

BUSINESS DEVELOPMENT BANK OF CANADA (“BDC”)
(An Agent of Her Majesty in right of Canada)

5, Place Ville Marie, Suite 400
Montreal, Quebec, Canada H3B 5E7

COMMERCIAL PAPER NOTES (the “Notes”)

March 22, 2006

Credit Ratings:

As of the date hereof:

	<u>Commercial Paper</u>	<u>Senior Unsecured Debt</u>
Standard & Poor’s Ratings Group	A-1+	AAA
Moody’s Investors Service, Inc.	P-1	Aaa

Note: Ratings are based on current information furnished to the rating agencies by the Issuer and information obtained by the rating agencies from other sources. Because ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, a prospective purchaser should verify the current long-term and short-term rating of the Issuer before purchasing Notes.

Exemption:

The Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)3.

Use of Proceeds:

Proceeds from the sale of the Notes will be used for general corporate purposes of BDC.

Maturity of Notes:

Not to exceed 270 days from the date of issuance.

Form of Notes:

The Notes are available in minimum denominations of US\$100,000 or an integral multiple of US\$1,000 in excess thereof. The Notes may be issued on a discount or interest at maturity basis.

Each Note will be evidenced by a master note registered in the name of the nominee of The Depository Trust Company (“DTC”). The master note representing Notes issued in book-entry form (the “Book-Entry Notes”) will be deposited with the Issuing and Paying Agent as a subcustodian for the DTC or its successors. DTC will record, by appropriate entries on its book-entry registration and transfer system, the respective amounts payable

in respect of Book-Entry Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as an agent in respect of Book-Entry Notes will be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.

Status of Notes:

Business Development Bank of Canada is for all purposes an agent for and on behalf of Her Majesty in right of Canada. As such, the Notes will constitute direct, unsubordinated and unsecured obligations of BDC and the Government of Canada.

Dealers:

The Notes may be offered through such Dealers as BDC may appoint from time to time.

Issuing and Paying Agent:

Bank of New York
101 Barclay Street
New York, NY 10286

Business Description:

The Federal Business Development Bank was established by the *Federal Business Development Bank Act*, an Act of the Parliament of Canada, which came into force on October 2, 1975 and succeeded the Industrial Development Bank (“IDB”), which was formed in 1944. The Federal Business Development Bank was continued under the name Business Development Bank of Canada by the *Business Development Bank of Canada Act*, an Act of the Parliament of Canada, which came into force on July 13, 1995.

BDC is a financial institution wholly owned by the Government of Canada. BDC plays a leadership role in delivering financial, investment and consulting services to Canadian small business, with a particular focus on the technology and export sectors of the economy. BDC's debt obligations are secured by the Government of Canada.

Additional Information:

For additional information, please contact:

Mr. Louis Laganier, Director Money Markets
Business Development Bank of Canada
5, Place Ville Marie, Suite 400
Montreal, Quebec, Canada, H3B 5E7
Tel: (514) 283-4221 Fax: (514) 496-7804 E-mail: louis.laganier@bdc.ca

NOTICE:

Business Development Bank of Canada (“BDC”) has taken all reasonable care to ensure that the facts stated in this Information Memorandum in relation to the issuance and sale of its Commercial Paper Notes (the “Notes”) in the U.S.A. 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 representation other than those that may be contained in:

- (a) this Information Memorandum;
- (b) any amendments made from time to time to this Information Memorandum, or;
- (c) any supplementary terms and conditions provided in any global or definitive Note,

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 Memorandum 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 Memorandum does not constitute an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Information Memorandum and the offering and sale of the Notes are restricted within the U.S.A. and may be subject to further restrictions within any relevant state or territory. BDC and its selling agents require persons into whose possession this Information Memorandum comes to inform themselves of and observe any and all such restrictions.

In this Information Memorandum, capitalized terms will have the meanings ascribed to them.

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.