return
		Nikkei 225 Index	S&P 500 Index	Dow Jones EUROSTOXX 50 Index	S&P/TSX 60 Index	FTSE 100 Index	Nasdaq-100 Index	
1	2003-10-09	-27.000%	22.000%	-17.000%	-26.000%	-20.000%	20.000%	22.000%
2	2004-10-09	-34.300%		-9.530%	-30.440%	-37.600%	9.200%	9.200%
3	2005-10-09	-35.614%		-6.816%	-34.614%	-43.840%		-6.816%
4	2006-10-09	-8.572%			-28.729%	-23.622%		-8.572%
5	2007-10-09				-49.397%	1.582%		1.582%
6	2008-10-07				-41.301%			-41.301%
Average of the Index Returns = -3.984%								

In this example, the average of the Index Returns would have been -3.984% (a negative number), compared to the Average Overall Index Performance being -6.198%. Since the average of the Index Returns is a negative number, no Variable Interest would have been payable. However, the Investor would have still received the original Principal Amount of \$1,000.00 on the Maturity Date.

Example based on Historical Performance:

The example below shows the amount of Variable Interest that would have been payable based on the historical performance of the Indices assuming the Notes were issued on July 31, 1996 for a term of six years. *Historical performance of the Indices will not necessarily predict respective future performance of Indices or the Notes or how much Variable Interest may be payable on the Notes.*

Valuation Date	Closing Value					
	Nikkei 225 Index	S&P 500 Index	Dow Jones EUROSTOXX 50 Index	S&P/TSX 60 Index	FTSE 100 Index	Nasdaq-100 Index
Issue Date	20,940.41	639.95	1,590.93	264.48	3,703.20	636.01
1 1997-07-31	20,331.43	954.29	2,674.83	380.73	4,907.50	1,107.03
2 1998-07-31	16,378.97	1,120.67	3,480.63	400.51	5,837.00	1,377.26
3 1999-07-31	17,861.86	1,328.72	3,638.62	415.10	6,231.90	2,270.93
4 2000-07-31	15,727.49	1,430.83	5,122.80	638.35	6,365.30	3,609.35
5 2001-07-31	11,860.77	1,211.23	4,091.38	445.15	5,529.10	1,683.61
6 2002-07-31	9,666.67	911.62	2,685.79	371.06	4,246.20	962.11
Overall Index Performance	-53.837%	42.452%	68.819%	40.298%	14.663%	51.273%

Valuation Date	Index Performance						Index Return
	Nikkei 225 Index	S&P 500 Index	Dow Jones EUROSTOXX 50 Index	S&P/TSX 60 Index	FTSE 100 Index	Nasdaq-100 Index	
1 1997-07-31	-2.908%	49.119%	68.130%	43.954%	32.521%	74.059%	74.059%
2 1998-07-31	-21.783%	75.118%	118.780%	51.433%	57.620%		118.780%
3 1999-07-31	-14.701%	107.629%		56.949%	68.284%		107.629%
4 2000-07-31	-24.894%			141.360%	71.886%		141.360%
5 2001-07-31	-43.359%				49.306%		49.306%
6 2002-07-31	-53.837%						-53.837%
Overall Return (being the average of the Index Returns) = 72.883%							

In this example using historical performance data, the average of the Index Returns would have been 72.883%, compared to the Average Overall Index Performance being 27.278%. Accordingly, using historical performance data, Variable Interest = Principal Amount x Overall Return (being the average of the Index Returns) = \$1,000 x 72.883% = \$728.83. Therefore, for each Note using this example, Variable Interest of \$728.83, plus the original Principal Amount of \$1,000.00, would have been payable on the Maturity Date.

What should be learned from the Examples and formula for Variable Interest

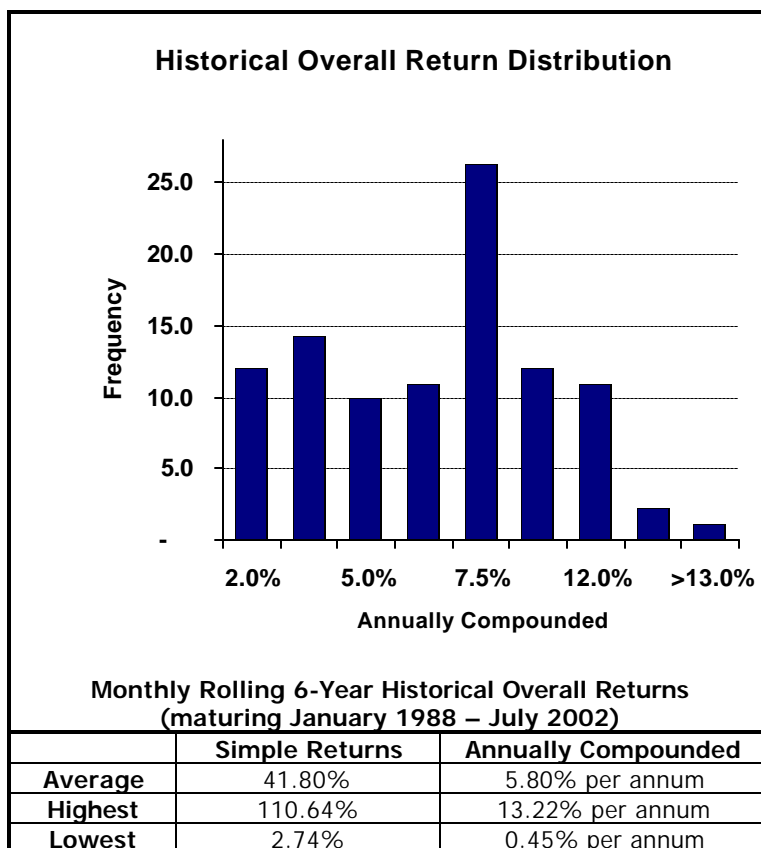
Investors should note that, although the amount of Variable Interest that may be payable is generally co-related to the future performance of the Indices, that amount payable (if any) will depend upon the timing and extent of the rises and falls in the Indices over the term to maturity. Specifically:

