

Information Statement

Dated January 14, 2000

Business Development Bank of Canada



**Global Giants Equity-linked Notes
Series 1
Due February 4, 2008**

Price: \$10.00 per Note

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

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

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

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

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

BDC intends to apply to the relevant securities authorities for relief from continuous disclosure requirements usually applicable to reporting issuers.

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

In this Information Statement, capitalized terms will have the meanings ascribed to them and references to "\$" are to Canadian dollars, "US\$" are to United States dollars, "CHF" are to Swiss francs, "JPY" are to Japanese yen, "£" are to United Kingdom sterling and "EUR" are to euros (the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty).

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.

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SUMMARY

The following summary should be read in conjunction with the more detailed information appearing elsewhere in this Information Statement.

A Global Giants Equity-linked Note, Series 1, (a “Note”) is a variable interest promissory note issued by the Business Development Bank of Canada. Interest thereon, if any, will be calculated at a rate equal to the average (if positive) of the equally-weighted percentage gains and losses in the closing prices of the shares of 16 companies determined from among shares of a portfolio (the “Portfolio”) initially of 32 major global companies. These 16 companies will be those remaining in the Portfolio after removing (i) after four years, the eight companies with the shares having the lowest interim returns, and (ii) on the Exchange Day prior to maturity, the eight of the remaining companies with the shares having the highest final returns. The principal amount, together with interest (if any), will be paid only when the Note matures on February 4, 2008.

The Portfolio consists of shares (each a “Share”) of the following companies (each a “Company”) which trade on the respective exchanges or quotation system noted below, subject to substitution in accordance with “DESCRIPTION OF THE NOTES – *Substitution Events*” starting on page 6 below and removal pursuant to the procedures set out under the definition of “Eligible Shares” on page 3 below. See also “THE COMPANIES” starting on page 13 below for a brief description of the current business of each of the initial Companies and “HISTORICAL SHARE PRICES” starting on page 19 below for historical closing price information for the Shares.

#	Company	Symbol/Code	Exchange
1	American International Group, Inc.	AIG	New York Stock Exchange
2	AT&T Corp.	T	New York Stock Exchange
3	Bank of America Corporation	BAC	New York Stock Exchange
4	The Bank of Tokyo-Mitsubishi, Ltd.	8315	Tokyo Stock Exchange
5	Bell Atlantic Corporation	BEL	New York Stock Exchange
6	BellSouth Corporation	BLS	New York Stock Exchange
7	BP Amoco plc	BPA	London Stock Exchange
8	British Telecommunications plc	BT	London Stock Exchange
9	Citigroup Inc.	C	New York Stock Exchange
10	The Coca-Cola Company	KO	New York Stock Exchange
11	Deutsche Telekom AG	5557003	Frankfurt Stock Exchange
12	Exxon Mobil Corporation	XOM	New York Stock Exchange
13	France Telecom SA	FTE	Paris Stock Exchange
14	General Electric Company	GE	New York Stock Exchange
15	Hewlett-Packard Company	HWP	New York Stock Exchange
16	HSBC Holdings plc	HSBA	London Stock Exchange
17	Intel Corporation	INTC	NASDAQ
18	International Business Machines Corporation	IBM	New York Stock Exchange
19	Johnson & Johnson	JNJ	New York Stock Exchange
20	Lloyds TSB Group plc	LLOY	London Stock Exchange
21	MCI WorldCom, Inc.	WCOM	NASDAQ
22	Merck & Co., Inc.	MRK	New York Stock Exchange
23	Microsoft Corporation	MSFT	NASDAQ
24	Nestlé AG	NESN	Swiss Exchanges
25	Novartis AG	NOVN	Swiss Exchanges
26	Procter & Gamble Company	PG	New York Stock Exchange
27	Roche Holding AG	ROG	Swiss Exchanges
28	Royal Dutch Petroleum Company	RD	Amsterdam Exchanges
29	SBC Communications Inc.	SBC	New York Stock Exchange
30	Siemens AG	7236101	Frankfurt Stock Exchange
31	Toyota Motor Corporation	7203	Tokyo Stock Exchange
32	Wal-Mart Stores, Inc.	WMT	New York Stock Exchange

Issuer: Business Development Bank of Canada (“BDC”).

Principal Amount: \$10.00 per Note, with a minimum subscription of 500 Notes per holder.

Issue Price:

<u>Price to the Public⁽¹⁾</u>	<u>Selling Agent’s Commission</u>	<u>Proceeds to BDC⁽²⁾</u>
\$10.00 (Par)	\$0.40	\$9.60

(1) The subscription price has been determined by negotiation between BDC and CIBC World Markets Inc. (as Selling Agent).

(2) Before deduction of expenses of issue which, together with the Selling Agent’s commissions, will be paid by the issuer out of general funds.

Issue Date: On or about February 4, 2000.

Maturity Date/Term: February 4, 2008 (resulting in a term to maturity of eight years).

Principal Amount Payment: The holder of a Note (the “Noteholder”) will be paid the Principal Amount in Canadian dollars on the Maturity Date.

Variable Interest: The Noteholder will be paid Variable Interest, if any, in Canadian dollars on the Maturity Date. The Noteholder may not elect to receive Variable Interest prior to the Maturity Date. Variable Interest will be calculated by the Calculation Agent in accordance with the formula noted under “VARIABLE INTEREST CALCULATION” on page 3 below. Generally stated, Variable Interest, if any, will be paid on the Maturity Date at a rate calculated on the Principal Amount of the Note equal to the average (if positive) of the equally-weighted percentage gains and losses in the closing prices of 16 of the Shares in the Portfolio (being the Eligible Shares determined as set out below) referenced in each case from an Initial Price to a Final Price. The Initial Price of a Share will be its closing price on the applicable Exchange on the relevant Exchange Day immediately following the Issue Date. The Final Price of a Share will be its closing price on the applicable Exchange on the relevant Exchange Day immediately before the Maturity Date. See “VARIABLE INTEREST CALCULATION” below for example calculations.

Eligible Shares: Eligible Shares will be the Shares of 16 of the Companies remaining in the Portfolio after removing (i) four years after the Issue Date, the eight Companies with the Shares having the lowest interim returns relative to their respective Initial Prices, and (ii) on the Exchange Day prior to the Maturity Date, the eight Companies (of the then remaining 24 Companies) with the Shares having the highest final returns relative to their respective Initial Prices. The performance of those non-Eligible Shares which are removed from the Portfolio will not be factored into the calculation of Variable Interest. See “VARIABLE INTEREST CALCULATION” on page 3 below for further details.

Market Disruption Event: A Market Disruption Event in respect of any Share may delay determination and payment of Variable Interest. See “DESCRIPTION OF THE NOTES – *Market Disruption Events*” starting on page 8.

Share Substitution / Adjustments: Upon the occurrence of certain events, such as the merger or nationalization of any Company that has not been previously removed from the Portfolio as not being an Eligible Share, the Calculation Agent shall add a new share to the Portfolio as a replacement for the Share of such Company in order to keep the same number of remaining Shares in the Portfolio, and may accordingly make other adjustments. See “DESCRIPTION OF THE NOTES – *Substitution Events*” starting on page 6. In other circumstances, such as a stock split or extraordinary dividend in respect of a Share, the Calculation Agent may adjust any one or more of the Initial Price for the Share, the formula for calculating its Interim Return or Final Return (as the case may be), or another component or variable relevant to the determination of Variable Interest to account for those circumstances. See “DESCRIPTION OF THE NOTES – *Adjustment Events*” starting on page 6.

