Information Statement

Dated November 1, 2000

Business Development Bank of Canada

Global Equity Index Linked Notes,
Series 1

Price: $10 per Note

Global Equity Index Linked Notes ("Notes") are variable interest promissory notes issued by Business Development Bank of Canada ("BDC") linked to a basket of three major international indices (American, European and Japanese). The Note entitles the holder to repayment of the Principal Amount on maturity and to receive an amount of interest, if any, based on the performance (positive and negative) of the three indices, calculated at the time of maturity, relative to the respective levels of the indices at the time of issue. The basket will be substantially equally weighted among the three indices. The Notes are denominated in Canadian dollars and the Principal Amount and any Variable Interest will be calculated and paid in Canadian dollars. A Note will not constitute a deposit that is insured under the *Canada Deposit Insurance Corporation Act.* The Toronto Stock Exchange has conditionally approved the listing of the Notes under the trading symbol "BDB.M", subject to the fulfilment of all of the requirements of such exchange by no later than January 29, 2001.

BUSINESS DEVELOPMENT BANK OF CANADA

Global Equity Index Linked Notes
Series 1 ("Notes")

INFORMATION STATEMENT

This Information Statement has been prepared for the sole purpose of assisting prospective purchasers in making an investment decision with respect to the Notes. BDC has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the Notes 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 (i) this Information Statement (ii) any amendments made from time to time to this Information Statement or (iii) any supplementary terms and conditions provided in any global 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 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.

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. 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). 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. 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.

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

This Information Statement is confidential and should not be reproduced or disseminated in whole or in part without the permission of BDC.

The Notes do not constitute deposits insured under the Canada Deposit Insurance Corporation Act.

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Global Equity Index Linked Notes,
Series 1

SUMMARY

Terms of the Notes

The following summary of the terms of the Notes should be read in conjunction with the more detailed information which follows this Summary. Capitalized terms used but not defined in this summary are defined elsewhere in the Information Statement.

A Global Equity Index Linked Note, Series 1 (each a "Note" and, collectively, the "Notes") is a variable interest promissory note issued by Business Development Bank of Canada ("BDC"). If a Note is held to maturity, the holder of a Note (the "Noteholder") will receive at maturity the principal amount of the Note (the "Principal Amount") evidenced by the Note. The amount of the yield or return, if any, that the Noteholder will receive at maturity in addition to the Principal Amount will be based on the performance of the S&P 500 Index, the Dow Jones EURO STOXX 50SM Index[1] and the Nikkei 225 Index (each an Equity Index and, collectively, the "Equity Indices". See "*The Equity Indices*" for a brief description of the Equity Indices), calculated at the time of maturity, relative to the respective closing levels of the indices on or about November 29, 2000.

Issuer: BDC

Designation: Global Equity Index Linked Notes, Series 1

Principal Amount: $10 per Note

Denominations: $10 and integral multiples of $10

Minimum Subscription: $10

Issue Price:

Price to the Public (1)	Selling Agent's Commission	Proceeds to BDC
$10 (Par)	$0.30	$9.70

(1) The subscription price has been determined by negotiations between BDC and Merrill Lynch Canada Inc. (as Agent)

Minimum Issue Size: $10,000,000

Pricing Date: On or about November 29, 2000

Issue Date: On or about December 6, 2000

Maturity Date and Term: On or about December 6, 2007 (resulting in a term to maturity of approximately seven years)

[1] Dow Jones EURO STOXX 50SM Index is owned by STOXX Limited ("STOXX"). The name of the Index is a service mark of Dow Jones & Company, Inc. and has been licensed for certain purposes by BDC.

Amounts Payable at Maturity:	The amount payable under a Note on the Maturity Date will be equal to the sum of (a) the Principal Amount of the Note, plus (b) the Variable Interest, if any (see Calculation of Variable Interest).
Principal Amount Payable :	The Principal Amount of each Note will become payable to a Noteholder on the Maturity Date.
Calculation of Variable Interest:	Variable Interest, if any, payable on the Notes will be based on the positive sum, if any, of the weighted percentage changes (positive and negative) in the closing levels of each of the Equity Indices measured from their respective Starting Index Value to their respective Adjusted Ending Index Value, as outlined below (assuming one Note with a Principal Amount of $10): $10 x Percentage Change provided that if the result of the calculation is zero or a negative amount, the Variable Interest will be nil.
Percentage Change :	The "Percentage Change" is the number, expressed as a percentage (rounded to three decimal places), equal to the sum of the "Weighted Component Returns" for the Equity Indices. The "Weighted Component Return" for an Equity Index will be determined as follows: $\frac{\text{(Adjusted Ending Index Value - Starting Index Value)}}{\text{Starting Index Value}} \times \text{Component Weight}$ If the sum of the Weighted Component Returns is negative, the Percentage Change will be zero. Each Equity Index will have approximately the same Component Weight.
Starting Index Value :	The Starting Index Value for an Equity Index will equal the closing value of such index on the Pricing Date.
Adjusted Ending Index Value :	The Adjusted Ending Index Value for an Equity Index will be determined by the Calculation Agent and will equal the average of the closing values (or deemed closing levels, as the case may be) for that Equity Index, as reduced by the application of the Adjustment Factor on each Valuation Date, determined on each of the first five Valuation Dates during the Valuation Period. The determination of the Adjusted Ending Index Value may be accelerated or may be calculated by reference to fewer than five closing values if there is an Extraordinary Event, as defined in the section "*The Notes – Determination of Variable Interest Due to an Extraordinary Event*". In addition, the Adjusted Ending Index Value may be calculated by reference to fewer than five closing values in the circumstances described under the section "*Examples of Payments Under the Notes*".

Adjustment Factor: The Adjustment Factor will be a fixed percentage which is expected to be between 2.0% to 2.4% per year and will be applied over the entire term of the Notes. For each calendar day during the term of the Notes, the Calculation Agent will apply this percentage on a pro-rated basis based on a 365-day year to reduce the values of the Equity Indices used to calculate the Variable Interest during the Valuation Period. As a result of the cumulative effect of this reduction, the values of the Equity Indices used to calculate the Variable Interest during the Valuation Period will be approximately 13.07% to 15.47% less than the actual value of the Equity Indices on each day during the Valuation Period. The Calculation Agent will determine the Adjustment Factor on the date the Notes are priced for initial sale to the public.

Valuation Period: The Valuation Period means the period from and including the seventh scheduled Exchange Day before the Maturity Date to and including the third scheduled Exchange Day before the Maturity Date.

Valuation Date: The Valuation Date means any Exchange Day during the Valuation Period on which an Extraordinary Event has not occurred.

All determinations made by the Calculation Agent shall be at the sole discretion of the Calculation Agent and, absent a determination by the Calculation Agent of a manifest error, shall be conclusive for all purposes and binding on BDC and the holders and beneficial owners of the Notes.

Equity Indices: The Equity Indices are the S&P 500 Index, the Dow Jones EURO STOXX 50^{SM} Index, and the Nikkei 225 Index. See "*The Equity Indices*" for a brief description of the Equity Indices.