- No Variable Interest will be payable unless the Overall Return is positive.
- The Principal Amount per Note will be paid on the Maturity Date regardless of the performances of the Indices.
- Among various scenarios, it is possible that no Variable Interest may be payable (i.e., the Overall Return is not positive) even though the Average Overall Index Performance may be positive. It is also possible that Variable Interest may be payable (i.e., the Overall Return is positive) even though the Average Overall Index Performance may be negative.
- The Overall Return may be greater or less than the Average Overall Index Performance.
- Investing in the Notes will not offer the same return as a direct investment in the Indices.

HISTORICAL PERFORMANCE OF OVERALL RETURNS

The chart set out below shows the distribution of what the historical Overall Returns (expressed as per annum percentage which is annually compounded) would have been for various 6-year periods maturing on sequential month-end dates over the period from and including January 31, 1989 to and including July 31, 2002. All such returns would have been positive.

Historical performance shown below will not necessarily predict future performance of the Indices or how much Variable Interest may be payable on the Notes.



DESCRIPTION OF THE NOTES

Issue

Global Stock Index OPAL Notes, Series 1, will be issued by BDC on the Issue Date. BDC reserves the right to issue the Notes in an aggregate number and in an aggregate Principal Amount as BDC may determine in its absolute discretion.

Principal Amount and Minimum Subscription

Each Note will be issued in a face amount of \$1,000.00 (also referred to as the Principal Amount). The minimum subscription per Investor will be five Notes.

Maturity & Repayment of Principal Amount

Each Note matures on the Maturity Date, on which date the Investor will receive the Principal Amount (i.e., \$1,000.00 per Note). However, if the Maturity Date as defined in this Information Statement does not occur on a Banking Day, then the Maturity Date will be deemed to occur on the next following Banking Day and no interest or other compensation will be paid in respect of such postponement.

Variable Interest

Each Note will bear interest (referred to as Variable Interest) in an amount, if any, in Canadian dollars, without any need for the Investor to elect or otherwise take any action.

Variable Interest, if any, payable on the Maturity Date will be determined by the Calculation Agent (as identified below) in accordance with the formula and related definitions specified under "VARIABLE INTEREST CALCULATION" starting on page 3 above.

The amount of Variable Interest, if any, will depend upon the performance of the Indices. It is possible that no Variable Interest will be payable; no Variable Interest will be paid if the Overall Return is not greater than zero.

Variable Interest, if any, will be paid on the Maturity Date (subject to the provisions outlined under "Special Circumstances" below). More particularly, payment of any Variable Interest will be made by BDC on the Banking Day immediately following the determination of the Index Return for the Year 6 End Date. The timing and manner of determining Variable Interest may be affected by the occurrence of certain unusual events. See "Special Circumstances" starting on page 8 below. Generally stated, the payment date for Variable Interest will be the Maturity Date, provided that the determination of the Closing Value for the Index remaining in the Basket on the Year 6 End Date is not postponed due to a Market Disruption Event or the determination of Variable Interest is not accelerated to occur on an earlier date due to an Extraordinary Event as described under "Special Circumstances" below.

A day on which a Closing Value of an Index is scheduled to be determined for computing Variable Interest is referred to as a "Valuation Date". The occurrence of a Valuation Date is subject to the provisions set out below under "Special Circumstances".

Secondary Trading of Notes

An Investor cannot elect to receive Variable Interest before the Maturity Date. However, if there is an available secondary market (and there can be no assurance that there will be such a market or whether such market will be liquid), the Investor could sell a Note before the Maturity Date.

The trading price of a Note at any time will be dependent upon, among other things, (i) how much the Closing Values of the Indices have risen or fallen since the Issue Date and their performances concluded up to such time, (ii) the fact that the \$1,000 Principal Amount of the Note is payable on the Maturity Date regardless of the Closing Value or performance of any Index at any time and regardless of the aggregate performance of the Indices up to such time, (iii) which Indices remain in the Basket at such time, and (iv) a number of other interrelated factors, including, without limitation, volatility in the Closing Values, prevailing interest rates, the dividend yields of the securities comprising each Index, the time remaining to the Maturity Date, and the market demand for the Notes. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note. In particular, Investors should realize that the trading price, especially during the first few years of the term, (a) will have a low sensitivity to the rises and falls in the Indices (i.e., the trading price of a Note will increase and decrease at a lesser rate compared to the respective percentage increases and decreases of the Indices) and (b) may be substantially affected by changes in the level of interest rates independent of the performance of the Indices.

An Investor should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Note (assuming the availability of a secondary market) or hold the Note until the Maturity Date.

Special Circumstances

Calculation Agent in respect of Special Circumstances

If the Calculation Agent determines that any circumstance described below under "Postponement of Valuation Date Due to Market Disruption Event" or "Extraordinary Event May Trigger Early Variable Interest" or any Replacement Event has occurred, the Calculation Agent will give notice to the Investors of such determination (together with brief reasons therefor). The Calculation Agent will act as an independent expert in respect of such occurrence, and not as agent for BDC or the Investors, and its calculations and determinations shall, absent manifest error, be final and binding on BDC and the Investors. Calculations will be available to an Investor from the Calculation Agent. The Calculation Agent will not be responsible for its errors or omissions if made in good faith.

Postponement of Valuation Date Due to Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event (as defined below) in respect of an Index in the Basket has occurred and is continuing on any date that but for that event would be a Valuation Date in respect of such Index, then Variable Interest will be calculated (and the applicable Closing Value will be determined) on the basis that such Valuation Date will be postponed to the next Exchange Day on which there is no Market Disruption Event in effect in respect of such Index.