RRSP Eligible: The Notes will be qualified investments under the Income Tax Act (Canada) for trusts governed by registered retirement savings plans, registered retirement

income funds, registered education savings plans and deferred profit sharing plans and will not constitute foreign property within the meaning of that Act.

TSE Listing:

The Toronto Stock Exchange has conditionally approved the listing of the Notes, subject to BDC fulfilling all of the requirements of such exchange by March 31, 2000, including the distribution of the Notes to a minimum number of Noteholders.

Book-Entry Registration:

Records of ownership and transfer will be maintained through the book-entry system of The Canadian Depository for Securities Limited or its successor ("CDS"). A Noteholder will not receive any document from BDC evidencing ownership of Notes while maintained through CDS.

Risk Factors:

A person should consider carefully certain risk factors set out on page 20 before reaching a decision to buy the Notes.



VARIABLE INTEREST CALCULATION

A Noteholder will be entitled to receive an amount, if any, in Canadian dollars per Note equal to the Variable Interest calculated in accordance with the following formula:

$$\text{Variable Interest} = \$10.00 \times \text{Eligible Return}$$

Where:

"*Eligible Return*" means the greater of (i) the average (rounded to four decimal places), expressed as a percentage, of the Final Returns for all Eligible Shares and (ii) zero.

"*Eligible Shares*" mean the Shares remaining in the Portfolio after removing:

- (i) the Shares of the eight Companies having the lowest Interim Returns as of the Interim Valuation Date; and
- (ii) the Shares of the eight Companies in the remaining Portfolio (i.e., eight of the 24 remaining Shares after removal of the eight Shares pursuant to (i) above) having the highest Final Returns as of the Final Valuation Date.

"*Initial Price*" for a Share means the closing price on the applicable Exchange (or where such Exchange does not announce or publish a closing price, the last traded price) for that Share on the relevant Initial Valuation Date, subject to adjustments that may be made pursuant to "DESCRIPTION OF THE NOTES – *Adjustment Events*".

"*Initial Valuation Date*" for a Share means the relevant Exchange Day immediately following the Issue Date, subject to postponement due to a Market Disruption Event.

"*Interim Price*" for a Share means the closing price on the applicable Exchange (or where such Exchange does not announce or publish a closing price, the last traded price) for that Share on the applicable Interim Valuation Date.

"*Interim Return*" for a Share means the number (rounded to four decimal places), which may be positive or negative, expressed as a percentage, determined by the Calculation Agent in accordance with the following formula:

$$\text{Interim Return} = \left(\frac{\text{Interim Price} - \text{Initial Price}}{\text{Initial Price}} \right)$$

"*Interim Valuation Date*" for a Share means February 4, 2004 (or, if such date is not a relevant Exchange Day, the immediately preceding relevant Exchange Day), subject to postponement due to a Market Disruption Event.

“Final Price” for a Share means the closing price on the applicable Exchange (or, where such Exchange does not announce or publish a closing price, the last traded price) for that Share on the applicable Final Valuation Date.

“Final Return” for a Share means the number (rounded to four decimal places) which may be positive or negative, expressed as a percentage, determined by the Calculation Agent in accordance with the following formula:

$$\text{Final Return} = \left(\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right)$$

“Final Valuation Date” for a Share means the relevant Exchange Day immediately before the Maturity Date, subject to postponement due to a Market Disruption Event.

No Variable Interest will be paid unless the Eligible Return is positive (i.e., over the relevant period any percentage gains exceed any percentage losses in respect of the Initial Prices of the Eligible Shares).

Example – The example set out below is included for purposes of illustration only. The prices used in the examples are not estimates or forecasts of those prices on the related dates. It assumes the Noteholder has purchased 500 Notes. Assume Initial Prices, Interim Prices and Final Prices as set out in the table below.

	Currency	Initial Price	Interim Price	Interim Return	Rank	8 Lowest Removed	Final Price	Final Return	Rank	8 Highest Removed	Eligible Share Final Return
AIG	US\$	99.00	200.00	102.02%	6	No	300.00	203.03%	10	No	203.03%
T	US\$	51.00	200.00	292.16%	2	No	320.00	527.45%	2	Yes	
BAC	US\$	46.00	100.00	117.39%	4	No	120.00	160.87%	13	No	160.87%
8315	JPY	1450.00	1300.00	-10.34%	29	Yes					
BEL	US\$	58.00	55.00	-5.17%	27	Yes					
BLS	US\$	45.00	95.00	111.11%	5	No	80.00	77.78%	22	No	77.78%
BPA	£	6.00	11.00	83.33%	10	No	25.00	316.67%	5	Yes	
BT	£	14.00	18.00	28.57%	22	No	12.00	-14.29%	24	No	-14.29%
C	US\$	50.00	95.00	90.00%	8	No	250.00	400.00%	3	Yes	
KO	US\$	56.00	65.00	16.07%	24	No	100.00	78.57%	21	No	78.57%
5557003	EUR	64.00	110.00	71.88%	13	No	250.00	290.63%	6	Yes	
XOM	US\$	77.00	101.00	31.17%	21	No	175.00	127.27%	17	No	127.27%
FTE	EUR	118.00	155.00	31.36%	20	No	225.00	90.68%	18	No	90.68%
GE	US\$	144.00	180.00	25.00%	23	No	185.00	28.47%	23	No	28.47%
HWP	US\$	109.00	200.00	83.49%	9	No	300.00	175.23%	12	No	175.23%
HSBA	£	8.00	9.00	12.50%	25	Yes					
INTC	US\$	83.00	150.00	80.72%	11	No	200.00	140.96%	14	No	140.96%
IBM	US\$	112.00	175.00	56.25%	14	No	255.00	127.68%	16	No	127.68%
JNJ	US\$	89.00	75.00	-15.73%	31	Yes					
LLOY	£	7.00	9.25	32.14%	19	No	13.00	85.71%	19	No	85.71%
WCOM	US\$	50.00	150.00	200.00%	3	No	175.00	250.00%	7	Yes	
MRK	US\$	65.00	55.00	-15.38%	30	Yes					
MSFT	US\$	113.00	75.00	-33.63%	32	Yes					
NESN	CHF	2800	5000	78.57%	12	No	8500	203.57%	9	No	203.57%
NOVN	CHF	2300	9500	313.04%	1	No	20000	769.57%	1	Yes	
PG	US\$	105.00	95.00	-9.52%	28	Yes					
ROG	CHF	17800	17000	-4.49%	26	Yes					
RD	EUR	58.00	90.00	55.17%	15	No	185.00	218.97%	8	Yes	
SBC	US\$	44.00	65.00	47.73%	16	No	195.00	343.18%	4	Yes	
7236101	EUR	125.00	175.00	40.00%	17	No	300.00	140.00%	15	No	140.00%
7203	JPY	4800.00	6500.00	35.42%	18	No	8900.00	85.42%	20	No	85.42%
WMT	US\$	64.00	125.00	95.31%	7	No	180.00	181.25%	11	No	181.25%
Eligible Return (average of the Final Returns for the Eligible Shares) =											118.26%

The Calculation of the Variable Interest for each Note, assuming payout on the Maturity Date, is as follows:

$$\$10 \times 118.26\% = \$11.826$$

Therefore, aggregate Variable Interest on the 500 Notes in the amount of \$5,913.00 (i.e., \$11.826 x 500), together with the Principal Amount of \$5,000.00, would be paid on the Maturity Date.

