

**BUSINESS DEVELOPMENT
BANK OF CANADA**

**BANQUE DE
DEVELOPPEMENT DU
CANADA**

**GLOBAL NOTE - MEDIUM TERM NOTE PROGRAM
ENHANCED YIELD EXTENDIBLE NOTES DUE MARCH 15, 2007
EXTENDIBLE TO MARCH 15, 2018**

PRINCIPAL AMOUNT: CAD \$14,000,000.00

Business Development Bank of Canada (“BDC”) for value received, hereby promises to pay to

CDS & CO

as nominee of the Canadian Depository for Securities Limited (“CDS”) or its registered assigns on the date of maturity or early redemption at the address specified on the reverse hereof, the Principal Amount and accrued interest thereon, in lawful money of Canada upon due representation and surrender of this Note.

The Terms and Conditions that appear on the back and schedule “A” form part of this Note.

DATED: March 15, 2006

Date of registration: March 15, 2006

BUSINESS DEVELOPMENT BANK OF CANADA

Per: _____
Name: François Laurin
Title: Director, Capital Markets
& Treasury Development

Per: _____
Name: Robert D. Annett
Title: Assistant General Counsel

NOTICE

UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (“CDS”), OR ITS LAWFUL SUCCESSOR, TO BDC OR ITS REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY GLOBAL NOTE ISSUED IS REGISTERED IN THE NAME OF CDS & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS, OR TO SUCH OTHER ENTITY AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), **ANY TRANSFER, PLEDGE OR OTHER USE THEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, CDS & CO., HAS AN INTEREST THEREIN.**

TERMS AND CONDITIONS

CA221

GENERAL

1. This Global Note is registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Note are represented through book entry accounts, to be established and maintained by CDS, for financial institutions acting on behalf of beneficial owners as direct and indirect participants of CDS. BDC will not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS relating to such beneficial interests or for any aspect of the records of CDS relating to payments made by CDS on account of beneficial interests in this Global Note.
2. After initial registration in the name of CDS, certified hereon by BDC, no transfer of this Global Note shall be valid unless made upon the Note Register kept by BDC or such registrar as it may appoint. This Global Note may only be assigned by CDS to the replacement depository that might be appointed by BDC. This Global Note may not be split nor mortgaged nor granted any security interests and may not be registered in any other name except that of CDS or its nominee name acceptable to BDC or to the name of the depository that might succeed to CDS or its nominee.
3. This Global Note is exchangeable, in whole but not in part, for Notes in definitive form registered in the name of a person other than CDS or its nominee only if (i) CDS notifies BDC that it is unwilling or unable to continue as depository in connection with this Global Note or (ii) BDC in its sole discretion notifies CDS that it desires to issue Notes in definitive form, and for no other reason or purpose.
4. Notes in definitive form issued in exchange for this Global Note shall be:
 - (a) Subject to the same terms and conditions as apply to the Global Note, attached hereto as Schedule "A";
 - (b) issued as fully registered Notes in authorized denominations;
 - (c) registered in such names and in such denominations as CDS shall direct, and failing such direction by CDS, shall be issued to CDS & Co.;
 - (d) delivered as directed by the persons in whose names such definitive Notes are to be registered;
 - (e) delivered within a reasonable time after a notice under Condition 3 is received, taking into account the time required to print certificates, but in no event more than 90 days after such notice; and
 - (f) issued as of the date of receipt of a notice under Condition 3.
5. Upon the exchange of Notes in definitive form for this Global Note, BDC shall receive and cancel this Global Note, shall reduce the holdings of CDS & Co. on the Register to nil and shall authenticate Notes in definitive form in the aggregate Principal Amount in exchange for the CDS participants' beneficial interests in this Global Note as of the record date for such exchange, as directed by CDS. After any such exchange, all payments in respect of such Notes in definitive form shall be made to the registered holders thereof, in accordance with the terms and conditions of such Series.
6. All notices given by the BDC to the beneficial owners regarding the Notes of this Series represented by this Global Note shall be delivered to CDS for communication by CDS to the owners of the beneficial interests in such Note and any notice so given shall be deemed to have been given to the beneficial owners on the fourth day after the day on which the said notice was delivered to CDS. All notices to be given by the beneficial owners to BDC regarding the Notes of this Series represented by this Global Note, shall be delivered by CDS (acting upon instructions of the owners of beneficial interests in such Notes) to BDC and any notice so given shall be deemed to have been given to BDC on the day of its delivery. All notices will be valid if delivered or mailed by prepaid registered or certified mail or sent by facsimile transmission and shall be deemed to have been given on the date of delivery or facsimile transmission thereof, or in the case of a notice sent by prepaid registered or certified mail, on the next business day after mailing.
7. BDC and its Registrar, if one is appointed, shall deem and treat the registered holder of this Global Note, as the absolute owner hereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of the registered holder shall be valid and effectual to discharge the liability of BDC on this Global Note to the extent of the sum or sums so paid.
8. The Notes, including this Global Note and any definitive Note are governed by, and shall be construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

