

Royal Alliance Associates, Inc.
(An indirectly wholly-owned subsidiary of American International Group, Inc.)
Computation of Net Capital Under SEC Rule 15c3-1
December 31, 2015

Schedule I

(in thousands of dollars)

Total stockholder's equity	\$ 40,370
Less nonallowable assets	
Other unsecured receivables	(2,513)
Other assets	(1,871)
Furniture, equipment and software, net	(2)
Forgivable loans	(6,202)
Deferred taxes, net	(6,141)
Notes and accounts receivable from registered representatives, net	(2,533)
Income taxes receivable from Parent	(1,774)
Intangible assets, net of accumulated amortization of \$6,837	(1,146)
Receivables from affiliates	(576)
Receivables from Investment Advisors	(5,262)
Net capital before haircuts on securities positions	<u>12,350</u>
Less: Haircuts	
Haircuts on securities owned	<u>(203)</u>
Net capital	<u>12,147</u>
Alternative minimum net capital requirement	(250)
Excess net capital	<u>\$ 11,897</u>

Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2015)

Net capital as reported in the Company's Part II (unaudited) Focus Report	\$ 11,573
Adjustments:	
E&O expense	574
Net Capital per above	<u>\$ 12,147</u>