DESCRIPTION OF THE NOTES

Issue

Global Giants Equity-linked Notes, Series 1, (the "Notes") will be issued by BDC on or about February 4, 2000 (the "Issue Date"). BDC reserves the right to issue the Notes in an aggregate number as BDC may determine in its absolute discretion.

Principal Amount and Minimum Subscription

Each Note will be issued in a face amount of \$10.00 (the "Principal Amount"). The minimum subscription per Noteholder will be 500 Notes.

Maturity & Repayment of Principal Amount

Each Note matures on February 4, 2008 (the "Maturity Date"), on which date the Noteholder will be entitled to receive the Principal Amount (i.e., \$10.00 per Note). If the Maturity Date is not a Banking Day, then such payment of the applicable Principal Amount will be paid on the next following Banking Day and no interest shall be paid in respect of the delay in such payment.

Variable Interest

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

Variable Interest payable under the Notes is linked to the change in the closing price of each of the Eligible Shares, which will comprise 16 Shares of the Portfolio. The initial Shares in the Portfolio are listed in the table on page 1. The Shares are subject to substitution from time to time by the Calculation Agent (as identified below) as specified under "*Substitution Events*" starting on page 6 below. A brief description of the current business of each of the respective Companies is set out under "THE COMPANIES" starting on page 13 below. Historical information for the Shares is set out in the table on page 19.

Variable Interest will be determined by the Calculation Agent in accordance with the formula and related definitions set out under "VARIABLE INTEREST CALCULATION" on page 3.

It should be noted that no Variable Interest will be paid unless the Eligible Return is positive (i.e., over the relevant period, the total of any percentage gains exceeds the total of any percentage losses in respect of the Initial Prices for the Shares).

Those Exchange Days on which closing prices will be determined for computing the Initial Price, the Interim Price and the Final Price for a Share are referred to as the "Initial Valuation Date", "Interim Valuation Date" and "Final Valuation Date", respectively, and each a "Valuation Date".

Payment of the Variable Interest on the Notes will be made or caused to be made by BDC on the Banking Day after the date on which all Final Prices for the Shares have been determined. Accordingly, payment of the Variable Interest will be made on the Maturity Date, subject to delay in the determination of any Final Price of a Share due to a related Market Disruption Event as set out under "*Market Disruption Events*" starting on page 8 below.

More particularly, the timing and manner of determining the amount of Variable Interest and the timing of the payment of Variable Interest as described above may be affected by the occurrence of certain events. See "*Adjustment Events*", "*Substitution Events*" and "*Market Disruption Events*" below.

TSE Listing of Notes

The Toronto Stock Exchange has conditionally approved the listing of the Notes, subject to BDC fulfilling all of the requirements of such exchange by March 31, 2000, including the distribution of the Notes to a minimum number of Noteholders.

Secondary Trading of Note

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

The trading price of a Note at any time will be dependent on, among other things, (i) how much the trading prices of the Shares have risen or fallen since the Issue Date, (ii) the fact that the \$10 principal amount of the Note is payable on the Maturity Date regardless of the trading prices of the Shares at any time, and (iii) a number of other interrelated factors, including, without limitation, volatility in the prices of the Shares, the correlation amongst the prices of the Shares, prevailing interest rates, dividend yields, 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 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 or hold the Note until the Maturity Date.

Adjustment Events

Calculation Agent To Adjust Initial Price, etc. in Certain Circumstances

Subject to the provisions set out below under “*Substitution Events*”, the Calculation Agent will, as soon as practicable after an Adjustment Event (as defined below) in respect of a Share has occurred, make adjustments to any one or more of the Initial Price, the formula for calculating the Interim Return or Final Return (as the case may be) of that Share, or any other component or variable relevant to the determination of Variable Interest. Adjustments will be made in such a way as the Calculation Agent reasonably determines appropriate to account for the diluting or concentrative effect of such Adjustment Event. Upon making any such adjustment, the Calculation Agent shall promptly give notice of such adjustment and brief details of the Adjustment Event to CDS and the Noteholders’ investment dealers who are participants in CDS (or directly to the Noteholders in the case where Notes are directly registered in their name and issued in definitive form). Save as expressly provided below, the Calculation Agent shall make no adjustment in respect of any distribution of cash.

Definition of Adjustment Event

“Adjustment Event” means, in respect of a Share, the occurrence of any of the following events:

- (a) a subdivision, consolidation or reclassification of such Shares (unless a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution or dividend to existing holders of the Shares of (i) Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer equally or proportionately with such payments to holders of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend in respect of such Shares;
- (d) a call in respect of Shares that are not fully paid;
- (e) a repurchase by the applicable Company of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (f) any other similar event that may have a diluting or concentrative effect on the theoretical value of the Shares.

Substitution Events

Calculation Agent to Replace Shares in the Portfolio in Certain Circumstances

If the Calculation Agent determines that a Substitution Event in respect of a Share (the “Deleted Share”) has occurred:

- (a) an adjustment set out in “*Adjustment Events*” above in respect of such Share shall not apply; and
- (b) the Calculation Agent shall choose (in its absolute discretion) a new share (the “Replacement Share”) of a large company listed on an exchange or market quotation system, whose business operates on a global basis, as a substitute for such Deleted Share, and effective as of the date BDC is notified of such choice (the “Substitution Date”):
 - (1) such Deleted Share shall be deleted from the Portfolio and shall not be considered as a Share for purposes of determining Variable Interest on or after the Substitution Date;

- (2) the Replacement Share shall be a Share in the Portfolio, the issuer of such Replacement Share shall be the Company in respect of such Replacement Share, and the exchange or market quotation system on which such Replacement Share is listed shall be the Exchange in respect of such Replacement Share;
- (3) the Initial Price of such Replacement Share shall be in accordance with the following formula:

$$\text{Initial Price} = A \times \left(\frac{B}{C} \right)$$

where:

“A” is the closing price for such Replacement Share on the Substitution Date (or, if the Substitution Date is not an Exchange Day for the Replacement Share, the Exchange Day immediately following such Substitution Date).

“B” is the Initial Price of such Deleted Share.

“C” is the Exit Price of such Deleted Share.

Upon choosing a Replacement Share, the Calculation Agent shall promptly give details of such substitution and brief details of the Substitution Event to CDS and the Noteholders’ investment dealers who are participants in CDS (or directly to the Noteholders in the case where Notes are directly registered in their name and issued in definitive form). For greater certainty, the Replacement Share chosen by the Calculation Agent may be any share of a large company whose business operates on a global basis, and may be a Company which was previously deleted from the Portfolio on the Interim Valuation Date or a company which was the continuing entity in respect of a Merger Event.

Definitions relating to Substitution Event

“Substitution Event” means, in respect of a Share, the occurrence of a Delisting Event, a Merger Event or a Nationalization in respect of such Share.

“Delisting Event” means, in respect of a Share, a delisting of such Shares from the applicable Exchange for any reason or the suspension of trading of such Shares on such Exchange for any reason where the suspension, in the Calculation Agent’s reasonable determination, would be permanent or effective for a period lasting longer than 10 applicable Exchange Days, and the Exit Price of such Share with respect to a Substitution Event shall be the Expert Estimated Price determined by Calculation Experts, as of the date of such delisting or as of the date the Calculation Agent determines that the suspension would be permanent or effective for a period lasting longer than 10 applicable Exchange Days, in the same fashion as noted in “*Calculation Experts May Determine Prices*” below under “*Market Disruption Events*”.