The Basket (defined below) will consist of a substantially equal weighting of the Equity Indices. Such weightings will be achieved by providing a Component Weight for each Equity Index as follows:

Equity Index	Component Weight
S&P 500 Index	33.334%
Dow Jones EURO STOXX 50^{SM} Index	33.333%
Nikkei 225 Index	33.333%
Total	100.000%

Determination of Variable Interest Due to an Extraordinary Event:	The occurrence of an Extraordinary Event may result in the early determination and payment of the amount of Variable Interest, if any, otherwise payable on the Maturity Date. In no event will Noteholders receive the Principal Amount before the Maturity Date. See "*The Notes – Determination of Variable Interest Due to an Extraordinary Event*".
Book Entry Registration:	Records of ownership and transfer of the Notes will be maintained through the book-entry only system of CDS or its successor. The Notes must be purchased either directly or indirectly through a participant in the book-entry only system. Except in certain limited circumstances, Noteholders will not be entitled to receive certificates evidencing the Notes in definitive form. A Noteholder will not be shown on the records maintained by CDS, except through an agent who is a participant of CDS.
Listing	The Toronto Stock Exchange has conditionally approved the Notes for listing, subject to BDC fulfilling all of the requirements of such exchange by no later than January 29, 2001.
Status/Ranking:	The Notes will constitute direct unconditional obligations of BDC and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. The Notes will be issued on an unsubordinated basis and, as among themselves, the Notes will rank pari passu and will be payable rateably without any preference or priority. The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.
Not Redeemable:	The Notes cannot be redeemed prior to the Maturity Date.
Investment Eligibility :	The Notes will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans within the meaning of the *Income Tax Act* (Canada) (other than a deferred profit sharing plan to which payments are made by BDC or a corporation with which BDC does not deal at arm's length) and will not constitute foreign property for purposes of Part XI of that Act.
Risk Factors:	A person should consider carefully the factors set out under "Risk Factors" before reaching a decision to buy the Notes.
Agent:	Merrill Lynch Canada Inc. ("MLC")
Calculation Agent:	MLC
Paying and Transfer Agent:	As appointed by BDC from time to time.

Role of MLC:	MLC is the agent for the offering and sale of the Notes. MLC may appoint sub-agents acceptable to BDC, acting reasonably, to offer and sell the Notes. After the initial offering, MLC intends to buy and sell the Notes to create a secondary market for holders of the Notes, and may stabilize or maintain the market price of the Notes during the initial distribution of the Notes. However, MLC will not be obligated to engage in any way in these market activities or continue them once it has started. MLC, as Calculation Agent, will be BDC's agent for purposes of calculating, among other things, the Adjusted Ending Index Value and the Variable Interest.

PAYMENTS UNDER THE NOTES

On the Maturity Date, a Noteholder will be entitled to receive a payment on the Notes equal to the sum of two amounts: the "**Principal Amount**" and the "**Variable Interest**", if any.

Principal amount

The "**Principal Amount**" per Note is $10.

Variable Interest

The "**Variable Interest**" per Note will be calculated in accordance with the following formula:

$10 x Percentage Change

provided that if the result of the calculation is zero or a negative amount, the Variable Interest will be nil.

The "**Percentage Change**" is the number, expressed as a percentage (rounded to three decimal places), equal to the sum of the "Weighted Component Returns" for the Equity Indices. The "Weighted Component Return" for an Equity Index will be determined as follows:

$$\text{Weighted Component Return} = \frac{(\text{Adjusted Ending Index Value} - \text{Starting Index Value})}{\text{Starting Index Value}} \times \text{Component Weight}$$

The Component Weight for each Equity Index is approximately equal and is set out under "*The Notes — The Equity Indices*".

The "**Starting Index Value**" for an Equity Index will equal the closing value of such index on the Pricing Date.

The "**Adjusted Ending Index Value**" will be determined by the Calculation Agent and will equal the average of the closing values (or deemed closing levels, as the case may be) for that Equity Index, as reduced by the application of the Adjustment Factor on each Valuation Date, determined on each of the first five Valuation Dates during the Valuation Period. If there are fewer than five Valuation Dates during the Valuation Period, then the Adjusted Ending Index Value will equal the average of the closing values (or deemed closing levels, as the case may be) for that Equity Index on those Valuation Dates, as reduced by the application of the Adjustment Factor on each Valuation Date. If there is only one Valuation Date during the Valuation Period, then the Adjusted Ending Index Value will equal the closing value (or deemed closing levels, as the case may be) for that Equity Index on that Valuation Date, as reduced by the application of the Adjustment Factor on that Valuation Date. If no Valuation Dates occur during the Valuation Period, then the Adjusted Ending Value will equal the closing value (or deemed closing levels as the case may be) for that Equity Index determined on the last scheduled Exchange Day in the Valuation Period, as reduced by the application of the Adjustment Factor on that day, regardless of the occurrence of an Extraordinary Event on that Exchange Day. The determination of the Adjusted Ending Index Value may be accelerated or may be calculated by reference to fewer than five closing values if there is an Extraordinary Event, as defined in the section "*The Notes – Determination of Variable Interest Due to an Extraordinary Event*".

The "**Adjustment Factor**" will be a fixed percentage which is expected to be between 2.0% to 2.4% per year and will be applied over the entire term of the Notes. For each calendar day during the term of the Notes, the Calculation Agent will apply this percentage on a pro-rated basis based on a 365-day year to reduce the values of the Equity Indices used to calculate the Variable Interest during the Valuation Period.

As a result of the cumulative effect of this reduction, the values of the Equity Indices used to calculate the Variable Interest during the Valuation Period will be approximately 13.07% to 15.47% less than the actual value of the Equity Indices on each day during the Valuation Period. The Calculation Agent will determine the Adjustment Factor on the date the Notes are priced for initial sale to the public.

The "**Valuation Period**" means the period from and including the seventh scheduled Exchange Day before the Maturity Date to and including the third scheduled Exchange Day before the Maturity Date.

The "**Valuation Date**" means any Exchange Day during the Valuation Period on which an Extraordinary Event has not occurred.

All determinations made by the Calculation Agent shall be at the sole discretion of the Calculation Agent and, absent a determination by the Calculation Agent of a manifest error, shall be conclusive for all purposes and binding on BDC and the holders and beneficial owners of the Notes.

No interest will be paid unless the Adjusted Ending Index Value is greater than the Starting Index Value. If the Adjusted Ending Index Value is less than, or equal to, the Starting Index Value, the Variable Interest will be zero. The Principal Amount of the Notes will be paid on the Maturity Date regardless of whether any Variable Interest is payable. The Variable Interest, if any, will be paid on the Maturity Date.

Examples

Below are two examples of Variable Interest calculations assuming an investment term equal to that of the Notes. They are included for purposes of illustration only. The levels of the Equity Indices used to illustrate the calculation of Variable Interest are not estimates or forecasts of the Starting Index Values or Adjusted Ending Index Values of the Equity Indices on which this calculation will depend. Both examples assume that the Noteholder has purchased one Note in the principal amount of $10.

Example #1	*Assumptions*		
Index	**Starting Index Value**	**Adjusted Ending Index Value**	**Weighted Component Return**
S&P 500 Index	1400.00	1900.00	35.71%
Nikkei 225 Index	14500.00	26500.00	82.76%
Dow Jones EURO STOXX 50^{SM} Index	5000.00	7222.00	44.44%
		Percentage Change	54.30%
Variable Interest = $10.00 x 54.30% = $ 5.43			

In Example #1, the Noteholder would receive Variable Interest of $5.43, plus the aggregate Principal Amount of $10.00, on the Maturity Date of December 6, 2007.

Example #2	*Assumptions*		
Index	**Starting Index Value**	**Adjusted Ending Index Value**	**Weighted Component Return**
S&P 500 Index	1400.00	1350.00	-3.57%
Nikkei 225 Index	14500.00	17100.00	17.93%
Dow Jones EURO STOXX 50SM Index	5000.00	3900.00	-22.00%
	Percentage Change		-2.55%
Since the Percentage Change is not positive, no Variable Interest would be paid.			

In Example #2, the Noteholder would only receive the aggregate Principal Amount of $10.00 on December 6, 2000.

Hypothetical returns

The following table illustrates, for a range of hypothetical average closing values of the Equity Indices during the Valuation Period:j

- the percentage change from the hypothetical Starting Index Value to the hypothetical average closing value,
- the Adjusted Ending Index Value used to calculate the Variable Interest,
- the total amount payable at maturity for each Note,
- the total rate of return to beneficial owners of the Notes,
- the pre-tax annualized rate of return to beneficial owners of the Notes, and
- the pre-tax annualized rate of return of an investment in the stocks included in the Equity Indices, which includes an assumed aggregate dividend yield of 1.15% per annum, as more fully described below.