However, there will be a limit for postponement of any Valuation Date. If on the fifth Exchange Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event in respect of such Index on or after such fifth Exchange Day:

- (i) such fifth Exchange Day shall be the Valuation Date in respect of such Index, and
- (ii) where on that fifth Exchange Day a Market Disruption Event in respect of such Index has occurred and is continuing, then the Closing Value of such Index for such Valuation Date used for determining the relevant value of such Index in the calculation of Variable Interest will be a value (the "Expert Estimated Closing Value") equal to the estimate of the Calculation Agent for the Closing Value of such Index as at such Valuation Date reasonably taking into account all relevant market circumstances.

Definition of Market Disruption Event

"Market Disruption Event" means, in respect of an Index, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of BDC or any person that does not deal at arm's length with BDC which has or will have a material adverse effect on the ability of equity dealers generally to place, maintain or modify hedges of positions in respect of such Index. A Market Disruption Event may include, without limitation, any of the following events:

- (a) any suspension of or limitation on trading (by reason of movements in price exceeding permitted limits, or otherwise) (i) on an applicable Exchange or Exchanges in stocks that in aggregate comprise 20% or more of the value of such Index, or (ii) on any applicable Related Exchange in futures or options on such Index, where such suspension or limitation occurs or exists during the one-half hour period prior to the scheduled close of regular trading on the applicable Exchange or Related Exchange and where, in the determination of BDC, such suspension or limitation is material;
- (b) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for BDC to perform its obligations under the Notes or for equity dealers generally to place, maintain or modify hedges of positions in respect of such Index;
- (c) the taking of any action by any governmental, administrative, legislative or judicial authority or power of any country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or the country in which an applicable Exchange or Related Exchange is located; or
- (d) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of BDC to perform its obligations under the Notes or of equity dealers generally to place, maintain or modify hedges of positions with respect to such Index or a material and adverse effect on the Canadian economy or the trading of securities generally on any applicable Exchange or Related Exchange.

For the purposes of determining whether a Market Disruption Event in respect of an Index has occurred: (1) a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of an applicable Exchange or Related Exchange, (2) a "suspension of or limitation on trading" on any applicable Exchange or Related Exchange will not include any time when such Exchange or Related Exchange itself is closed for trading under ordinary circumstances, and (3) if trading in a security included in such Index is materially suspended or materially limited, then the relevant percentage contribution of that security to the value of such Index shall be based on a comparison of (i) the portion of the value of such Index attributable to that security relative to (ii) the overall value of such Index, in each case immediately before that suspension or limitation.

Extraordinary Event May Trigger Early Variable Interest

If the Calculation Agent determines that the following has occurred (an "Extraordinary Event"):

- (i) a Market Disruption Event in respect of any Index in the Basket has occurred and is continuing, and that any such Market Disruption Event has continued for at least ten consecutive Exchange Days without such Index being replaced by a New Index pursuant to "*Material Index Change / Replacement Event*" below, or
- (ii) an Material Index Change in respect of such Index occurs, but the Calculation Agent determines that no New Index exists to replace such Index pursuant to "*Material Index Change / Replacement Event*" below,

then BDC shall, at its option upon notice to the Investors to be given effective on an applicable Exchange Day (the date of such notification being the "Extraordinary Event Notification Date"), elect to accelerate the determination and payment of Variable Interest, if any, on all Notes (and thus discharge its obligations in respect of Variable Interest). Upon such election, Variable Interest, if any, per Note will be determined and calculated as of the Extraordinary Event Notification Date, subject to the following:

- (a) The amount of Variable Interest, if any, per Note payable by BDC will not be calculated in accordance with the provisions set out in "VARIABLE INTEREST CALCULATION" above. Instead, the amount of Variable Interest, if any, per Note payable by BDC will be equal to an amount (the "Expert Estimated Variable Interest Amount"), if any, based on the estimate by the Calculation Agent of the fair and reasonable amount that a Third Party Dealer (as defined below) would pay on the Extraordinary Event Notification Date, taking into

account all relevant market circumstances, for a right to receive on the Maturity Date an amount equal to the amount of Variable Interest, if any, per Note that, but for such occurrence of the Extraordinary Event, would have been payable on each Note on the Maturity Date.

- (b) Payment of Variable Interest, if any, per Note will be made on the seventh Banking Day after the Extraordinary Event Notification Date.

In these circumstances, payment of the Principal Amount per Note will not be accelerated and will remain due and payable on the Maturity Date. It should also be noted that the Expert Estimated Variable Interest Amount may be nil.

“Third Party Dealer” means a person or company (other than the Calculation Agent or BDC or any affiliate of either) that is an active participant in equity markets relevant to the Indices.

Material Index Change / Replacement Event

If either of the following occurs in respect of an Index included at such time in the Basket (a “Material Index Change”):

- (i) the applicable Index Source makes a material change in the formula for or the method of calculating the applicable Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in the component securities and capitalization and other routine events), or
- (ii) such Index Source fails to calculate and announce such Index and no Successor Source replaces such Index Source in calculating and announcing such Index,

then the Calculation Agent shall in a commercially reasonable manner determine if another comparable equity index exists that (1) is reasonably representative of the equity market which was represented by such Index affected by the Material Index Change (the “Affected Index”) and (2) may be as efficiently and economically hedged by dealers in such equity market as such Affected Index was. If the Calculation Agent determines that such other comparable index exists, then such other comparable index (the “New Index”) shall replace the Affected Index in the Basket as of the date of such determination. Upon any such replacement (a “Replacement Event”), the New Index shall be deemed to be the Affected Index for purposes of determining Variable Interest, and the Calculation Agent shall, as soon as practicable after such Replacement Event, make adjustments to any one or more of the Initial Value of the New Index, the formula for calculating the Index Performance of the New Index, or any other component or variable relevant to the determination of Variable Interest. Adjustments will be made in such a way as the Calculation Agent in a commercially reasonable manner determines appropriate to account in the calculation of Variable Interest for the performance of the Replaced Index up to the occurrence of such Replacement Event and the subsequent performance of the New Index in replacement thereof thereafter. Upon any Replacement Event and the making any such adjustment, the Calculation Agent shall promptly give notice and brief details thereof to CDS and the applicable CDS Participants (or directly to the Investors in the case where Notes are directly registered in their name and issued in definitive form).