“Merger Event” means, in respect of a Share, (i) any reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding, (ii) consolidation, amalgamation or merger of the relevant Company with or into another entity, or (iii) other takeover offer for such Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the offeror), in each case if the date upon which all holders of such Shares (other than, in the case of a takeover offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares is on or before the Final Valuation Date; and the Exit Price of such Share with respect to a Substitution Event shall be the value of the consideration (or estimated consideration where the actual consideration has not been established on any relevant Valuation Date for such Share) for such transfer, as reasonably determined by the Calculation Agent.

“Nationalization” means, in respect of a Share, that all such Shares or all the assets or substantially all the assets of the applicable Company are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity, and the Exit Price of such Share with respect to a Substitution Event shall be the value of the consideration (or estimated consideration where the actual consideration has not been established on any relevant Valuation Date for such Share) for such transfer, as reasonably determined by the Calculation Agent.

Market Disruption Events

Postponement of Valuation Date Due to Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event in respect of a Share has occurred and is continuing on any date that but for that event would be a Valuation Date in respect of that Share, then the Initial Price, Interim Price or Final Price (as the case may be) for that Share will be calculated on the basis that such Valuation Date will be postponed to the next applicable Exchange Day on which there is no Market Disruption Event in respect of that Share in effect. However, if, on the fifth applicable Exchange Day following the date originally scheduled as the Valuation Date in respect of the relevant Share, such Valuation Date has not occurred, then, despite the occurrence of any Market Disruption Event on or after such fifth Exchange Day, such fifth Exchange Day shall be the Valuation Date in respect of that Share.

Calculation Experts May Determine Prices

Where the Valuation Date occurs on the fifth applicable Exchange Day following the originally scheduled Valuation Date in respect of a Share and on that date a Market Disruption Event has occurred and is continuing in respect of that Share, the following provisions shall apply:

- (i) The Calculation Agent will appoint five Calculation Experts. Each Calculation Expert will be a person or company (other than the Calculation Agent or any affiliate thereof) that is an active participant in equity markets relevant to the applicable Exchange. The Calculation Experts will act as independent experts, and not as agents for BDC or the Calculation Agent, and their calculations and determinations shall, absent manifest error, be final and binding on BDC and the Noteholders. The calculations will be available to a Noteholder from the Calculation Agent.
- (ii) The determination by the Calculation Agent that a Market Disruption Event has occurred and is continuing is subject to subsequent confirmation by a majority of the Calculation Experts promptly following their appointment.
- (iii) The Calculation Agent shall give notice of such determination and appointment and the identity of the Calculation Experts (and of any subsequent determination that the relevant Market Disruption Event has ceased) to CDS and the Noteholders' investment dealers who are participants in CDS (or directly to the Noteholders in the case where Notes are directly registered in their name and issued in definitive form).
- (iv) The price used for purposes of determining the Initial Price, Interim Price or Final Price (as the case may be) for that Share will be a closing price (the "Expert Estimated Price") determined by the Calculation Experts as of such Valuation Date taking into account all relevant market circumstances based upon the average of the estimates of the closing price on the relevant Exchange by three of the five Calculation Experts whose estimates are neither the highest nor the lowest of the five estimates; provided that if two or more of the highest and/or lowest estimates are equal, only one of such higher and/or lower estimate shall be deemed to be the highest and/or the lowest estimate for the purpose of determining the average of the estimates of the Calculation Experts.

Definition of Market Disruption Event

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

- (a) any suspension of or limitation on trading (by reason of movements in price exceeding permitted limits, or otherwise) on the applicable Exchange in the Shares, where such suspension or limitation occurs or exists during the one-half hour period prior to the scheduled close of regular trading on such Exchange and where, in the determination of the Calculation Agent, such suspension or limitation is material;
- (b) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other government authority which would make it unlawful or impracticable for BDC to perform its obligations under the Notes or for equity dealers generally to place or modify hedges of positions in respect of the Share;

- (c) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or of any other country or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or the country where the applicable Exchange is located; or
- (d) the occurrence of any event including, without limitation, any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of BDC to perform its obligations under the Notes or of equity dealers generally to place or modify hedges of positions in respect of the Share or a material and adverse effect on the economy of the country where the applicable Exchange is located or the trading of securities generally on such Exchange.

For the purposes of determining whether a Market Disruption Event has occurred: (1) a limitation on the hours or number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the applicable Exchange, and (2) a “suspension of or limitation on trading” on the applicable Exchange will not include any time when such Exchange itself is closed for trading under ordinary circumstances; in each case, immediately before that suspension or limitation.

Form and Registration

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

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 beneficial owners, 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 the 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 recognized as a self-regulatory organization 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 recognized, BDC will issue or cause to be issued Notes in definitive form upon registration of, 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 the Paying and Transfer Agent or at such other office notified by BDC to the Noteholders.

No transfer of the Global Note or, if issued, of Notes in definitive form will be valid unless registered in the aforesaid register upon surrender of the Global Note or Notes 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.

Payment

The Principal Amount and any Variable Interest payable under the Global Note on any due date will be made available by BDC, 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 the Global Note is limited to making payment of any amount due on the Global Note to CDS or its Nominee.

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

Payments 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 Banking 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 part (as the case may be) or, in the case of payment of Variable Interest and the Principal Amount under the Note in full at any time, to retain the Note and mark the Note as cancelled.

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

Status

The Notes will constitute direct unconditional obligations of BDC 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.

Plan of Distribution

Each Note will be issued at 100% of the Principal Amount thereof (i.e., \$10.00). The issue price of \$10 per Note was determined by negotiation between BDC and CIBC World Markets Inc.

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

The issuance of the Notes is conditional upon the listing of the Notes on the Toronto Stock Exchange. Issuance is also conditional upon receipt and acceptance by BDC of subscriptions for a minimum of 1,000,000 Notes (unless such condition is waived by BDC). Any subscription proceeds will be kept with the Agent or other members of the selling group, as depository, upon receipt and held by them in deposit pending sale of such minimum number of Notes. In the event that such minimum number of Notes sold is not achieved, the offering of the Notes may not continue without the consent of the subscribers who subscribed for Notes on or before such date. If such consents are not obtained or if for any reason the issuance of the Notes does not occur, the Agent and members of the selling group will promptly return all subscription proceeds in respect of such Notes to subscribers without interest and deduction.

BDC will pay the Agent a fee of \$0.40 per Note on the Issue Date. All fees payable to the Agent will be paid on account of services rendered in connection with the offering and will be paid out of the general funds of BDC. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Upon acceptance of a subscription, the Agent will send out or cause to be sent out a confirmation of acceptance by prepaid mail or other means of delivery to the subscriber.

BDC may also sell Notes to a Selling Agent, acting as principal, for resale to one or more investors at varying prices related to prevailing market prices at the time of such resale to be determined by such Selling Agent. BDC also reserves the right to sell Notes to investors directly on its own behalf in those jurisdictions where it is authorized to do so.

Unless the Notes are sold by BDC to the Agent acting as principal, no part of any commission paid by BDC to the Agent may be reallocated, directly or indirectly, to the purchaser of the Notes or to others, and the Agent will not be entitled to receive any commission from any other party in respect of initial sales of the Notes.