TERMS AND CONDITIONS - SCHEDULE "A"

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DETAILS OF SPECIFIC ISSUE OF BUSINESS DEVELOPMENT BANK OF CANADA ("BDC")

Issue: C\$14,000,000 Issuer Enhanced Yield Extendible Notes, due March 15, 2007 extendible to March 15, 2018 (Series CA221)

Issue Price: \$100.00

Initial Maturity Date: March 15, 2007

Maturity Date: The Initial Maturity Date, each Extended Maturity Date or the Final Maturity Date.

Extended Maturity Dates: September 15, 2007
 March 15, 2008
 September 15, 2008
 March 15, 2009
 September 15, 2009
 March 15, 2010
 September 15, 2010
 March 15, 2011
 September 15, 2011
 March 15, 2012
 September 15, 2012
 March 15, 2013
 September 15, 2013
 March 15, 2014
 September 15, 2014
 March 15, 2015
 September 15, 2015
 March 15, 2016
 September 15, 2016
 March 15, 2017
 September 15, 2017

Final Maturity Date: March 15, 2018

Extension Feature: BDC may, at its option, on the Initial Maturity Date and on each Extended Maturity Date thereafter on which the Notes are outstanding, extend the Maturity Date of the Note to the next subsequent Extended Maturity Date, or if it is the next subsequent Maturity Date, to the Final Maturity Date if applicable, at the interest rate set out below in respect of the relevant Extension Period, but in no event extend beyond the Final Maturity Date, upon giving not less than 10 Business Days prior notice in writing to Canadian Depository for Securities Limited ("CDS"). In the event that BDC does not exercise an option to extend the Maturity Date of the Notes, the Notes shall mature on the relevant Maturity Date.

Non Redemption: The Notes will not be redeemable by the holder or BDC prior to the relevant Maturity Date.

Coupons:	<u>Period</u>	<u>Rate Annual</u>
Initial Maturity:	March 15, 2006 to March 15, 2007	4.30%
Extension Periods:	March 15, 2007 to March 15, 2008	4.35%
	March 15, 2008 to March 15, 2009	4.40%
	March 15, 2009 to March 15, 2010	4.50%
	March 15, 2010 to March 15, 2011	4.55%
	March 15, 2011 to March 15, 2012	4.60%
	March 15, 2012 to March 15, 2013	4.70%
	March 15, 2013 to March 15, 2014	4.85%
	March 15, 2014 to March 15, 2015	5.00%
	March 15, 2015 to March 15, 2016	5.25%
	March 15, 2016 to March 15, 2017	5.50%
	March 15, 2017 to March 15, 2018	6.00%

Interest Payment: Fixed interest payments will be made semi-annually at the relevant Coupon Rate on each September 15 and March 15, commencing on September 15, 2006 up to and including the Maturity Date. If the Payment Date is not a Toronto and Montreal Business Day, interest shall be paid on the next Toronto and Montreal Business Day, without adjustment for period end dates. In this Note, "Business Days" means a day on which commercial banks are open for business in Toronto and Montreal and on which BDC's Montreal head office is open for business.

Status: The Notes will constitute direct unsecured obligations of BDC ranking pari passu with out any preference among themselves and equally with all other unsecured indebtedness of BDC from time to time outstanding. The Notes carry the full faith and credit of Canada and constitute direct and unconditional obligations of and by Canada.