Book-Entry System

All Notes will be represented in the form of a single fully-registered book-entry only global note (the “Global Note”) held by or on behalf of CDS as custodian of the Global Note (for its participants), and registered in the name of CDS or its nominee (the “Nominee”), initially CDS & Co. (All references to the Notes and a Note contained in this Information Statement will include the Global Note unless the context otherwise requires.)

The Notes will be able to be purchased, transferred and repurchased through a broker or dealer who can effect trades under the book-entry system established and maintained by CDS (a “CDS Participant” and the “Book-Entry System”, respectively). Subject to certain exceptions outlined below, certificates evidencing the Notes will not be available to Investors under any circumstances and registration of ownership of the Notes will be made only through the Book-Entry System. Upon purchase of any Notes, an Investor will receive only the customary confirmation sent to such Investor by the investment dealer from whom or through whom such Notes are purchased.

Definitive certificates in relation to the Notes will be issued to CDS Participants if (i) the Paying and Transfer Agent advises the Investors that CDS is no longer willing or able to properly discharge its responsibilities as depositary with respect to the Notes and the Investors and BDC is unable to locate a qualified successor depositary system or (ii) the Paying and Transfer Agent, at its option, advises the Investors in writing that BDC elects to terminate the use of the Book-Entry System with respect to the Notes. In either event, the Paying and Transfer Agent will notify all CDS Participants and Investors, through the Book-Entry System, of the availability of definitive certificates. Upon the surrender by CDS of the Global Note representing the Notes and instructions from CDS for registration, BDC will issue, or cause to be issued, definitive certificates to CDS Participants appearing on the records maintained by CDS at the time of or as soon as practicable prior to such delivery, which definitive certificates will thereafter evidence Notes previously evidenced by the Global Note.

The text of the definitive certificates evidencing Notes will contain such provisions as BDC may deem necessary or advisable. The Paying and Transfer Agent will keep or cause to be kept a register in which will be recorded registrations and transfers of Notes in definitive form if issued. Such register will be kept at the offices of the Paying and Transfer Agent, or at such other offices notified by BDC to the Investors.

No transfer of a definitive certificate evidencing a Note will be valid unless made at such offices upon surrender of the certificate in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to BDC or its agent, and upon compliance with such reasonable conditions as may be required by BDC or its agent and with any requirement imposed by law, and entered on the register. No Global Note may be transferred except as a whole by CDS to a nominee of CDS or by a nominee of CDS to CDS or another nominee of CDS.

Payment

The amounts payable under the Global Note on any due date will be made available by BDC through CDS or its Nominee in accordance with arrangements between BDC and CDS. CDS or its Nominee (as the case may be) will, upon receipt of any such amount, immediately facilitate payment to the applicable CDS Participants, or credit to those CDS Participants' CDS accounts, in amounts proportionate to their respective beneficial interests as shown on the records of CDS or its Nominee. BDC expects that payments by CDS Participants to owners of beneficial interests in the Global Note held through such CDS Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name". These payments are the responsibility of such CDS Participants. The responsibility and liability of BDC in respect of Notes represented by the Global Note is limited to making payment of any amount due on the Global Note to CDS or its Nominee.

Neither BDC nor the Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership of Notes represented by the Global Note or for maintaining, supervising or reviewing any records relating to such ownership.

Payments on a definitive Note, if issued, will be made by cheque mailed to the applicable Investor at the address of the Investor appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the Investor at least five Banking Days before the date of the payment and agreed to by BDC, by electronic funds transfer to a bank account nominated by the Investor with a bank in Canada. Payment under any definitive Note is conditional upon the Investor first delivering the Note to the Paying and Transfer Agent who reserves the right on behalf of BDC, in the case of payment of the Variable Interest, if any, prior to the Maturity Date, to mark on the Note that Variable Interest has been paid in full or in part (as the case may be), or, in the case of payment of any Variable Interest and the Principal Amount under the Note in full at any time, to retain the Note and mark the Note as cancelled.

Neither BDC, the Paying and Transfer Agent nor CDS will be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note.

Status

The Notes will constitute direct unconditional obligations of BDC under the terms of its medium term note program. The Notes will rank *pari passu* and will be payable rateably without any preference or priority.

Plan of Distribution

Each Note will be issued at 100% of the Principal Amount thereof (i.e., \$1,000.00). The issue price was determined by negotiation between BDC and the Selling Agent.

Under an agreement (the "Agency Agreement") between BDC and the Selling Agent, the Selling Agent has agreed to offer the Notes for sale on a best efforts basis, if, as and when issued by BDC in accordance with the provisions of the Agency Agreement. The continuing obligations of the Selling Agent under the Agency Agreement may be terminated and the Selling Agent may withdraw all subscriptions for Notes on behalf of the subscribers at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of other stated events.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Upon acceptance of a subscription, the Selling Agent will send out or cause to be sent out a confirmation of acceptance by prepaid mail or other means of delivery to the subscriber.