The Agent may from time to time purchase and sell Notes in the secondary market but is not obligated to do so.

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.

BDC further reserves the right to purchase for cancellation at its discretion any amount of Notes in the secondary market without notice to the Noteholders in general.

Exchange

“Exchange” means, in respect of any Share, the exchange or quotation system on which that Share is listed (which for each initial Share in the Portfolio shall be as specified for that Share in the table on page 1 under “SUMMARY”) or any successor to such exchange or market quotation system. If such specified Exchange ceases to list or otherwise include the relevant Share, the Calculation Agent will designate another exchange or quotation system to be the Exchange for that Share.

Banking Day/Exchange Day

“Banking Day” means a day on which (i) commercial banks are open for business in (a) Toronto, Ontario, (b) New York City, U.S.A. and (c) London, England, and (ii) BDC is open for business in Montréal, Quebec.

“Exchange Day” means, in respect of a Share, a day that is (i) a Banking Day, (ii) a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the city where the applicable Exchange is located, and (iii) a day which is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on the applicable Exchange other than a day on which trading on such Exchange is scheduled to close prior to its regular weekday closing time.

Calculation Agent

“Calculation Agent” means the calculation agent for the Notes appointed by BDC from time to time. The Calculation Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 5th Floor, Toronto, Ontario, Canada M5J 2S8 – Attention: Debt Capital Markets. 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.

Paying and Transfer Agent

“Paying and Transfer Agent” means the paying and transfer agent for the Notes appointed by BDC from time to time. The Paying and Transfer Agent initially will be Canadian Imperial Bank of Commerce, whose address is BCE Place, P.O. Box 500, 161 Bay Street, 5th Floor, Toronto, Ontario, Canada M5J 2S8 – Attention: Debt Management Service.

Dealings With Companies

BDC, the Calculation Agent or the Paying and Transfer Agent may from time to time, in the course of its normal business operations, extend credit to or hold Shares or other securities of or enter into other business dealings with each other or one or more of the Companies. 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 Share Return or the amount of Variable Interest that may be payable on the Notes.

Notification

All general notices to Noteholders regarding the Notes will be valid and effective (i) if such notices are given (which notice may be given by wire or fax) to CDS and the Noteholders’ investment dealers who are participants of CDS, or (ii) in the case where the Notes are directly registered in the Noteholders’ names and

issued in definitive form, if such notices are mailed or otherwise delivered to the registered addresses of the Noteholders.

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



CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations generally applicable to a Noteholder who, for the purposes of the Income Tax Act (Canada) (the "Act"), is a resident of Canada who deals at arm's length with BDC and holds a Note as capital property. This summary is based on the Act and the Regulations made under the Act as in force on the date of this Information Statement, all specific proposals to amend the Act or Regulations publicly announced by the Minister of Finance prior to the date of this Information Statement and the current administrative practices and policies of the Canada Customs and Revenue Agency as made publicly available by it. Provincial and foreign income tax considerations are not addressed and this summary is not intended to constitute, nor should it be relied upon as, tax advice to any particular Noteholder. All Noteholders should consult their own tax advisors with respect to their tax positions.

In general, the full amount of Variable Interest, if any, will be included in the Noteholder's income in the year that includes the Final Valuation Date therefor. It is unclear whether the amounts received or deemed to be received by a Noteholder on any disposition or deemed disposition of a Note should be regarded as a capital gain or loss or as ordinary income or loss to such Noteholder at such time or how any amount paid to the Noteholder to acquire the Note should affect the transferee's computation of income.

The Notes will be qualified investments for registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans. The Notes will not constitute foreign property for the purposes of the Act.



THE COMPANIES

The following are the descriptions of the businesses and capitalization of the initial Companies. The total market capitalization of the initial 32 companies is approximately US\$5,457.3 billion (as of January 6, 2000).

The business descriptions and the capitalization in respect of the Companies are taken from publicly available sources, and their accuracy and completeness cannot be guaranteed. There can be no guarantee that the Companies will maintain their current level of capitalization or market position or continue to operate their businesses with emphasis in the areas as indicated.

1 – American International Group, Inc.

American International Group, Inc. is one of the world's largest insurance firms. Well-known in the U.S. for property/casualty and specialty insurance, AIG also has strong life insurance operations abroad. Other business lines include personal auto and workers' compensation. AIG's financial services division engages in trading, currency hedging and aircraft leasing. With operations in 130 countries, more than half of AIG's sales come from outside the U.S. In 1998, AIG acquired SunAmerica, an annuity and investment products firm. AIG has entered a partnership with investment banker Blackstone to provide financial services in Southeast Asia. Its market capitalization is approximately US\$160.9 billion. Further information may be obtained from its web site located at <http://www.aig.com>.

2 – AT&T Corp.

AT&T Corp. is one of the U.S.'s largest telecom companies, with some 90 million customers. The Company runs the world's most powerful long-distance network and the largest digital wireless network in North America. On top of these services, AT&T provides cellular telephone, internet access (AT&T World Net) and cable telecommunications. It services households, businesses and governments in domestic markets as well as in approximately 280 countries and territories around the world. Its market capitalization is approximately US\$170.2 billion. Further information may be obtained from its web site located at <http://www.att.com>.

3 – Bank of America Corporation

Bank of America Corporation has about 11,500 branches in 47 states and almost 40 countries. Bank of America is headquartered in North Carolina; wholesale operations are centred in San Francisco. The firm offers consumer, commercial and global corporate banking; commercial real estate; investment and brokerage services; insurance; and mutual funds. Its market capitalization is approximately US\$82.7 billion. Further information may be obtained from its web site located at <http://www.bankofamerica.com>.

4 - The Bank of Tokyo-Mitsubishi, Ltd.

The Bank of Tokyo-Mitsubishi, Ltd. ("BTM") offers consumer, commercial and investment banking; foreign exchange; investment management; trust services; leasing; and securities trading. BTM has strategically aligned itself teaming up with other Mitsubishi group members, as well as other domestic and foreign firms, to enter insurance, brokerage and investment banking. Its market capitalization is approximately JPY6,657.8 billion. Further information may be obtained from its web site located at http://www.btm.co.jp/index_e.htm.

5 – Bell Atlantic Corporation

Bell Atlantic Corporation, which has more than 42 million local-access lines in 13 states from Maine to Virginia, would nearly double in size upon completion of its proposed acquisition of GTE. Bell Atlantic offers wireless service in 24 states and the company has agreed to combine its U.S. wireless operations with those of Vodafone AirTouch to create a nation-wide network. Bell Atlantic also offers Internet access. Bell Atlantic has been cleared to sell long-distance service in New York State. Its market capitalization is approximately US\$93.1 billion. Further information may be obtained from its web site located at <http://www.bellatlantic.com>.

6 – BellSouth Corporation

BellSouth Corporation is focusing on its Latin American wireless operations and plans to expand its telecommunications offerings in the region as markets deregulate. BellSouth still relies on the "Baby Bell" business of local phone service, of which it is one of the top three providers in the U.S. Its local service territory covers the south-eastern U.S. The company also has about 4.8 million domestic cellular and PCS customers in 14 U.S. states.

BellSouth.net provides dial-up Internet access to more than 500,000 customers and is rolling out high-speed ADSL (asymmetric digital subscriber line) access. Its market capitalization is approximately US\$86.6 billion. Further information may be obtained from its web site located at <http://www.bellsouthcorp.com>.