For the purposes of calculating this table, we have applied the Adjustment Factor of 2.2 % per annum (the midpoint of the expected range of 2.0% to 2.4%).

Hypothetical average closing value during the calculation period[1]	Percentage change from the Starting Index Value to hypothetical average closing value	Adjusted Ending Index Value[1][2]	Total amount payable at maturity for each Note	Total rate of return on the Notes	Pretax annualized rate of return on the Notes[3]	Pretax annualized rate of return of stocks included in the Equity Indices[3][4]
20	-80.00%	17.14	10.00	0.00%	0.00%	-20.45%
40	-60.00%	34.29	10.00	0.00%	0.00%	-11.51%
60	-40.00%	51.43	10.00	0.00%	0.00%	-6.03%
80	-20.00%	68.58	10.00	0.00%	0.00%	-2.02%
100	0.00%	85.72	10.00	0.00%	0.00%	1.15%
120	20.00%	102.87	10.29	2.87%	0.40%	3.79%
140	40.00%	120.01	12.00	20.01%	2.62%	6.06%
160	60.00%	137.15	13.72	37.15%	4.56%	8.04%
180	80.00%	154.30	15.43	54.30%	6.29%	9.81%
200	100.00%	171.44	17.14	71.44%	7.85%	11.41%
220	120.00%	188.59	18.86	88.59%	9.27%	12.87%
240	140.00%	205.73	20.57	105.73%	10.57%	14.21%
260	160.00%	222.88	22.29	122.88%	11.78%	15.46%
280	180.00%	240.02	24.00	140.02%	12.90%	16.62%
300	200.00%	257.16	25.72	157.16%	13.95%	17.70%

(1) Based on a hypothetical starting value of 100.
(2) The Adjusted Ending Values specified in this column are approximately 14.28% less than the hypothetical average closing values of the Equity Indices as a result of the application of the assumed Adjustment Factor of 2.2% per annum over the term of the Notes.
(3) The annualized rates of return specified in the preceding table are calculated on a semi-annual bond equivalent basis.
(4) This rate of return assumes:
    (a) a percentage change in the aggregate price of the stocks that equals the percentage change in the Equity Indices from the hypothetical Starting Index Value to the relevant hypothetical average closing value;
    (b) a constant dividend yield of 1.15% per annum, paid quarterly from the date of initial delivery of the Notes, applied to the value of the Equity Indices at the end of each quarter assuming this value increases or decreases linearly from the hypothetical Starting Index Value to the applicable hypothetical average closing value;
    (c) no transaction fees or expenses; and
    (d) an investment term equal to the term of the Notes.

The above figures are for purposes of illustration only. The actual Variable Interest and the resulting total and pre-tax annualized rate of return will depend on the actual Starting Value and the actual Adjusted Ending Index Value determined by the Calculation Agent as described in this Information Statement.

THE NOTES

The following is a summary of the material attributes and characteristics of the Global Equity Index Linked Notes, Series 1 (each a "Note" and collectively, the "Notes"). Reference is made to the Global Note (defined under "*Form and Registration*" below) for the full text of such attributes and characteristics.

Terms of the Notes

The Notes are to be issued by Business Development Bank of Canada ("BDC"), will constitute direct unconditional obligations of BDC and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. The Notes will be issued on an unsubordinated basis and as among themselves, the Notes will rank pari passu and will be payable rateably without any preference or priority. However, the Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

Notes will be issued by BDC on or about December 6, 2000 (the "Issue Date") at par for a price equal to their principal amount (the "Principal Amount"). The Principal Amount of each Note is $10. The maturity date ("Maturity Date") will be on or about December 6, 2007 (resulting in a term to maturity of approximately seven years). The Principal Amount and, if applicable, any Variable Interest, of each Note will become payable to a holder of a Note (the "Noteholder") on the Maturity Date.

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

Variable Interest will be determined by the Calculation Agent (as identified below) in accordance with the formula and related definitions noted under "*Calculation of Variable Interest*" and "*Examples of Payments Under the Notes*".

Form and Registration

All Notes will be represented by a fully-registered book-entry-only global security (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. The Global Note will represent indebtedness of BDC under the Notes in respect of the aggregate Principal Amount. (All references to the Notes and a Note contained in this Information Statement will include the Global Note unless the context otherwise requires).

Except in the limited circumstances described below, purchasers of beneficial interests in the Global Note will not be entitled to receive Notes in definitive form. Rather, the Notes will be represented in book-entry form only. Beneficial interests in the Global Note, constituting ownership of Notes, will be represented through book-entry accounts of institutions acting on behalf of Noteholders, as direct and indirect participants of CDS. CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Global Note. Transfers of ownership of beneficial interests in the Global Note will be effected through records maintained by CDS for such Global Note or the Nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants).

If CDS notifies BDC that it is unwilling or unable to continue as depository in connection with the Global Note or ceases to be recognised as a clearing agency under applicable Canadian securities legislation at a time when it is required to be and, if a successor depository is not appointed by BDC within 90 days after receiving such notice or becoming aware that CDS is no longer recognised, BDC will issue or cause to be issued Notes in definitive form upon registration of a transfer of, or in exchange for, the Global Note. Notes in definitive form will be in fully registered form. The text of the definitive Notes will contain such provisions as BDC may deem necessary or advisable provided that such provisions may not be incompatible with the provisions of the terms and conditions of the Notes as set out in this Information Statement.

BDC 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 office of BDC, or at such other office notified by BDC to the Noteholders.

No transfer of the Global Note in definitive form will be valid unless registered in the aforesaid register upon surrender of the Global Note in definitive form for cancellation with a written instrument of transfer in form and as to execution satisfactory to BDC, and upon compliance with such reasonable requirements as BDC may prescribe.

The Global Note may not 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.

The Equity Indices

The interest (the “Variable Interest”) on the Notes is linked to a basket (the “Basket”) of three major indices (the “Equity Indices”). The Equity Indices are the Standard & Poor's 500 Composite Stock Price Index (the “S&P 500 Index”), the Dow Jones EURO STOXX 50℠ Index and the Nikkei 225 Index. A description of the Equity Indices is set out under “*The Equity Indices*” below.

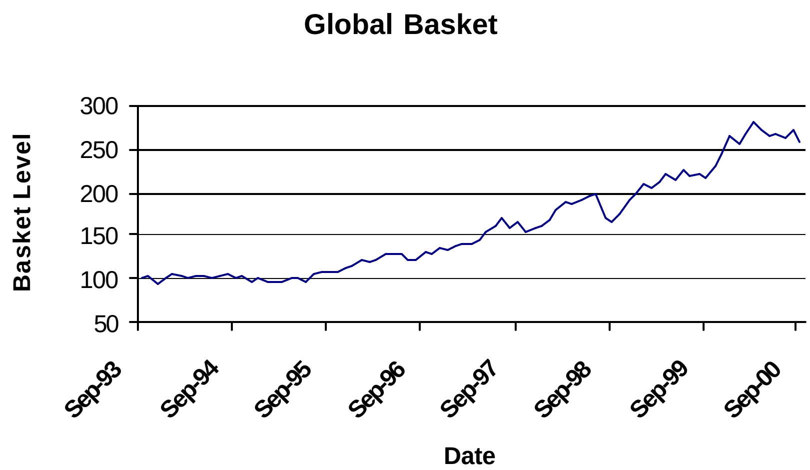
The source (the “Index Source”) of each of the Equity Indices is: Standard & Poor's, in respect of the S&P 500 Index; STOXX Limited, in respect of Dow Jones EURO STOXX 50℠ Index; and Nihon Keizai Shimbun, Inc., in respect of the Nikkei 225 Index.

The Basket will consist of a substantially equal weighting of the Equity Indices. Such weightings will be achieved by providing a Component Weight for each Equity Index as follows:

Equity Index	Component Weight
S&P 500 Index	33.334%
Dow Jones EURO STOXX 50℠ Index	33.333%
Nikkei 225 Index	33.333%
Total	100.000%

Historical Performance of the Basket

The following chart shows the notional value of the Basket for the period from September 1993 to September 2000, assuming that the initial level of the Basket was 100 on September 1993. There can be no assurances that the aggregate percentage changes in the Equity Indices to be used to calculate the Variable Interest payable on the Notes at any time will bear any relationship to the changes in the level of the Basket shown below.