BDC will pay the Selling Agent a upfront sales commission of 3.75% of the Principal Amount payable on the Issue Date. All commissions payable to the Selling Agent will be paid on account of services rendered in connection with the offering and will be paid out of the general funds of BDC.

Dealers may from time to time purchase and sell Notes in the secondary market but none are not obligated to do so. There can be no assurance that there will be a secondary market for the Notes. The offering price and other selling terms for such sales in the secondary market may, from time to time, be varied by such dealers.

BDC reserves the right to issue additional Notes of this series or a series previously issued, and other debt securities which may have terms substantially similar to the terms of the Notes offered hereby, which may be offered by BDC concurrently with the offering of Notes. BDC further reserves the right to purchase for cancellation at its discretion any amount of Notes in the secondary market, without notice to the Investors in general.

Dealings With Companies

Each of the Calculation Agent, the Paying and Transfer Agent and BDC may from time to time, in the course of its normal business operations, hold interests linked to any Index or hold securities of, extend credit to or enter into other business dealings with one or more of the companies whose securities comprise part of an Index. Each has agreed that all such actions taken by it shall be taken based on normal commercial criteria in the particular circumstances and shall not take into account the effect, if any, of such actions on the value of any Index or the amount of Variable Interest that may be payable on the Notes.

Notification

All general notices to Investors regarding the Notes will be valid and effective (i) if such notices are given (which notice may be given by wire or fax) to CDS and the relevant CDS Participants, or (ii) in the case where the Notes are directly registered in the Investors' names and issued in definitive form, if such notices are mailed or otherwise delivered to the registered addresses of the Investors; provided, however, that any required notice of an Extraordinary Event will also be published in the Toronto and national editions of a major daily English language Canadian newspaper with national circulation and in a daily French language newspaper of general circulation in Montreal.

All notices to BDC regarding the Notes will be valid and effective if such notices are mailed or otherwise delivered to Business Development Bank of Canada, 5 Place Ville Marie, Bureau 400, Montreal, Quebec H3B 5E7 – Attention: Vice-President and Treasurer.

Calculation Agent

"Calculation Agent" means the calculation agent for the Notes appointed by BDC from time to time. The Calculation Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 5th Floor, Toronto, Ontario, M5J 1S8 – Attention: Equity Structured Products.

Paying and Transfer Agent

"Paying and Transfer Agent" means the paying and transfer agent for the Notes appointed by BDC from time to time pursuant to the applicable agreement governing such agency appointment. The Paying and Transfer Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 4th Floor, Toronto, Ontario, Canada M5J 2S8 – Attention: Debt Management Service.

Other Definitions

"Banking Day" means a day (other than a Saturday or a Sunday) on which (i) commercial banks are open for business in Toronto, Ontario, and (ii) BDC is open for business in Montreal, Quebec.

"Exchange" means, in respect of an Index, any exchange or trading system from which prices of securities are used from time to time in the computation of the value of such Index.

"Exchange Day" means, in respect of an Index, a day that is (i) a Banking Day, and (ii) a day which is (or, but for the occurrence of an Market Disruption Event in respect of an Index, would have been) a trading day on all Exchanges and Related Exchanges in respect of such Index other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time.

"Related Exchange" means, in respect of an Index, any exchange or trading system on which futures or options on such Index are listed from time to time.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations generally applicable to an Investor who purchases a Note at the time of its issuance and who, for the purposes of the *Income Tax Act* (Canada) (the "Act"), is a resident of Canada who deals at arm's length with BDC and holds a Note as capital property. This summary does not apply to an Investor that is a "financial institution" within the meaning of section 142.2 of the Act. This summary is based on the Act and the regulations made under the Act (the "Regulations") as in force on the date of this Information Statement, all specific proposals (the "Proposals") to amend the Act or Regulations publicly announced by the Minister of Finance prior to the date of this Information Statement and the current administrative practices and policies of the Canada Customs and Revenue Agency ("CCRA") as made publicly available by it. Except for the Proposals, this summary does not take into account or anticipate any changes to the

law or the CCRA's administrative practices or policies whether by legislative, governmental or judicial action. Provincial, territorial and foreign income tax considerations are not addressed. This summary is not intended to constitute, nor should it be relied upon as, tax advice to any particular Investor. All Investors should consult their own tax advisors with respect to their tax positions. In particular, Investors should consult their tax advisors as to whether they will hold the Notes as capital property for purposes of the Act, which determination should take into account, among other factors, whether the Notes are acquired with the intention or secondary intention of selling them prior to the Maturity Date, and as to whether the Investor is eligible for and should file an election under subsection 39(4) of the Act to treat every "Canadian security" owned by the Investor, including the Notes, as capital property.

Variable Interest

In the event that an Investor holds a Note to maturity, the full amount of the Variable Interest generally will be included in the Investor's income in the Investor's taxation year that includes the Maturity Date except to the extent that some part or all of any minimum amount of Variable Interest has already been included in the Investor's income for that or a preceding taxation year. Where payment of the Variable Interest takes place prior to the Maturity Date as a result of an Extraordinary Event, the full amount of such payment will be included in the Investor's income in the Investor's taxation year in which the Variable Interest becomes calculable except to the extent that any minimum amount of Variable Interest has already been included in the Investor's income for that or a preceding taxation year.

In certain circumstances, provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Act). Based in part on an understanding of the CCRA's administrative practice, there will be no deemed accrual of interest on the Notes under these provisions, subject to the following proviso. On or after the Year 1 End Date, it is possible that there may be a requirement to include some accrued interest in the Investor's income for taxation years prior to 2008. This would only occur for a taxation year if, on the Year End Date of that taxation year, it becomes known that a minimum amount of Variable Interest will ultimately be payable on the Maturity Date (i.e., the Overall Return will definitely be positive even assuming a worst case scenario whereby the Index Return for each Index remaining in the Basket after such Year End Date were to be negative 100% as determined on each subsequent Year End Date). The accrual of interest for such taxation year would be limited to the known minimum amount of Variable Interest payable on the Maturity Date.