7 – BP Amoco plc

BP Amoco plc was formed from the merger of British Petroleum and Amoco. BP Amoco is among the world's top three integrated oil companies. BP Amoco produces oil in 19 countries and has proved reserves of 12.7 billion barrels of oil equivalent, with large holdings in Alaska and the North Sea. It is the largest U.S. oil and gas producer and one of the top two gas producers in Canada. BP Amoco owns more than 28,000 service stations world-wide. It is also a leading petrochemicals and specialty chemicals manufacturer. Its market capitalization is approximately £117.3 billion. Further information may be obtained from its web site located at <http://www.bpamoco.com>.

8 – British Telecommunications plc

British Telecommunications plc, the UK's dominant phone company, provides local, long-distance and mobile telephone service, along with Internet access. Its Cellnet unit is a major U.K. mobile phone operator. BT is forming a joint venture with AT&T (to be called Concert) to provide data, voice and video services world-wide. As markets have opened in Europe, BT has formed alliances with telecommunications companies on the continent. Its market capitalization is approximately £79.4 billion. Further information may be obtained from its web site located at <http://www.bt.com>.

9 – Citigroup Inc.

Citigroup Inc., formed from the merger of Citicorp and Travelers Group, offers credit card, banking, insurance and investment services in almost 100 countries. It also offers brokerage services (Salomon Smith Barney), mutual funds (Primerica Financial), property/casualty insurance (82%-owned Travelers Property Casualty), retirement products (Travelers Life & Annuity) and real estate services (Citicorp Real Estate), among other services. Its market capitalization is approximately US\$177.6 billion. Further information may be obtained from its web site located at <http://www.citi.com>.

10 – The Coca-Cola Company

The Coca-Cola Company is the world's top soft-drink company. Its brands are Coca-Cola™, Minute Maid™, Sprite™, Barq's™, Fruitopia™, POWERaDE™, Surge™ and Dasani™ water. It sells more than 160 brands of beverages (including coffees, juices, sports drinks and teas) in some 200 nations. About two-thirds of its sales come from outside the U.S. Its market capitalization is approximately US\$139.2 billion. Further information may be obtained from its web site located at <http://www.cocacola.com>.

11 – Deutsche Telekom AG

Deutsche Telekom AG is the largest telecommunications firm in Europe and the third largest in the world, behind NTT and AT&T. The company has more than 47 million fixed phone lines and more than 7 million mobile phone customers. It is also Germany's largest cable TV provider, serving nearly 18 million households, though it plans to sell its cable network. The company's T-Online, with 4 million customers, is Europe's leading ISP. Deutsche Telekom is also a partner, along with Sprint and France Telecom, in Global One, a joint venture that provides telecom services in some 65 countries. The German government retains a 66% stake in Deutsche Telekom. Its market capitalization is approximately EUR186.5 billion. Further information may be obtained from its web site located at <http://www.dtag.de>.

12 – Exxon Mobil Corporation

Exxon Mobil Corporation is the world's #1 integrated oil company (ahead of Royal Dutch/Shell). Exxon Mobil engages in oil and gas exploration, production, supply, transportation and marketing around the world. It has proved reserves of 21 billion barrels of oil equivalent. The company has more than 40,000 service stations worldwide under the Exxon™, Esso™ and Mobil™ brands; it agreed to sell more than 2,400 stations in the U.S. to gain regulatory approval for the merger of Exxon and Mobil. Exxon Mobil also produces and sells petrochemicals. Its market capitalization is approximately US\$189.8 billion. Further information may be obtained from its web site located at <http://www.exxon.mobil.com>.

13 – France Telecom S.A.

France Telecom S.A. provides local, long-distance and international phone service (34 million lines) and its Itineris mobile phone unit serves 7 million customers (about half of the French market). Other services include data transport, Internet access and cable TV. The firm is expanding beyond France through investments in European mobile phone

networks. In addition, Global One (France Telecom's joint venture with Deutsche Telekom and Sprint) provides telecom services to more than 30,000 business customers in some 65 countries. The French government, which by law must maintain a majority stake in the company, owns 62%. Its market capitalization is approximately EUR118.1 billion. Further information may be obtained from its web site located at <http://www.francetelecom.fr/indexus.html>.

14 – General Electric Company

General Electric Company is the fifth-largest U.S. corporation by sales. It produces aircraft engines, transportation equipment such as locomotives, appliances (kitchen and laundry equipment), lighting, electric distribution and control equipment, generators and turbines, nuclear reactors, medical imaging equipment, and plastics. The company's financial arm, GE Capital Services, is one of the largest financial services companies in the U.S. and accounts for nearly half of overall sales. Other operations include the NBC television network. Its market capitalization is approximately US\$491.6 billion. Further information may be obtained from its web site located at <http://www.ge.com>.

15 – Hewlett-Packard Company

Hewlett-Packard Company, the #2 computer company worldwide, is a top provider of computers, peripherals and computer-related services, which account for nearly 85% of sales. More than half of HP's sales come from outside the U.S. To further fuel its growth, HP is restructuring itself as an Internet specialist providing Web hardware, software and support to corporate customers. To that end, the company has spun off its test and measurement equipment and medical electronics businesses as Agilent Technologies, of which HP still owns 85%. The families of co-founders David Packard and Bill Hewlett together own nearly 20% of the company. Its market capitalization is approximately US\$119.7 billion. Further information may be obtained from its web site located at <http://www.hp.com>.

16 – HSBC Holdings plc

HSBC Holdings plc, the UK's largest bank, owns Hong Kong's Hongkong and Shanghai Bank (and 62% of its Hang Seng Bank), as well as HSBC Bank plc. Through these and other units, which have more than 5,000 offices in almost 80 countries, HSBC provides consumer and business banking services, asset management, investment banking, securities trading, finance, insurance and leasing. Its U.S. operations include HSBC Bank U.S.A (formerly Marine Midland Bank) and joint venture Wells Fargo HSBC Trade Bank. It has announced that it is buying the late Edmond Safra's Republic New York Bank and Safra Republic Holdings. Its market capitalization is approximately £65.1 billion. Further information may be obtained from its web site located at <http://www.hsbcgroup.com>.

17 – Intel Corporation

Intel Corporation makes microprocessors (including the powerful Pentium™ and the low-end Celeron™) that have provided the brains for IBM-compatible PCs since 1981. Compaq, Intel's largest customer, has accounted for about 13% of sales; Dell Computer accounts for about 11%. Intel's chips (including micro-controllers and flash memories) are also used in products for communications, industrial equipment and the military. The Company is making a big push into networking services and communications infrastructure products. Intel has plants in Asia, Central America, Europe and the U.S. About 55% of its sales are outside North America. Its market capitalization is approximately US\$290.5 billion. Further information may be obtained from its web site located at <http://www.intel.com>.

18 – International Business Machines Corporation

International Business Machines Corporation (IBM) is the world's top provider of computer hardware. The Company makes a broad range of computers, including PCs, notebooks, mainframes and network servers. The Company also makes software and peripherals, and logs approximately 35% of its sales from an ever-expanding service arm. IBM owns software pioneer Lotus Development, maker of the Lotus Notes™ messaging system. Subsidiary Tivoli Systems develops tools that manage corporate computer networks. About 60% of the Company's sales are to customers outside the U.S. IBM continues to revamp its image, with a current focus on Internet business. Its market capitalization is approximately US\$208.3 billion. Further information may be obtained from its web site located at <http://www.ibm.com>.