Note that historical performance will not necessarily predict future performance.

Payment at Maturity

The Principal Amount and any Variable Interest payable under the Global Note on the Maturity Date will be made available by BDC no later than 3:00 p.m. (Toronto time) on the Maturity Date, at BDC's option, either through the Paying and Transfer Agent or through CDS or its Nominee in accordance with arrangements between BDC and CDS. The Paying and Transfer Agent or 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 participants' CDS accounts, in amounts proportionate to their respective beneficial interests in the Principal Amount or Variable Interest (as the case may be) as shown on the records of CDS or its Nominee. BDC expects that payments by participants to owners of beneficial interests in the Global Note held through such 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", and will be the responsibility of such participants. The responsibility and liability of BDC in respect of Notes represented by a 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 of Variable Interest and the Principal Amount on definitive Notes, if issued, will be made by cheque mailed to the Noteholder at the address of the Noteholder appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the Noteholder at least five Exchange Days before the date of the payment and agreed to by BDC, by electronic funds transfer to a bank account nominated by the Noteholder with a bank in Canada. Payment under any definitive Note is conditional upon the Noteholder first delivering the Note to BDC who reserves the right, in the case of payment of the Variable Interest prior to the Maturity Date, to mark on the Note that Variable Interest has been paid in full or, in the case of payment of the Variable Interest, if any, and the Principal Amount under the Note at the Maturity Date, 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.

Both the Principal Amount and the Variable Interest, if any, are payable in Canadian dollars.

Determination of Variable Interest Due to an Extraordinary Event

Exchange Day

"Exchange Day" means a day: (i) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Toronto, Ontario and on which BDC is open for business in Montreal, Quebec (a "Business Day"); and (ii) which is (or, but for the occurrence of an Extraordinary Event, would have been) a trading day on the relevant Principal Exchanges and Related Exchanges for the stocks included in the Equity Indices, other than a day on which trading on such exchange is scheduled to close prior to its regular closing time. The Principal Exchange or Exchanges and the Related Exchange in respect of each Equity Index is set out under "*The Equity Indices — Summary Information About the Equity Indices*".

If any specified date in this Information Statement (other than the date for payment of Variable Interest following the early determination thereof) is not an Exchange Day, an adjustment will be made such that the date will be the first following day that is an Exchange Day.

Extraordinary Event

For the purposes of the foregoing, "Extraordinary Event" means 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 it which has or will have a material adverse effect on the ability of a dealer to hedge a position in respect of the Notes. An Extraordinary Event, which may occur in respect of the Equity Indices, may include, without limitation, any or all of the following events:

(a) the occurrence or existence on any Exchange Day during the one-half hour period prior to the scheduled close of regular trading on the applicable exchange of any suspension of or limitation on trading (by reason of movements in price exceeding limits permitted under the rules governing the relevant Principal Exchange or otherwise) on the relevant Principal Exchange in securities that comprise 20% or more of the relevant Equity Index, or a general limitation on prices for such securities on prices for such securities on such Principal Exchange;

(b) a suspension, absence or material limitation of trading in futures or options contracts related to an Equity Index on the relevant Principal Exchange or a relevant Related Exchange or a limitation on trading in futures or options contracts on the relevant Principal Exchange or Related Exchange on any one day by reason of movements in prices that exceed the level permitted by such exchanges;

(c) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other government authority which would make it unlawful or impracticable for BDC to perform its obligations under the Notes or for dealers to execute, maintain or modify a hedge in a position in respect of any Equity Index;

(d) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada, the United States, the European Economic Community, Japan or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada, the United States, the European Economic Community or Japan; or

(e) 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 a dealer to execute, maintain or modify a hedge of a position with respect to the Equity Indices or a material and adverse affect on the economy of Canada, the United States, the European Economic Community or Japan or the trading of securities generally on any relevant Principal Exchange or any Related Exchange;

provided, however, that: (i) a limitation on the hours or number of days of trading will not constitute an Extraordinary Event only if such limitation results from an announced change in the regular business hours of the relevant Principal Exchange; and (ii) an "absence of trading" on the relevant Principal Exchange will not include any time when such exchange is closed for trading under ordinary circumstances.

The Principal Exchange or Exchanges and the Related Exchange in respect of each Equity Index is set out under "*The Equity Indices — Summary Information About the Equity Indices*". A "Principal Exchange", in relation to an Equity Index, is any stock exchange or quotation system on which shares included in the Equity Index are listed. A "Related Exchange", in relation to an Equity Index, is an exchange in respect of which futures contracts, forward contracts or options are traded and through which BDC expects to effect, directly or indirectly, transactions to hedge its position in respect of the Notes.

Calculation of Adjusted Ending Index Value Due to an Extraordinary Event

In the case of an Extraordinary Event occurring on a date that would be used to determine the Adjusted Ending Index Value ("Valuation Dates" and each, a "Valuation Date"), such Valuation Date will be deemed not to be a Valuation Date for purposes of determining the Adjusted Ending Index Value. If all of the dates that would be used to determine the Adjusted Ending Index Value are deemed not to be Valuation Dates, such that there would be no Valuation Dates, then (i) the third Exchange Day immediately preceding the Maturity Date will be deemed to be the only Valuation Date, notwithstanding the Extraordinary Event, and (ii) the Calculation Agent shall determine the closing value of the Equity Indices, as applicable, as of that day.

Extraordinary Event May Trigger Early Determination of Variable Interest

If any Extraordinary Event has occurred and is continuing, and if any such Extraordinary Event has continued for at least ten consecutive Exchange Days, BDC may, at its option upon notice to the Noteholders (on the "Notification Date"), elect to accelerate the determination of the Adjusted Ending Index Value (whether or not affected by such Extraordinary Event) and have Variable Interest, if any, calculated as if the Maturity Date were the Notification Date; provided that the relevant closing value for the Equity Indices in determining the Adjusted Ending Index Value will be determined by the Calculation Agent taking into account all relevant market circumstances.

In these circumstances, payment of Variable Interest, if any, will be due and payable as of the tenth Business Day following the Notification Date. Payment of the Principal Amount per Note will not be accelerated and will remain due and payable on the Maturity Date.

Discontinuance or Modification of the Equity Indices

If any of the Equity Indices is (i) not calculated and announced by the Index Source, but is calculated and publicly announced by another independent authoritative person or party acceptable to the Calculation Agent (the "Successor Source"), or (ii) replaced by a successor index ("Successor Index") using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Equity Index, then the relevant Equity Index will be deemed to be (A) that index so calculated and announced by the Successor Source in (i) above, or (B) that Successor Index, as the case may be, and Variable Interest will be calculated by reference to the closing value of that index in accordance with the formula previously set out herein.

If (i) on or prior to a Valuation Date, the Index Source or the Successor Source (as the case may be), ceases to make the applicable Equity Index or a Successor Index publicly available, discontinues publication of the applicable Equity Index or a Successor Index, makes a material change in the formula for or the method of calculating the applicable Equity Index or in any other way materially modifies the applicable Equity Index (other than a modification prescribed in that formula or method to maintain the relevant Equity Index in the event of changes in constituent securities and capitalization and other routine events) or (ii) on any Valuation Date, the Index Source or the Successor Source (as the case may be) fails to calculate and announce the applicable Equity Index, then the Calculation Agent shall calculate the relevant closing values for purposes of determining the Adjusted Ending Index Value using the price, level or value for the relevant Equity Index as at that Valuation Date as determined by the Calculation Agent in its sole discretion.