Disposition of Notes

On any disposition or deemed disposition of a Note by an Investor prior to the Maturity Date, while the matter is not free from doubt, the Investor should realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any amount required to be included in the income of the Investor as interest as described above and net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Note to the Investor.

Eligibility for Investment by Registered Plans

The Notes, if issued on the date hereof, would be qualified investments under the Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by BDC or a corporation with which BDC does not deal at arm's length within the meaning of the Act), and the Notes would not constitute foreign property for the purposes of the Act.

THE INDICES

All information in this Information Statement relating to the Indices is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither BDC nor any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information, or accepts responsibility for the calculation or other maintenance of, or any adjustments to, an Index. *Historical performance of an Index will not necessarily predict future performance of any Index or the Notes. It is important to note that Variable Interest payable in respect of the Notes and the value of the Notes themselves will not exactly track the future performance of any Index or the Indices collectively.* References to the Indices in this Information Statement are to those versions of the Indices that measure the price returns (as opposed to the total returns) of the respective underlying stocks.

Nikkei 225 Index

Generally

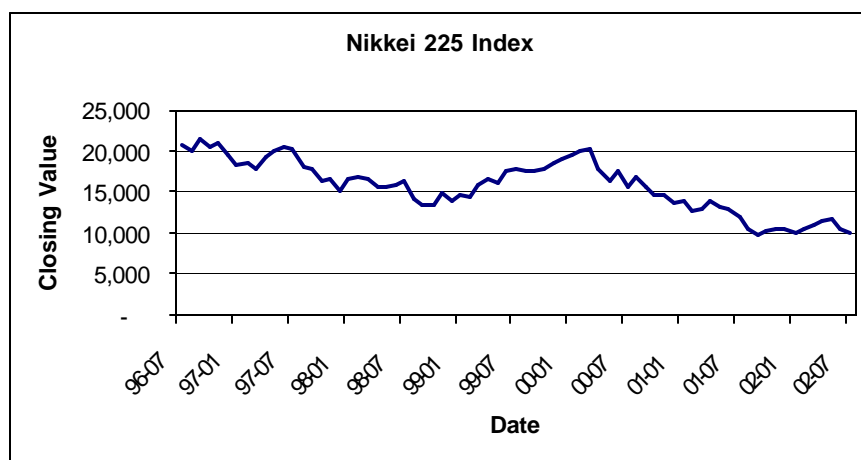
The Nikkei Stock Average (also known as the "Nikkei 225 Index") is Japan's most widely watched stock price index. Such index is sponsored by Nihon Keizai Shimbun, Inc., which has calculated and announced the Nikkei 225 Index since 1970. Since October 1, 1985, its policy has been to calculate such Index every minute during the normal

trading hours on the Tokyo Stock Exchange.

The constituent stocks of the Index are 225 actively traded issues of the Tokyo Stock Exchange, 1st Section. In its selection of constituents, the intention is that the Nikkei 225 Index will reflect up-to-the-moment market trends. Since October 1991, constituents are checked every year to replace relatively low liquidity stocks with high liquidity stocks. In this way, such Index corresponds to the changes of the market environment. Constituent stocks of the Nikkei 225 Index may be altered on a periodic basis according to certain addition and deletion rules. The present calculation method was first applied in 1950. While the Nikkei 225 Index is an average price of 225 stocks traded on the Tokyo Stock Exchange, 1st Section, it is different from a simple average in that the divisor is adjusted to maintain average in that the divisor is adjusted to maintain continuity and reduce the effect of external factors not directly related to the market.

Historical Data

The following chart shows the performance of the Nikkei 225 Index, based on month-end Closing Values from and including July 31, 1996 to and including July 31, 2002. The starting Closing Value was 20692.83 and the ending Closing Value was 9877.94.



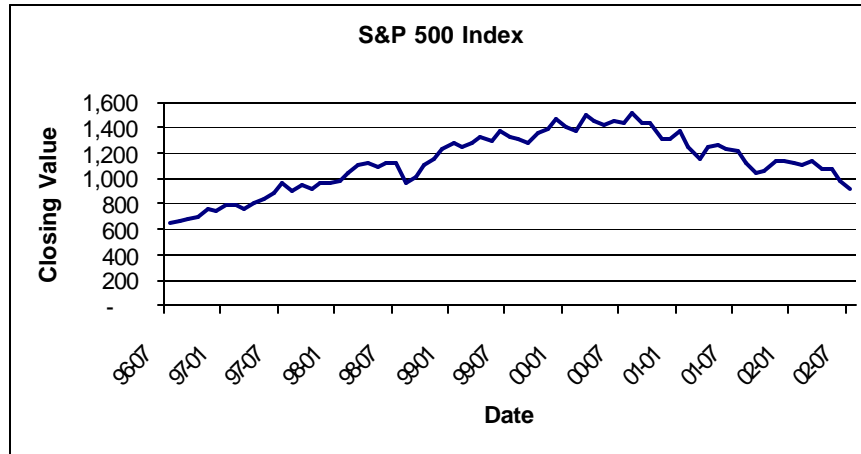
S&P 500 Index

Generally

The Standard & Poor's 500 Composite Stock Price Index (also known as the "S&P 500 Index") is published by Standard & Poor's, a division of the McGraw-Hill Companies Inc. (referred to as "Standard & Poor's") and is intended to provide an indication of the pattern of common stock price movements on certain U.S. stock exchanges. Widely regarded as the standard for measuring large-cap U.S. stock market performance, this popular index includes a representative sample of leading companies in leading industries.