19 – Johnson & Johnson

Johnson & Johnson is one of the world's largest and most diversified health care product makers. The company operates in three sectors: consumer products (Tylenol and Motrin analgesics, Reach toothbrushes, Band-Aid bandages), professional products (ACUVUE™ contact lenses, surgical instruments, joint replacements) and pharmaceuticals (including Ergamisol™ cancer treatment and Ortho-Novum™ oral contraceptives). Johnson & Johnson expands its product line through acquisitions; it has made more than 30 in the past decade. Its market capitalization is approximately US\$128.2 billion. Further information may be obtained from its web site located at <http://www.jnj.com>.

20 – Lloyds TSB Group plc

Lloyds TSB Group plc (the product of the 1995 merger of Lloyds Bank and TSB) has more than 2,700 bank branches and more than 15 million customers. In addition to its retail and commercial banking operations, Lloyds TSB's Cheltenham & Gloucester is a leading home mortgage lender. The group has a growing life and general insurance business that includes Abbey Life and Lloyds TSB Life; these subsidiaries also offer pensions, investment funds and other financial planning services. Non-UK business makes up about 20% of sales. Its market capitalization is approximately £38.9 billion. Further information may be obtained from its web site located at <http://www.lloydstsbgroup.co.uk>.

21 – MCI WorldCom, Inc.

MCI WorldCom, Inc. was formed in 1998 when WorldCom bought MCI Communications. The Company is now second only to AT&T in the U.S. long-distance market. MCI WorldCom will become an even stronger #2 if it completes its proposed acquisition of rival long-distance provider Sprint, which owns a nation-wide wireless PCS network. With its fibre-optic networks, MCI WorldCom has significant shares of local and international telecom and Internet markets in more than 65 countries. Its UUNET unit offers Internet access to businesses over a massive Internet backbone. The Company also plans to offer high-speed Internet access via wireless cable. Its market capitalization is approximately US\$147.3 billion. Further information may be obtained from its web site located at <http://www.wcom.com>.

22 – Merck & Co., Inc.

Merck & Co., Inc. is the U.S.'s largest drug maker and the world's second largest drug maker (behind Aventis). Drugs treating ailments associated with American eating habits (high cholesterol, hypertension and heart failure) make up more than one-third of the Company's sales. Merck manufactures prominent cholesterol drugs Zocor™ and Mevacor™ and the U.S.'s top-selling hypertension drugs, Vasotec™ and Prinivil™. Among Merck's newer drugs are AIDS medication Crixivan™, anti-baldness pill Propecia™, migraine treatment Maxalt™ and Vioxx™, a new type of arthritis pain drug that has quickly gained market share. The Company has formed an alliance with CVS to market drugs online. Its market capitalization is approximately US\$158.1 billion. Further information may be obtained from its web site located at <http://www.merck.com>.

23 – Microsoft Corporation

Microsoft Corporation is the world's largest software company with a market value that outstrips all other public companies (and a market influence being challenged on antitrust grounds). Products include the Windows™ operating systems, MS Office™ business productivity suite (including Excel™, Word™, PowerPoint™ and Outlook™), reference works (Encarta™) and a Web browser (Internet Explorer™). It also operates an online services and e-commerce portal MSN (The Microsoft Network) and has sold a share of its Expedia™ travel service to the public. With NBC, the company operates cable news channel MSNBC. Its market capitalization is approximately US\$602.1 billion. Further information may be obtained from its web site located at <http://www.microsoft.com>.

24 – Nestlé AG

Nestlé AG (the world's largest food company) is the world leader in coffee (Nescafé™) and bottled water (Perrier™ and Poland Spring™). Among its more than 8,500 products are Alpo™ dog food; Nestle Crunch™, Baby Ruth™ and Butterfinger™ candy bars; Carnation™ evaporated and condensed milk; Coffee-Mate™ coffee creamer; breakfast cereals; NesQuik™ chocolate drink mix; Stouffer's™ frozen dinners; Ortega™ Mexican foods; and Toll House™ morsels. In addition to food products, Nestlé owns Alcon Laboratories (ophthalmic drugs, contact lens solutions and equipment for ocular surgery) and has an indirect stake in the L'Oreal cosmetic firm. The Company has more than 500 factories in over 80 countries. Its market capitalization is approximately CHF113.6 billion. Further information may be obtained from its web site located at <http://www.nestle.com>.

25 – Novartis AG

Novartis AG is the world's fourth largest pharmaceutical firm. The Company focuses on three areas. Its health care operations (accounting for 55% of sales) make prescription drugs, contact lenses and ophthalmic medications (through CIBA Vision). The consumer health unit, formed by the merger of its self-medication and nutrition businesses, includes over-the-counter, medical nutrition and functional nutrition products. Novartis' agribusiness unit makes pesticides, veterinary products and genetically modified crop seeds. Novartis has announced that it will merge its agrochemical business with that of AstraZeneca. Its market capitalization is approximately CHF163.1 billion. Further information may be obtained from its web site located at <http://www.novartis.com>.

26 – Procter & Gamble Company

Procter & Gamble Company is the largest U.S. maker of household products, with five main categories: laundry and cleaning (detergents, bleaches), paper goods (toilet paper, feminine products), beauty care (lotions, shampoos), food and beverage (coffee, snacks), and health care (toothpaste, medicine). It also makes Iams™ premium pet food and PUR™ water filters. The Company developed olestra, a fat substitute used in snacks. The Company has been reorganizing around global business units instead of by geographic regions. About half of its sales come from outside the U.S. Its market capitalization is approximately US\$140.9 billion. Further information may be obtained from its web site located at <http://www.pg.com>.

27 – Roche Holding AG

Roche Holding AG has more than 170 subsidiaries which are devoted to drugs, vitamins, diagnostics, and fragrances and flavours. Its pharmaceuticals (almost 60% of sales) include antibiotic Rocephin™; AIDS drug Invirase™; stroke medicine Ticlid™; and acne treatment Roaccutan/Accutane™. OTC products include vitamins, analgesic Aleve™ and antacid Rennie™. Roche is a leading maker of fragrances and flavours (through Givaudan-Roure), as well as vitamins (40% of world production). Roche's purchase of Corange in 1998 made it the world's #1 diagnostics company; it also owns 66% of biotech Giants Genentech. The company has announced plans to spin off its fragrances and flavours unit into a new firm called Givaudan. Its market capitalization is approximately CHF167.6 billion. Further information may be obtained from its web site located at <http://www.roche.com>.

28 – Royal Dutch Petroleum Company

Royal Dutch Petroleum Company is the majority shareholder (60%) in the Royal Dutch/Shell Group, the world's #2 oil and gas conglomerate (behind Exxon Mobil). Separate entities without their own operations (a century-old unconsummated merger), Royal Dutch Petroleum and its partner, "Shell" Transport and Trading, directly or indirectly hold stakes in the companies collectively known as Royal Dutch/Shell Group. The parent companies jointly appoint the group's board of directors and rotate the chairmanship. Royal Dutch/Shell Group explores for and produces oil and natural gas, mines coal, and manufactures chemicals. Its market capitalization is approximately EUR125.2 billion. Further information may be obtained from its web site located at <http://www.shell.com>.

29 – SBC Communications Inc.