Plan of Distribution

The Notes are being offered by BDC through Merrill Lynch Canada Inc. ("MLC"), which has agreed to use its best efforts to solicit purchases of the Notes for the period up to the Issue Date. MLC may appoint sub-agents acceptable to BDC, acting reasonably, to offer and sell the Notes. BDC has agreed to pay MLC a commission of 3% of the Principal Amount of each Note in connection with the sale of the Notes. No part of any commission paid by BDC to MLC may be reallocated, directly or indirectly, to any purchaser of Notes or to others, except for sub-agents, and MLC will not be entitled to receive any commission from any other party in respect of initial sales of the Notes.

MLC may from time to time purchase and sell Notes in the secondary market but is 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 MLC.

BDC will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. MLC will have the right, in its sole discretion, without notice to BDC, to reject any offer to purchase Notes received by it in whole or in part.

BDC reserves the right to issue additional notes of 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 subject to the terms and conditions contained in the agency agreement to be entered into between MLC and BDC in respect of the offering of Notes.

Secondary Trading of Notes

Subject to the early determination and payment of Variable Interest following an Extraordinary Event, a Noteholder is not entitled 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 or illiquid), the Noteholder could sell the Note.

MLC has indicated to BDC that it may, from time to time, purchase and sell Notes in the secondary market, but is not obliged to do so. MLC will have the right, in its sole discretion, to cease to offer to purchase or sell Notes.

The trading price of a Note at any time will be dependent on, among other things, (i) how much the closing value of the Equity Indices has risen or fallen since the Pricing Date, (ii) the fact that the $10 Principal Amount of the Note is payable on the Maturity Date regardless of the closing value of the Equity Indices at any time, and (iii) a number of other interrelated factors, including, without limitation, volatility in the closing value of the Equity Indices, prevailing interest rates in the United States of America, Canada, the European Economic Community and Japan, the dividend yields of the securities comprising the relevant Equity Indices, the time remaining to the Maturity Date, and 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.

The Notes have been conditionally approved for listing on the Toronto Stock Exchange under the trading symbol "BDB.M", subject to the fulfilment of all of the requirements of such exchange by no later than January 29, 2001. While there have been a number of issuances of index-linked instruments of other issuers similar to the Notes, trading volumes have varied historically among such other instruments and it is therefore impossible to predict how the Notes will trade. You cannot assume that a trading market will develop for the Notes. If a trading market does develop, there can be no assurance that there will be liquidity in the trading market. If the trading market for the Notes is limited, there may be a limited number of buyers for your Notes if you do not wish to hold your investment until maturity. This may affect the price you receive.

The Noteholder may wish to 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.

Business Development Bank of Canada

BDC's address for purposes of the Notes is: 5 Place Ville-Marie, Bureau 400, Montreal, Quebec H3B 5E7, Attention: Vice-President and Treasurer

Calculation Agent

"Calculation Agent" means MLC in its capacity as the calculation agent for the Notes as appointed by BDC. The Calculation Agent shall act as an independent expert and as an agent for BDC. MLC's address is BCE Place, 181 Bay Street, Suite 400, Toronto, Ontario M5J 2V8. Whenever the Calculation Agent is required to act, it will do so in good faith, and its determinations and calculations will be binding in the absence of manifest error.

All determinations made by the Calculation Agent shall be at the sole discretion of the Calculation Agent and, absent a determination by the Calculation Agent of a manifest error, shall be conclusive for all purposes and binding on BDC and Noteholders.

Paying and Transfer Agent

"Paying and Transfer Agent" means the paying and transfer agent for the Notes appointed by BDC from time to time.

Dealings with Companies

Each of BDC, the Calculation Agent and the Paying and Transfer Agent may from time to time, in the course of its normal business operations, extend credit to, or hold interests linked to the Equity Indices or other securities of, or enter into other business dealings with, one or more of the companies whose shares are included in the Equity Indices. Each of BDC, the Calculation Agent and the Paying and Transfer Agent 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 level of the Equity Indices or the amount of Variable Interest that may be payable on the Notes.

Notices to Noteholders

If notice is required to be given to Noteholders in the circumstances contemplated in this Information Statement, such notice will be (i) 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 and (ii) made through CDS by BDC or its agent publishing for circulation to CDS participants a notice or bulletin setting forth the information specified or contemplated to be included in such notice. Noteholders will have access to such information through the CDS participants through which Notes are held. Other than the requirement to give notice to Noteholders prior to the acceleration of the determination of the Adjusted Ending Index Value, BDC will have no obligation to notify Noteholders or CDS participants in any other manner.

Status/Ranking

The Notes will constitute direct unconditional obligations of BDC and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. The Notes will be issued on an unsubordinated basis and, as among themselves, the Notes will rank pari passu and will be payable rateably without any preference or priority. The Notes do not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act.*

Credit Ratings

The Notes have not been rated by either Dominion Bond Rating Service Limited ("DBRS") or Canada Bond Rating Service Inc. ("CBRS") or any other rating agency. As at the date hereof, the obligations of BDC with a term to maturity in excess of one year were rated AAA by DBRS and AA+ by CBRS. There can be no assurances that, if the Notes were specifically rated by DBRS or CBRS, that they would have the same rating as the long-term obligations of BDC. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revisions or withdrawals at any time by the relevant rating agency.

Modifications of the Notes

The Global Note may be amended without the consent of the Noteholders by agreement between BDC and the Calculation Agent if, in the reasonable opinion of BDC and the Calculation Agent, the amendment would not materially and adversely affect the rights of the Noteholders. In other cases, the Global Note may be amended if the amendment is approved by a resolution passed by the favourable votes of the Noteholders of not less than 66% of the outstanding aggregate Principal Amount of the Notes represented at a meeting convened for the purpose of considering the resolution. Each Noteholder is entitled to one vote per $10 of Principal Amount held by such Noteholder for the purposes of voting at meetings convened for this purpose. The Notes do not carry the right to vote in any other circumstances.

Purchases by the Calculation Agent or BDC

The Calculation Agent, BDC, or any of their affiliates, associates or successors, may at any time, subject to applicable laws and the policies of any stock exchange on which the Notes may be listed, purchase Notes at any price in the open market or by private agreement. No such purchases may be made if such purchases would cause the Notes to cease to be listed on a public stock exchange.

THE EQUITY INDICES

S&P 500 Index

All information in this Information Statement relating to the S&P 500 Index is derived from publicly available sources and is presented in this Information Statement in summary form. More information may be obtained at www.spglobal.com/index.html. Neither MLC, BDC, the Calculation Agent , the Paying and Transfer Agent 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, the S&P 500 Index.

General

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. The calculation of the value of the Index is based on the relative value of the aggregate Market Value (as defined below) of the common stocks of 500 companies traded on the New York Stock Exchange, the American Stock Exchange and the NASDAQ System as compared to the aggregate Market Value of the common stocks of 500 similar companies during the base period from 1941 through 1943. For the purposes of this Information Statement, "Market Value" means, with respect to the common shares of a company, the product of the market price of such common shares and the number of such shares outstanding. As of February 29, 2000, the stocks of 448 companies included in the Index were traded on the New York Stock Exchange; however, such stocks were not the 448 largest stocks listed on the New York Stock Exchange. Standard & Poor's chooses companies for inclusion in the Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the major U.S. stock exchanges, which Standard & Poor's uses as an assumed model for the composition of the total market. Elected criteria employed by Standard & Poor's include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of its common stock is generally responsive to changes in the affairs of the respective industry and the Market Value and trading activity of the common stock of that company. The 500 companies included in the Index are divided into industry groups. These industry groups are, in turn, grouped into the following four major industry sectors: industrials, utilities, financials and transportation. Standard and Poor's may from time to time, in its sole discretion, add companies to, or delete companies from, the Index to achieve the objectives stated above.

Standard & Poor's currently computes the Index as of a particular time by dividing the total market value of the 500 companies in the Index by the index divisor. The calculation of the Index takes a number of steps.

