ROBECO
The Investment Engineers

Annual Report

Robeco Groep N.V.

2010

Responsible Investing
www.robeco.com

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Preface

For Robeco, 2010 has been a year where not only our clients but also the company itself and thus our shareholder Rabobank have enjoyed attractive investment returns. After a strong rebound in 2009, financial markets continued to offer investors a favorable environment. In addition, it is pleasing to note that -albeit helped by the euro- almost all of our investment products showed positive returns.

The year 2010 proved to be one in which most developed markets saw positive growth again, supported by heavy government spending and very low interest rates. Emerging markets continued to surge ahead with close to double-digit growth figures. From this perspective, and taking a longer term view into account, I think it makes sense to redefine both types of markets to either 'low growth' (western economies) or 'high growth' (most of which are located in Asia or Latin America).

Of course, high growth numbers in themselves do not necessarily make for attractive returns, but from a longer term investment perspective it makes sense to allocate a considerable part of a portfolio to areas where growth is strong. In doing so, we should not forget to also try to benefit from the probable long-term currency appreciation in these markets.
As for Europe, 2010 showed remarkable differences in how countries fared economically. We witnessed strong export-oriented growth in Germany, while Greece and Ireland had great difficulties in servicing their government debt. The European Commission and national governments have joined forces to tackle various challenges and I am confident they will come forward with credible and sensible solutions, although this may take some time.

In general, 2010 was a year where some investors returned to the market, redeploying their risk budgets. Many of them remained sidelined however, uncertain about the sustainability of economic growth. At Robeco, we are pleased to see a higher level of risk-appetite amongst our clients. This coincides with our own relatively optimistic longer term views on investment risks being rewarded.
A word of caution seems appropriate, however. Given the scarcity of commodities, continuous growth in high-growth markets, demographics and indebted governments we may very well witness the return of inflation and with that the end of the Great Moderation. This would reverse an almost 30-year period of falling interest rates; something to carefully consider in every longer term investment policy.

Here our expertise can come to our aid. The year 2010 marked the start of a new strategic period for Robeco. The interests of our clients will be given center stage. They will be offered a compact and competitive range of responsible and actively managed investment strategies and pension solutions. Thinking consistently in the best interests of our clients means that we can and will advise them on how to cope with the risks attached to the reemergence of inflation. The creation of a product range geared towards either hedging inflation risks or benefiting from them is one of five areas where Robeco will try to make a difference for its clients. In doing so, we will be looking at things from a different angle, in order to come up with creative solutions.
The new department of Robeco Investment Solutions is another area where our recommendations will be based on a thorough understanding of client ambitions and where we will take a holistic view on possible solutions.
In addition to this, we will promote our strong and well-respected capabilities in quant solutions to clients: there are better ways to structure an investment portfolio in terms of risk and return than the conventional way.
Robeco's heritage in sustainability forms the starting point for a fourth strategic priority; our responsible-investing proposition. For many years we have had a strong belief that good corporate governance and social responsibility enhance long-term shareholder value. This idea is not just gaining momentum with our peers; we have seriously upgraded our capabilities and already integrated our ideas into a large proportion of our mainstream investment product range. Of course we are very fortunate to have

a Robeco subsidiary like SAM in Zurich, where 110 employees live and breathe sustainability and provide knowledge and data that is used throughout the company. The final but equally important element in our strategy are our Food & Agri investment offerings. We are setting up an Food & Agri product range in close cooperation with our parent company, Rabobank. Here Robeco will offer capital to invest in Food & Agri markets, in order to provide the fast growing world population with better and cheaper access to food products. We will make exclusive use of Rabobank research, their network and deal flow and will thus be able to offer our clients access to a growth industry with its own dynamics and attractive returns. Of course we will do this in a sustainable manner.

None of these strategies will be successful without proper execution and Robeco's 1,700 employees worldwide are responsible for this. It is their combined skill-sets; their drive and commitment that will make our company succeed in fulfilling our clients' needs and thus be successful itself. All of us will need to make choices, work together effectively, improve efficiency and focus on growth. These are all factors that will make a difference - for our clients, both retail and institutional, for our shareholder and, ultimately, for ourselves. I am confident that we will enjoy taking on this challenge and we will be successful in meeting it!

Roderick Munsters
CEO Robeco Groep N.V.