SBC Communications is the largest local phone firm in the U.S. (ahead of Bell Atlantic) since its purchase of Ameritech. The Company operates nearly 60 million access lines in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas and Wisconsin. It has taken a stake in Williams Communications, which has a national fibre-optic network, to prepare for its entry into the long-distance arena. The Company has more than 10 million wireless phone subscribers in 22 states, Internet access and paging businesses, and stakes in telecom operations in 22 countries outside the U.S. Its market capitalization is approximately US\$161.0 billion. Further information may be obtained from its web site located at <http://www.sbc.com>.

30 – Siemens AG

Siemens Ag operates in the energy, information and communications, health care, transportation, lighting and electronic components industries. Siemens also provides financing and real estate management services. It has offices in more than 190 countries and its power plants and business are as diverse as communications equipment. Its subsidiaries include lamp maker Osram. Bosch-Siemens Hausgerate, a joint venture with Robert Bosch, makes household appliances. In an anticipated restructuring, Siemens is expected to divest itself of several units. Its semiconductor division has been spun off into Infineon Technologies. Its market capitalization is approximately EUR74.9 billion. Further information may be obtained from its web site located at <http://www.siemens.de>.

31 – Toyota Motor Corporation

Toyota Motor Corporation is Japan's largest and the world's fourth largest carmaker (after General Motors, Ford and DaimlerChrysler). Its gas-powered cars, pickups, minivans and SUVs include such models as the Camry™, Celica™, Corolla™, 4Runner™, Echo™, Land Cruiser™, Sienna™ and the luxury Lexus™ line. The Company also makes the Prius™, a hybrid-powered (gas and electric) sedan slated to be introduced in Europe and North America this year. On the other end of the spectrum, Toyota has introduced a full-sized pickup truck, the V-8 Tundra™. The company's other businesses include prefabricated houses and industrial equipment. Its market capitalization is approximately JPY16,509.3 billion. Further information may be obtained from its web site located at <http://www.global.toyota.com>.

32 – Wal-Mart Stores, Inc.

Wal-Mart Stores, Inc.'s sales are greater than Sears, Kmart and J. C. Penney combined. It is the world's largest retailer, with approximately 3,600 Wal-Mart stores, Sam's Club membership-only warehouse stores and Wal-Mart Supercenters (a combination of discount and grocery stores). Most of its retail facilities are in the U.S., where it is converting older Wal-Mart outlets into Supercenters. Wal-Mart is expanding internationally; it has a large presence in Canada and Mexico, and it also has operations in South America, Asia and Europe. Subsidiary McLane Company is the largest U.S. convenience store distributor. Founder Sam Walton's heirs own about 38% of Wal-Mart. Its market capitalization is approximately US\$297.8 billion. Further information may be obtained from its web site located at <http://www.wal-mart.com>.



HISTORICAL SHARE PRICES

The following sets out historical closing price information as of January 5, 2000 for the Shares on the relevant Exchanges. This data has been taken from publicly available sources, and its accuracy and completeness cannot be guaranteed.

Company	Currency	52-week High	52-week Low	Closing Price
American International Group, Inc.	US\$	112.87	76.50	98.85
AT&T Corp.	US\$	64.12	41.50	50.98
Bank of America Corporation	US\$	76.37	44.50	46.06
The Bank of Tokyo-Mitsubishi, Ltd.	JPY	1,924.00	1,116.00	1,380.00
Bell Atlantic Corporation	US\$	69.50	50.62	59.98
BellSouth Corporation	US\$	51.37	39.75	44.25
BP Amoco plc	£	6.54	4.08	5.96
British Telecommunications plc	£	15.20	8.66	13.39
Citigroup Inc.	US\$	58.25	32.68	50.81
The Coca-Cola Company	US\$	70.87	47.31	56.98
Deutsche Telekom AG	EUR	74.23	30.10	65.00
Exxon Mobil Corporation	US\$	87.25	64.31	81.00
France Telecom SA	EUR	136.20	62.60	118.00
General Electric Company	US\$	159.50	94.06	143.75
Hewlett-Packard Company	US\$	118.87	63.37	107.88
HSBC Holdings plc	£	8.76	5.11	7.92
Intel Corporation	US\$	89.50	50.12	83.63
International Business Machines Corporation	US\$	139.18	80.87	116.00
Johnson & Johnson	US\$	106.87	77.00	89.75
Lloyds TSB Group plc	£	10.67	6.96	7.25
MCI WorldCom, Inc.	US\$	64.56	44.12	51.25
Merck & Co., Inc.	US\$	87.37	60.93	67.81
Microsoft Corporation	US\$	119.93	68.00	113.81
Nestlé AG	CHF	3,120.00	2,498.00	2,780.00
Novartis AG	CHF	2,918.00	2,105.00	2,225.00
Procter & Gamble Company	US\$	115.62	82.00	103.13
Roche Holding AG	CHF	28,500.00	24,655.00	26,000.00
Royal Dutch Petroleum Company	EUR	64.10	34.90	57.85
SBC Communications Inc.	US\$	59.93	43.50	44.98
Siemens AG	EUR	130.57	53.34	115.50
Toyota Motor Corporation	JPY	5,220.00	2,650.00	4,940.00
Wal-Mart Stores, Inc.	US\$	70.25	38.62	63.00



RISK FACTORS TO CONSIDER

- ◇ ***The 8 Best and 8 Worst Performing Shares Are Not Factored into Variable Interest*** – Half-way through the term of the Notes, the eight Shares performing the worst at that time will be removed from the Portfolio. At maturity, the eight Shares which are performing the best at that time will be removed from the Portfolio. In each case, the performance of those Shares will not be used in the determination of Variable Interest. See “VARIABLE INTEREST CALCULATION” above.
- ◇ ***Suitability of Note 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. For instance, an investment in a Note is not suitable for a person looking for a guaranteed interest yield. BDC makes no recommendation as to the suitability of the Notes for investment.
- ◇ ***Interest May Not Be Payable*** – The amount, if any, of Variable Interest payable under the Notes is directly linked to the price performance of the Shares. The prices of the Shares have in the past experienced significant movements and it is impossible to know their future direction. The Note will not yield any interest return unless the Eligible Return is positive (i.e., over the relevant period any percentage gains exceed any percentage losses in respect of the Initial Prices of the Shares). See “VARIABLE INTEREST CALCULATION” above for examples.
- ◇ ***Secondary Market*** – The principal amount of the Notes is only repayable at maturity. Although the Notes may be listed on the Toronto Stock Exchange, 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.
- ◇ ***Market Disruption Event May Delay Payment of Variable Interest*** – If a Market Disruption Event occurs on a day on which a closing price for a Share is to be determined for purposes of qualifying Eligible Shares and in turn calculating the Variable Interest, the determination of that price (and any subsequent payment of the Variable Interest) may be delayed for up to five Exchange Days. Fluctuations in the price of that Share may occur in the interim. See “DESCRIPTION OF THE NOTES – *Market Disruption Events*” above.
- ◇ ***Calculation Agent May Make Adjustments*** – Upon the occurrence of certain events, such as the merger or nationalization of a Company, the Calculation Agent may add another Company’s share to the Portfolio. See “DESCRIPTION OF THE NOTES – *Substitution Events*”. In other circumstances, such as a stock split or extraordinary dividend in respect of a Share, the Calculation Agent may adjust any one or more of the Initial Price for the Share, the formula for calculating its Interim Return or Final Return (as the case may be), or another component or variable relevant to the determination of Variable Interest to account for those circumstances. See “DESCRIPTION OF THE NOTES – *Adjustment Events*” above.