First, a starting point or base period is selected. The base period is 1941-1943. Then, the initial total market value of the Index is calculated by taking each company's number of outstanding common shares and multiplying it by its price per share to determine the market value of each stock for such period. The market values of each company are then added together, and the total represents the base period market value for the index. This total is then indexed – that is, set to equal 10 to become the base period index value – and used in turn to calculate the base period divisor. The base period divisor is the quotient of the base period market value divided by the base period index value. Changes in the index are then calculated by dividing the aggregate market value of all 500 component stocks by the latest divisor. This divisor represents the link to the original base period value of the index and functions so as to keep the index comparable over time. It is the manipulation point for all maintenance adjustments to the index.

Standard & Poor’s adjusts the foregoing to negate the effect of changes in the Market Value of a component stock determined by Standard & Poor’s to be arbitrary or not due to true market fluctuations. These changes may result from such causes as the issue of stock dividends, stock splits, the granting to shareholders of rights to purchase additional shares of such stock, the purchase of such stock by employees pursuant to employee benefit plans, certain consolidations and acquisitions, the granting to shareholders of rights to purchase other securities of the company, the substitution by Standard & Poor’s of particular component stocks in the Index and other reasons. In all such cases, Standard & Poor’s first recalculates the aggregate Market Value of all component stocks (after taking account of the new market price per share of the particular component stock or the new number of outstanding shares thereof or both, as the case may be) and then adjusts the S&P Base Value in accordance with the following formula:

$$\text{Old S\&P Base Value} \quad \times \quad \frac{\text{New Market Value}}{\text{Old Market Value}} \quad = \quad \text{New S\&P Base Value}$$

The result is that the S&P Base Value will be adjusted in proportion to any change in the aggregate Market Value of all component companies resulting from the causes cited above, to the extent necessary to negate the effects of such causes upon the Index.

Disclaimer

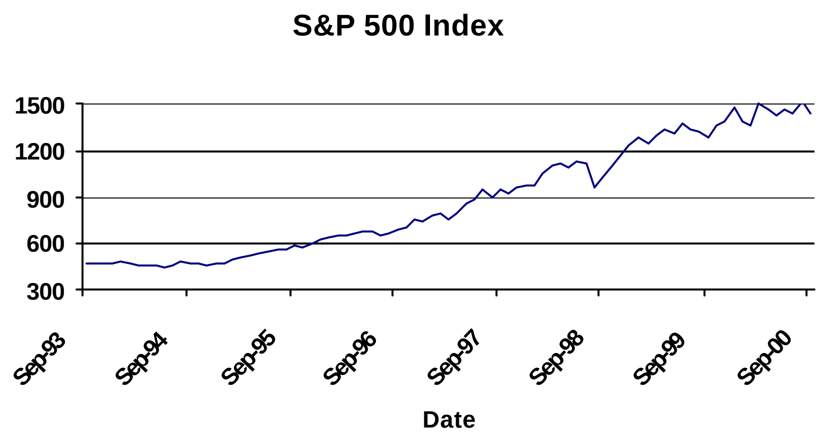
“Standard & Poor’s®,”, S&P®”, S&P 500®”, “Standard & Poor’s 500” and “500” are trademarks of Standard & Poor’s and have been licensed for use by MLC. The Notes are not sponsored, endorsed, sold or promoted by Standard & Poor’s. Standard & Poor’s makes no representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly of the ability of the Index to track general stock market performance. The only relationship of Standard & Poor’s to MLC is the licensing of certain trademarks and trade names of Standard & Poor’s and of the index which is determined, composed and calculated by Standard & Poor’s without regard to MLC or the Notes. Standard & Poor’s has no obligation to take the needs of MLC of the Noteholders into consideration in determining, composing or calculating the Index. Standard & Poor’s is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. Standard & Poor’s has no obligation or liability in connection with the administration, marketing or trading of the Notes.

STANDARD & POOR’S DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND STANDARD & POOR'S SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. STANDARD & POOR’S MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY MLC, THE NOTEHOLDERS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. STANDARD & POOR'S MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL STANDARD & POOR'S HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOSS OF PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

While Standard & Poor's currently employs certain methodology to calculate the Index, no assurance can be given that Standard & Poor's will not modify or change such methodology in a manner that may affect any amount of Variable Interest which may be payable to the Noteholders. Standard & Poor's is under no obligation to continue the calculation and dissemination of the Index. None of MLC, any firm that sells the Notes, the Calculation Agent or the Paying and Transfer Agent shall have responsibility for the calculation and dissemination of the Index (except as expressly stated in this Information Statement) or any errors or omissions therein.

Historical Data

The chart immediately below shows the calendar month-end Closing Levels of the S&P 500 Index from September 1993 through September 2000. Over that period, the starting Closing Level was 458.93; the highest Closing Level was 1,517.68 on August 31, 2000, the lowest Closing Level was 444.27 on June 30, 1994, and the ending Closing Level was 1,436.51.



Note that historical performance will not necessarily predict future performance.

Nikkei 225 Index

All information in this Information Statement relating to the Nikkei 225 Index is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither MLC, BDC, the Calculation Agent nor any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information. In addition, neither MLC, BDC, the Calculation Agent nor any investment dealer, broker or agent selling the Notes accepts responsibility for the calculation or other maintenance of, or any adjustments to, the Index.

General

The Nikkei Stock Average (also known as the "Nikkei 225 Index") is Japan's most widely watched stock price index. The index is sponsored by Nihon Keizai Shimbun, Inc., which has calculated and announced the index since 1970. Since October 1, 1985, its policy has been to calculate the 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 Index reflect up-to-the moment market trends. Since October 1991, constituents are checked every year to replace the relatively low liquidity issues with high liquidity issues. In this way, the index corresponds to the changes of the market environment.

Constituent stocks of the Index may be altered according to certain addition and deletion rules. The constituents of the Index are reviewed in accordance with the rules once each year.

The present calculation method was first applied in 1950. While the 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.

Disclaimer

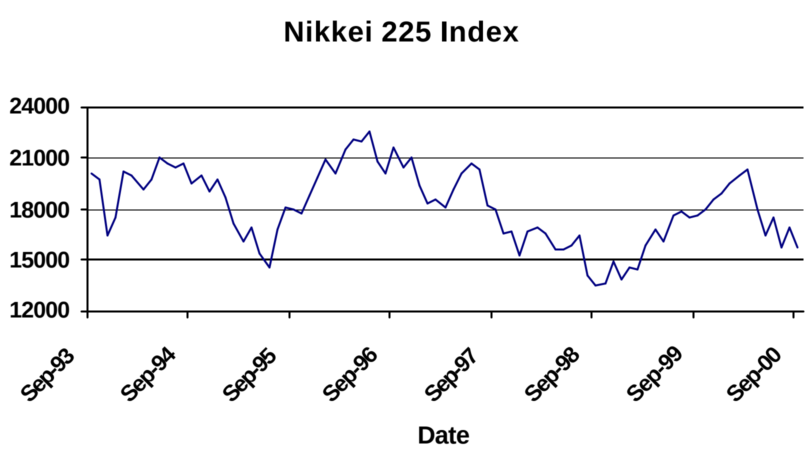
The Nikkei 225 Index is intellectual property of Nihon Keizai Shimbun, Inc.; "Nikkei", "Nikkei Stock Average" and "Nikkei 225" are the service marks of Nihon Keizai Shimbun, Inc. Nihon Keizai Shimbun, Inc. reserves all rights, including copyright, to the Index.

The Notes are not in any way sponsored endorsed or promoted by Nihon Keizai Shimbun, Inc. Nihon Keizai Shimbun, Inc. does not make any warranty or representation whatsoever, express or implied, either as to the results to be obtained as to the use of the Index or the figure at which the Index stands on any particular day or otherwise. The Index is compiled and calculated solely by Nihon Keizai Shimbun, Inc. However, Nihon Keizai Shimbun, Inc. shall not be liable to any person for any error in the Index and Nihon Keizai Shimbun, Inc. shall not be under any obligation to advise any person, including a purchaser or vendor of the Notes, of any error therein.