Historical Data

The following chart shows the performance of the S&P 500 Index, based on month-end Closing Values from and including July 31, 1996 to and including July 31, 2002. The starting Closing Value was 639.95 and the ending Closing Value was 911.62.



Dow Jones EURO STOXX 50SM Index

Generally

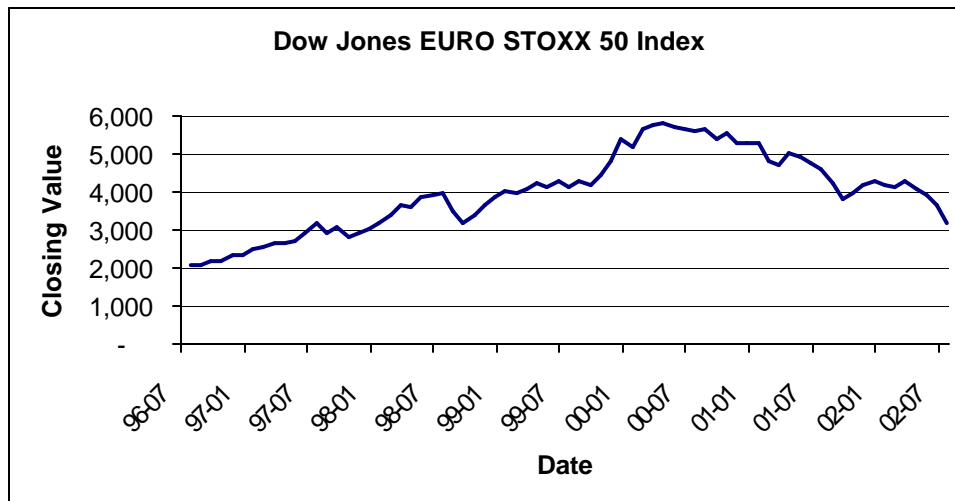
The Dow Jones EURO STOXX 50SM Index is a capitalization-weighted index of 50 major European securities from those countries participating in the European Monetary Union. The Dow Jones EURO STOXX 50 Index is owned by STOXX Limited and is a Service Mark of Dow Jones & Company Inc. Such Index is calculated in both euros and U.S. dollars; however, the euro calculation will be used for purposes of the Notes.

The ten countries covered by the Index include Austria, Belgium, Finland, France, Germany, Ireland, Italy, The Netherlands, Portugal and Spain. In the future, companies from other countries may be added and security prices from other than the current Exchanges may be used. The Supervisory Board of STOXX Limited is responsible for this decision.

The base date for the Dow Jones EURO STOXX 50 Index is December 31, 1991. For this base date, the base value for such Index was set at 1,000.00. The Closing Value for such Index is currently based on the last traded prices of the constituent securities during the official trading hours on the relevant Exchanges and the latest available currency rates. If a quotation is suspended during the trading session, the last traded price is used for all subsequent calculations for such Index. If a quotation is suspended before the trading begins, the closing price from the previous day – or adjusted closing price if there is a corporate action effective that day – is used for the calculation of such Index. If there is a stock exchange holiday in any one of the countries covered by such Index, the last available security prices from the relevant Exchange and the last available currency rate at that time are used for its calculation.

Historical Data

The following chart shows the performance of the Index, based on month-end Closing Values from and including July 31, 1996 to and including July 31, 2002. The starting Closing Value was 1590.93 and the ending Closing Value was 2685.79.



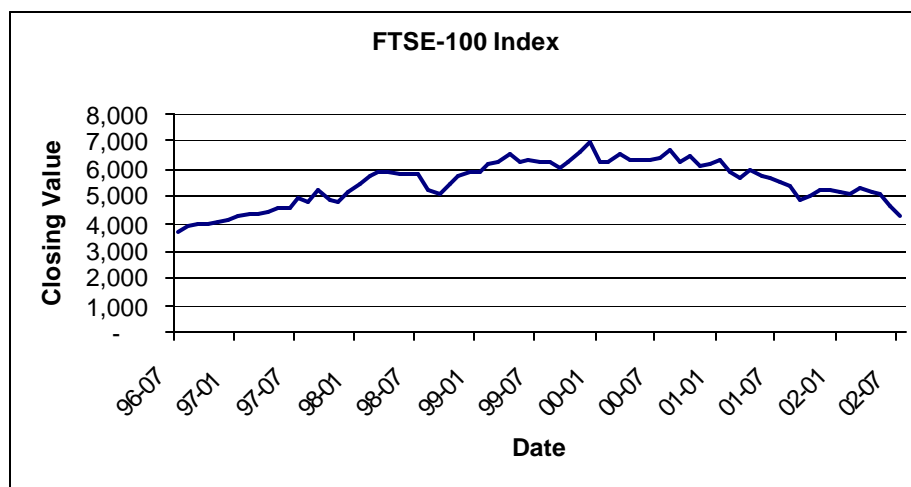
FTSE 100 Index

Generally

The Financial Times Stock Exchange 100 Index (also known as the "FTSE 100 Index") is composed of the stocks of 100 of the largest companies (measured by capitalization) which are incorporated and resident for tax purposes in the United Kingdom. The FTSE 100 Index is sponsored, calculated (in conjunction with the Institute of Actuaries) and published by FTSE International Limited. Such Index is designed to measure the composite price performance of the shares of selected leading U.K. companies listed on the London Stock Exchange. Such Index was established on January 3, 1984, at a base value of 1,000.

Historical Data

The following chart shows the performance of the Index, based on month-end Closing Values from and including July 31, 1996 to and including July 31, 2002. The starting Closing Value was 3703.2 and the ending Closing Value was 4246.2.



