

Below is a description of our activities with respect to certain significant unconsolidated structured entities. For a complete discussion of our interests in consolidated and unconsolidated structured entities, refer to Note 7 of our 2017 Annual Consolidated Financial Statements.

#### RBC-administered multi-seller conduits

We administer multi-seller conduits which are used primarily for the securitization of our clients' financial assets. Our clients primarily use our multi-seller conduits to diversify their financing sources and to reduce funding costs by leveraging the value of high-quality collateral. The conduits offer us a favourable revenue stream and risk-adjusted return.

We provide services such as transaction structuring, administration, backstop liquidity facilities and partial credit enhancements to the multi-seller conduits. Revenue for all such services amounted to \$287 million during the year (October 31, 2016 – \$252 million).

Our total commitment to the conduits in the form of backstop liquidity and credit enhancement facilities is shown below. The total committed amount of these facilities exceeds the total amount of the maximum assets that may have to be purchased by the conduits under the purchase agreements. As a result, the maximum exposure to loss attributable to our backstop liquidity and credit enhancement facilities is less than the total committed amounts of these facilities.

#### Liquidity and credit enhancement facilities

As at October 31 (Millions of Canadian dollars)	2017				2016			
	Notional of committed amounts (1)	Allocable notional amounts	Outstanding loans (2)	Maximum exposure to loss (3)	Notional of committed amounts (1)	Allocable notional amounts	Outstanding loans (2)	Maximum exposure to loss (3)
Backstop liquidity facilities	\$ 38,622	\$ 35,981	\$ 371	\$ 36,352	\$ 39,462	\$ 36,494	\$ 733	\$ 37,227
Credit enhancement facilities	2,270	2,270	–	2,270	2,235	2,235	–	2,235
<b>Total</b>	<b>\$ 40,892</b>	<b>\$ 38,251</b>	<b>\$ 371</b>	<b>\$ 38,622</b>	<b>\$ 41,697</b>	<b>\$ 38,729</b>	<b>\$ 733</b>	<b>\$ 39,462</b>

(1) Based on total committed financing limit.

(2) Net of allowance for loan losses and write-offs.

(3) Not presented in the table above are derivative assets with a fair value of \$17 million (October 31, 2016 – \$11 million) which are a component of our total maximum exposure to loss from our interests in the multi-seller conduits. Refer to Note 7 of our 2017 Annual Consolidated Financial Statements for more details.

As at October 31, 2017, the notional amount of backstop liquidity facilities we provide decreased by \$840 million or 2% from last year. The decrease in the amount of backstop liquidity facilities provided to the multi-seller conduits as compared to last year primarily reflects the impact of foreign exchange translation. The notional amount of partial credit enhancement facilities we provide increased by \$35 million from last year. The increase in the credit enhancement facilities reflects increased client usage. Total loans extended to the multi-seller conduits under the backstop liquidity facilities decreased by \$362 million from last year primarily due to principal repayments and the impact of foreign exchange translation.

#### Maximum exposure to loss by client type

As at October 31 (Millions of dollars)	2017			2016		
	(US\$)	(C\$)	Total (C\$)	(US\$)	(C\$)	Total (C\$)
<b>Outstanding securitized assets</b>						
Credit cards	\$ 4,058	\$ 510	\$ 5,745	\$ 5,057	\$ 510	\$ 7,292
Auto loans and leases	10,597	3,113	16,783	9,489	2,646	15,372
Student loans	1,747	–	2,253	2,352	–	3,154
Trade receivables	2,358	–	3,042	2,002	51	2,736
Asset-backed securities	287	–	371	547	–	734
Equipment receivables	1,402	–	1,809	1,428	–	1,915
Consumer loans	1,267	–	1,634	1,470	–	1,971
Dealer floor plan receivables	939	852	2,064	760	903	1,922
Fleet finance receivables	766	306	1,294	914	306	1,532
Insurance premiums	134	163	336	–	163	163
Residential mortgages	–	1,377	1,377	–	1,122	1,122
Transportation finance	1,346	179	1,914	1,041	153	1,549
<b>Total</b>	<b>\$ 24,901</b>	<b>\$ 6,500</b>	<b>\$ 38,622</b>	<b>\$ 25,060</b>	<b>\$ 5,854</b>	<b>\$ 39,462</b>
<b>Canadian equivalent</b>	<b>\$ 32,122</b>	<b>\$ 6,500</b>	<b>\$ 38,622</b>	<b>\$ 33,608</b>	<b>\$ 5,854</b>	<b>\$ 39,462</b>

Our overall exposure decreased by 2.1% compared to last year, primarily reflecting the impact of foreign exchange translation. Correspondingly, total assets of the multi-seller conduits decreased by \$831 million or 2.1% over last year, primarily due to decreases in the Credit Card and Student Loans asset classes, which were partially offset by increases in the Auto loans and leases and Transportation finance asset classes. 100% of multi-seller conduits assets were internally rated A or above, consistent with last year. All transactions funded by the unconsolidated multi-seller conduits are internally rated using a rating system which is largely consistent with that of the external rating agencies.