In addition, Nihon Keizai Shimbun, Inc. gives no assurance regarding any modification or change in any methodology used in calculating the Index and is under no obligation to continue the calculation, publication and dissemination of the Index.

Historical Data

The chart immediately below shows the calendar month-end Closing Levels of the Nikkei 225 Index from September 1993 through September 2000. Over that period, the starting Closing Level was 20,105.71; the highest Closing Level was 22,530.75 on June 28, 1996, the lowest Closing Level was 13,406.39 on September 30, 1998, and the ending Closing Level was 15,747.26.



Note that historical performance will not necessarily predict future performance.

Dow Jones Euro STOXX 50^{SM} Index

All information in this Information Statement relating to the Index is derived from publicly available sources and is presented in this Information Statement in summary form. As such, neither MLC, BDC, the Calculation Agent nor any investment dealer, broker or agent selling the Notes assumes any responsibility for the accuracy or completeness of such information. In addition, neither MLC , BDC, the Calculation Agent nor any investment dealer, broker or agent selling the Notes accepts responsibility for the calculation or other maintenance of, or any adjustments to, the Dow Jones EURO STOXX 50^{SM} Index.

General

The Dow Jones EURO STOXX 50^{SM} (Price) Index (referred to in this Information Statement as the "Dow Jones EURO STOXX ^{SM} Index") is a capitalization-weighted index of 50 major European securities from those countries participating in the European Monetary Union. Dow Jones EURO STOXX 50^{SM} is owned by STOXX Limited (being the Index Source for the Index) and is a Service Mark of Dow Jones & Company Inc. The Index is calculated in both euros and U.S. dollars; however, the euro calculation will be used for the purposes of the Notes.

The ten countries covered by the Index and the respective stock exchanges or trading systems currently selected to provide price data for securities comprising the Index are as follows:

Country	**Stock Exchange / Trading System**
Austria	Vienna Stock Exchange
Belgium	Brussels Stock Exchange
Finland	Helsinki Stock Exchange
France	Parisbourse and Nouveau Marche
Germany	Xetra
Ireland	Irish Stock Exchange
Italy	Lisbon Stock Exchange
Netherlands	Amsterdam Stock Exchange
Portugal	Lisbon Stock Exchange
Spain	SIBE

In the future, companies from other countries may be added and security prices from other exchanges or trading systems may be used. The Supervisory Board of STOXX Limited is responsible for this decision.

The base date for the Index is December 31, 1991. For this base date, the base value for the Index was set at 1,000.00

The Closing Level for the 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 Index calculations. 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 Index calculation.

If there is a stock exchange holiday in any one of the countries covered by the Index, the last available security prices from the relevant Exchange and the last available currency rate at that time are used for the Index calculation.

The Index is capitalization-weighted and the market capitalization is based on the total number of securities outstanding for each class of securities. However, the weighting of any component is limited to 10% of the total market capitalization of the Index.

Disclaimer

STOXX and Dow Jones have no relationship to BDC, other than the licensing of the Dow Jones EURO STOXX 50^{SM} Index and the related trademarks for use in connection with the Notes.

STOXX and Dow Jones do not:

- Sponsor, endorse, sell or promote the Notes.
- Recommend that any person invest in the Notes or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of the Notes.
- Have any responsibility or liability for the administration, management or marketing of the Notes.
- Consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the Dow Jones EURO STOXX 50^{SM} Index or have any obligation to do so.

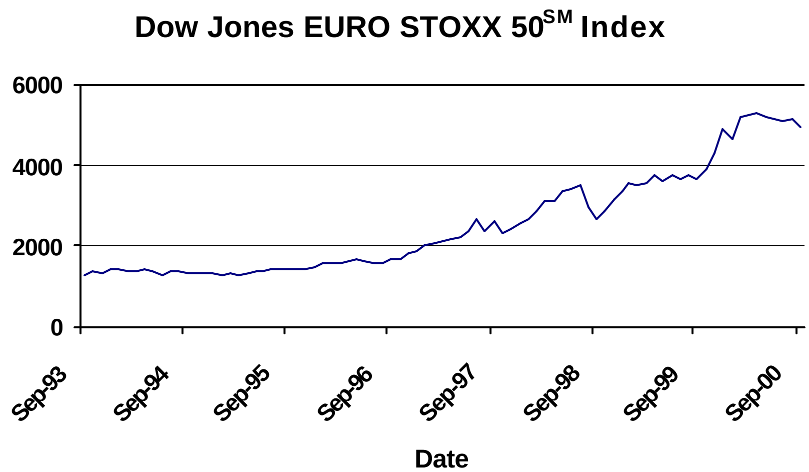
STOXX and Dow Jones will not have any liability in connection with the Notes. Specifically:

- STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:
  - The results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Dow Jones EURO STOXX 50^{SM} Index and the data included in the Dow Jones EURO STOXX 50^{SM} Index.
  - The accuracy or completeness of the Dow Jones EURO STOXX 50^{SM} Index and its data.
  - The merchantability and the fitness for a particular purpose or use of the Dow Jones EURO STOXX 50^{SM} Index and its data.
- STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones STOXX 50^{SM} Index or its data.
- Under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.

The licensing agreement between BDC and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or any other third parties.

Historical Data

The Dow Jones EURO STOXX 50^{SM} Index is a relatively new equity index. However, the Index Source has established a base date of December 31, 1991. For this base date, the base value for the Index was set at 1,000.00. Historical Closing Levels were then generated by the Index Source pursuant to the existing rules for calculating the Index. The chart immediately below shows the calendar month-end Closing Levels of the Dow Jones EURO STOXX 50^{SM} Index (in part using those generated historical Closing Levels) from September 1993 through September 2000. The starting Closing Level was 1,285.92; the highest Closing Level was 5,303.95 on April 28, 2000, the lowest Closing Level was 1,284.60 on June 30, 1994, and the ending Closing Level was 4,915.18.



Note that historical performance will not necessarily predict future performance.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan Binch, counsel to the Agent, the Notes will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans within the meaning of the *Income Tax Act* (Canada) (other than a deferred profit sharing plan to which payments are made by BDC or a corporation with which BDC does not deal at arm's length) and, will not constitute foreign property for purposes of Part XI of that Act.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McMillan Binch, counsel to the Agent, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Notes by a Noteholder who purchases Notes at the time of their issuance. This summary is applicable to a Noteholder who is an individual (other than a trust) and who, for the purposes of the *Income Tax Act* (Canada) (the "Act"), is a resident of Canada, deals at arm's length with and is not affiliated with BDC, and holds Notes as capital property. This summary does not apply to a Noteholder that is a "financial institution" as defined for the purposes of the rules in the Act governing securities held by financial institutions.

This summary is based on the current provisions of the Act and the regulations thereunder as in force on the date hereof, upon counsels' understanding of the current administrative and assessing practices of the Canada Customs and Revenue Agency (the "CCRA") and all specific proposals to amend the Act and regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (such proposals referred hereafter as the "Tax Proposals"). This summary does not otherwise take into account or anticipate any changes in law or the CCRA's administrative or assessing practices, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

With the dissolution of Parliament on October 22, 2000, the Tax Proposals contained in pending legislation were abolished and activity to advance Tax Proposals announced but not contained in pending legislation was quashed. Unless reintroduced in the House of Commons after the November 27, 2000 federal election and passed into law, the Tax Proposals will have no effect. Accordingly, there can be no assurance that any of the Tax Proposals will be implemented in their current form, or at all.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Notes. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any Noteholder. Noteholders should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Notes, based on their particular circumstances.

In general, the full amount of the Variable Interest, if any, will be included in the Noteholder's income in the taxation year that such amount is paid or payable.

In certain circumstances, provisions of the Act 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 should be no deemed accrual of interest on the Notes under these provisions for taxation years ending before the taxation year in which the Variable Interest is paid or payable.