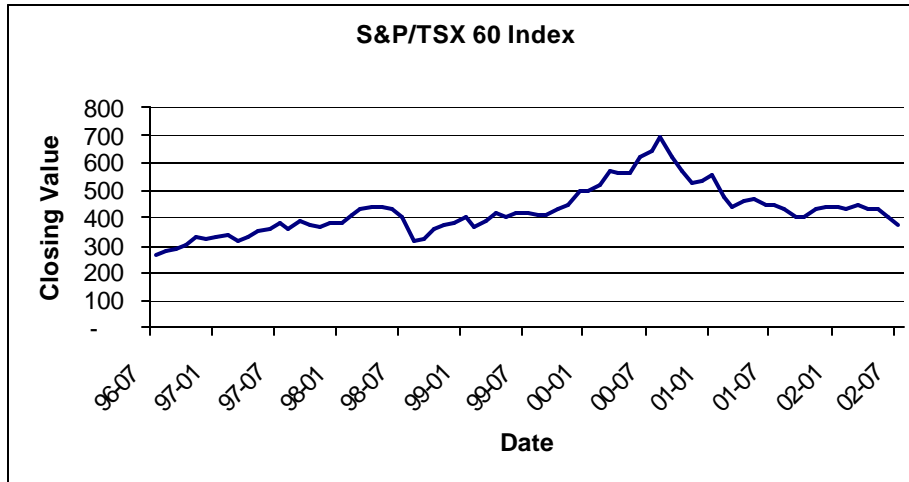
S&P/TSX 60 Index

Generally

The S&P/TSX 60 Index is a large-capitalization index for Canadian equity markets. The 60-stock index is market-capitalization weighted, with weight adjusted for available share float, and is balanced across 10 economic sectors. It measures the price returns of the underlying stocks. S&P/TSX 60 Index constituents are selected for inclusion using Standard & Poor's guidelines for evaluating company capitalization, liquidity and fundamentals. The S&P/TSX 60 Index was launched on December 31, 1998.

Historical Data

The following chart shows the performance of the S&P/TSX 60 Index, based on month-end Closing Values from and including July 31, 1996 to and including July 31, 2002. As the S&P/TSX 60 Index was created in December 1998, Closing Values prior to its creation included in the chart are those generated by Standard & Poor's. Where the companies that were in the Index upon its creation also existed in 1982, these companies were "grandfathered" back. In total, 31 companies were grandfathered, 29 of which would have been included using Standard & Poor's methodology for the Index. Where a company ceased to exist, a replacement company was chosen from the pool of existing TSE 300 Index companies. An annual revision process reviewed every constituent and made changes as necessary. Starting with 1993, three companies were automatically removed from the index, at each annual revision, to make room for those companies that eventually made up the S&P/TSX 60 Index as of December 31, 1998. The revision process was based on certain Standard & Poor's pre-set criteria. The starting Closing Value in the following chart was 264.48 and the ending Closing Value was 371.06.



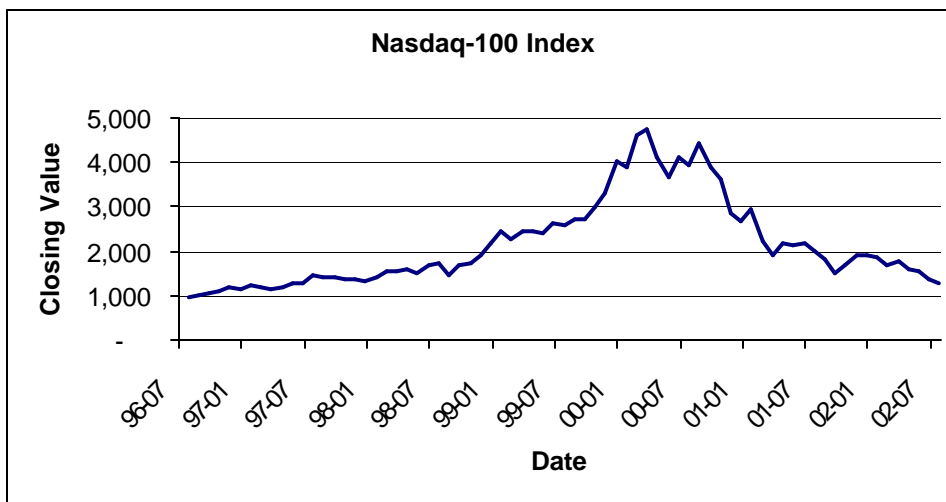
Nasdaq-100 Index

Generally

The Nasdaq-100 Index[®] is a modified capitalization-weighted price index, which is designed to limit domination of the Index by a few large stocks while generally retaining the capitalization ranking of companies. Representing 100 of the largest non-financial U.S. and non-U.S. companies listed on the National Market tier of The Nasdaq Stock Market[®] (“Nasdaq”), the Nasdaq-100 Index reflects Nasdaq’s largest companies across major industry groups, including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. On January 31, 1985, the Nasdaq-100 Index[®] began with a base of 250.00. On January 1, 1994, the Nasdaq-100 Index[®] base was reset by division of a factor of 2.00 to 125.00.

Historical Data

The following chart shows the performance of the Nasdaq-100 Index[®], based on month-end Closing Values from and including July 31, 1996 to and including July 31, 2002. The starting Closing Value was 636.01 and the ending Closing Value was 962.11.



Disclaimers

Nikkei 225 Index

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RISK FACTORS TO CONSIDER

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- ◇ ***Calculation Experts May Determine Closing Values*** – If an Index Source should cease calculation and dissemination of an Index, the Calculation Agent will make such calculations as it may deem appropriate to estimate the Closing Values of such Index using the formula and method of calculating the Index as of the date the Index was last so calculated or will substitute such Index with a replacement stock index. The Calculation Agent will have no responsibility for good faith errors or omissions in calculation and dissemination of any Index. See "DESCRIPTION OF THE NOTES – *Special Circumstances*" above.