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation, the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the transfer occurs, except to the extent it has been otherwise included in income for that year or a preceding year. Under the terms of the Notes, there should be no portion of the Variable Interest that will be treated as accrued interest unless the transfer or assignment takes place in circumstances where the Variable Interest has been determined as a result of an Extraordinary Event but where such Variable Interest has not been paid or made payable prior to assignment or transfer of the Note.

On any disposition or deemed disposition of a Note by a Noteholder prior to the date on which the amount of the Variable Interest payable at Maturity becomes calculable or prior to the Notification Date, while the matter is not free from doubt, the Noteholder should realize a capital gain (or capital loss) to the extent the proceeds of disposition, net of reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Note to the Noteholder.

Three-quarters (reduced to one-half under the Tax Proposals) of any capital gain ("taxable capital gain") realized on the disposition or deemed disposition of the Notes will be included in the Noteholder's income and three-quarters (reduced to one-half under the Tax Proposals) of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Act.

RISK FACTORS TO CONSIDER

Suitability for Investment

A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of investment objectives and the information set out in this Information Statement. An investment in the Notes would not be suitable for a prospective purchaser seeking a guaranteed interest yield. BDC makes no recommendation as to the suitability of the Notes for investment by any person.

Interest May Not be Payable

The Variable Interest, if any, payable under the Notes on the Maturity Date is directly linked to the net appreciation in the level of the Equity Indices. Such an appreciation is contingent on events that are inherently difficult to predict and beyond the control of BDC. There can be no assurances that the Notes will generate positive returns over the period such Notes are outstanding. Moreover, Noteholders may receive only the Principal Amount on the Maturity Date, without any yield or return thereon, if there has been no net appreciation in the level of the Equity Indices. See "*Examples of Payments under the Notes*".

Non-Conventional Notes

The Notes are not conventional notes in that they do not provide Noteholders with a return or income stream prior to the Maturity Date, or a return at maturity calculated with reference to a fixed or floating rate of interest that is determinable prior to the Maturity Date. Noteholders will not have an opportunity to reinvest any income generated by their investment in the Notes prior to the Maturity Date, nor will they be able, prior to maturity, to determine the amount of the yield or return, if any, that they will receive on the Maturity Date. Moreover, the value of an investment in the Notes may diminish over time owing to inflation and other factors that adversely affect the present value of future payments. Accordingly, an investment in the Notes may result in a lower return when compared to alternative investments. The Notes do not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

Volatility of Underlying Indices

An investment in Notes is subject to fluctuation in the prices of the shares in the relevant Equity Indices, including the risk of depreciation in the prices of the shares. See "*Examples of Payments under the Notes*." The amount of Variable Interest, if any, depends upon the Adjusted Ending Index Value in relation to the Starting Index Value. Purchasers of the Notes should recognize that it is impossible to know whether the value of the Equity Indices will rise or fall. Purchasers should familiarize themselves and understand the basic features of the Equity Indices, including the underlying shares and the general method of calculation of Variable Interest.

Secondary Market

The Principal Amount and Variable Interest, if any, payable under the Notes is payable only on the Maturity Date, unless there has been an early determination and payment of Variable Interest. There is no assurance that a secondary market through which the Notes may be sold will develop or, if such market develops, whether such market will be liquid. If a Noteholder decides to sell the Notes prior to the Maturity Date (assuming the availability of a secondary market), the Noteholder may receive an amount that is less than the Principal Amount thereof. Furthermore, BDC does not guarantee the payment at Maturity of any premium paid by a Noteholder having purchased Notes in the secondary market at an amount over the Principal Amount of $10.

Complex Factors Affecting Value and Trading Price of the Notes

Noteholders who wish to sell Notes should carefully consider, among other things, the trading price of the Notes in the secondary market (if any) and any related transaction costs. The trading price of the Notes at any time prior to maturity may be below the initial offering price and will likely depend on the level of the Equity Indices, volatility of the Equity Indices, prevailing U.S., Canadian, European Economic Community and Japanese interest rates, and other complicated and interrelated market factors and conditions. For example, if the volatility of the Equity Indices increases, then the trading price of the Notes would be expected to increase. Conversely, if the volatility of the Equity Indices decreases, the trading price of the Notes would be expected to decrease. Moreover, if Canadian interest rates increase, then the trading price of the Notes is expected to decrease. Conversely, if Canadian interest rates decrease, then the trading price of the Notes is expected to increase. Further, other interrelated factors, such as the credit rating of BDC, the time to maturity of the Notes, the dividend yield of the relevant Equity Indices and the supply and demand for the Notes may affect the trading price of the Notes. The trading value of the Notes may also be affected by various political, economic and other factors that affect the U.S., the European Economic Community and the Japanese economy.

It is important for prospective purchasers to understand that the effect of one factor may offset any increase in the trading value of the Notes caused by another factor or may exacerbate the decrease in the trading value caused by another factor. Consequently, the trading value of the Notes may decline even if the value of the Equity Indices has increased.

Extraordinary Events

If an Extraordinary Event occurs on a day on which a closing value of any of the Equity Indices is to be used for purposes of determining the Adjusted Ending Index Value, the closing value on that day will not be used for purposes of calculating the Adjusted Ending Index Value. Fluctuations in the closing value of the Equity Indices may occur in the interim. The occurrence of an Extraordinary Event may result in the acceleration of the determination of the Adjusted Ending Index Value and the early determination and payment of the amount of Variable Interest, if any. In no event will Noteholders receive the Principal Amount under their Notes before the Maturity Date. See "*The Notes – Determination of Variable Interest Due to an Extraordinary Event*".

Calculation Agent May Determine Index Closing Values

If an Index Source (or an acceptable successor) should cease calculation and dissemination of any of the Equity Indices, the Calculation Agent will make such calculations as it may deem appropriate to determine the closing values of the relevant Equity Index on Valuation Dates using in each case the formula and method of calculating the relevant Equity Index as of the date the relevant Equity Index was last so calculated. The Calculation Agent will have no responsibility for good faith errors or omissions in calculation and dissemination of the relevant Equity Index. See "*The Notes – Determination of Variable Interest Due to an Extraordinary Event*".

No Entitlement to Underlying Indices

The Notes are obligations of BDC. Noteholders do not have an interest in or any rights to the securities listed in the Equity Indices, even in an event of default by BDC in respect of the Notes.

Early Interest Calculation

If a Notification Date is designated by the Calculation Agent as a result of the occurrence and continuance of any one or more Extraordinary Events, the Variable Interest would be calculated and paid as at a date that would be earlier than the Maturity Date and a Noteholder would no longer be entitled to receive a payment on maturity based on appreciation in the level of the Equity Indices for the remaining time to the Maturity Date. Consequently, the factors affecting the trading price of the Notes in the secondary market would change significantly and, as of and from the Notification Date, the Notes would likely be valued in a manner similar to zero coupon bonds.

In addition, a Notification Date may only be designated after one or more Extraordinary Events has continued for ten consecutive Exchange Days. The level of the Equity Indices could decline significantly during such ten-day period as a result of the occurrence and continuance of the Extraordinary Event.

Discontinuance or Modification to the Indices

An Index Source may materially modify or replace its Equity Index with a Successor Index. Although the Calculation Agent will determine the level of Equity Indices at the Maturity Date in these circumstances to ensure that such level is calculated on as consistent a basis as is practicable, discontinuities may arise in such circumstances. Moreover, current information regarding the level of a Successor Index may not be readily available to Noteholders, which may adversely affect the secondary market for trading in the Notes.

An Index Source may also cease publication of its Equity Index without the provision of a Successor Index on a certain date. In these circumstances, the Calculation Agent will calculate the relevant closing values for purposes of determining the Adjusted Ending Index Value using the price, level or value for the Equity Indices as at that date.

Credit Risk

The Notes will constitute direct unconditional obligations of BDC and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. The Notes will be issued on an unsubordinated basis and, as among themselves, the Notes will rank pari passu and will be payable rateably without any preference or priority. The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*. The likelihood that the Noteholders will receive the payment owing to them in connection with the Notes will be dependent upon the financial health and creditworthiness of BDC.