General information

Composition of the Supervisory Board

D.P.M. (Dick) Verbeek, Chairman
P. J.A. (Piet) van Schijndel, Vice Chairman
A. (Bert) Bruggink
J.C. (Hans) ten Cate (until 29 June 2010)
S.E. (Sjoerd) Eisma (from 19 August 2010)
G. (Gilles) Izeboud
Ph. (Philip) Lambert

Composition of the Management Board

R.M.S.M. (Roderick) Munsters, Chairman and CEO
L.M.T. (Leni) Boeren
H.W.D.G. (Hester) Borrie
S. (Sander) van Eijkern (until 1 February 2010)
C.T.L. (Constant) Korthout (until 1 October 2010)
H.A.A. (Hans) Rademaker (from 1 February 2010)
J.B.J. (Jurgen) Stegmann (the appointment of Mr. Stegmann as a member of the Management Board will become effective as from the date of the approval of the supervisory authorities)

Company Secretary

D.H. (Dave) Cross

Members of the Supervisory Board

D.P.M. (Dick) Verbeek, Chairman (male, 1950)
Dutch nationality. Appointed in 2001 and last reappointed in 2007. Scheduled to resign and eligible for reappointment in 2011. Former member of the Executive Board of Aon Group in Chicago and former chairman/ CEO of the Executive Board of Aon Holdings in Rotterdam. Supervisory Director of Aegon N.V

P.J.A. (Piet) van Schijndel, Vice Chairman (male, 1950)
Dutch nationality. Appointed in 2006 and last reappointed in 2010. Scheduled to resign and eligible for reappointment in 2014. Member of the Executive Board of Rabobank Nederland.

A. (Bert) Bruggink (male, 1963)
Dutch nationality. Appointed in 2009. Scheduled to resign and eligible for reappointment in 2013. Member of the Executive Board of Rabobank Nederland, professor in Financial Management and Business Administration at Twente University.

S.E. (Sjoerd) Eisma (male, 1949)
Dutch nationality. Appointed in 2010. Scheduled to resign and eligible for reappointment in 2014. Former partner at De Brauw Blackstone Westbroek (1978-2010). Supervisory director at HAL Holding N.V. and Grontmij N.V.

G. (Gilles) Izeboud (male, 1942)
Dutch nationality. Appointed in 2004 and reappointed in 2008. Scheduled to resign and eligible for reappointment in 2012. Partner and board member at PricewaterhouseCoopers (1977-2002). Former member of the Corporate Governance Committee in the Netherlands. Deputy Justice at the Enterprise Section of the Amsterdam Court of Appeal.

Ph. (Philip) Lambert (male, 1946)
Dutch nationality. Appointed in 2005 and last reappointed in 2009. Scheduled to resign and eligible for reappointment in 2013. Former Head of Corporate Pensions at Unilever N.V. and PLC in London. Member of the Investment Committee of the ABN AMRO Pension Fund.

Committees of the Supervisory Board

- Audit & Compliance Committee:
  Gilles Izeboud (Chairman)
  Bert Bruggink
  Sjoerd Eisma
  Dick Verbeek
- Nomination, Remuneration & Corporate Governance Committee:
  Sjoerd Eisma (Chairman)
  Philip Lambert
  Piet van Schijndel
  Dick Verbeek
- Investment Committee:
  Philip Lambert (Chairman)
  Bert Bruggink
  Gilles Izeboud
  Dick Verbeek

N.B. Supervisory directorships at listed companies only are given above.

Members of the Management Board

R.M.S.M. (Roderick) Munsters (male, 1963)
Dutch and Canadian nationality. Employed at Robeco since September 2009 as Chief Executive Officer. Former member of the Executive Board and Chief Investment Officer of APG All Pensions Group and member of the Executive Board (investments) of PGGM. Member of the Capital Market Committee of the Dutch regulator Autoriteit Financiële Markten (AFM) and member of the Board of Holland Financial Centre.

L.M.T. (Leni) Boeren (female, 1963)
Dutch nationality. Employed at Robeco since January 2005 as head of Robeco Direct N.V. Former Managing Director of Information Services and member of the Executive Committee of Euronext N.V. Member of the Board of the Dutch Fund and Asset Management Association (DUFAS) and Chief Operating Officer since 1 January 2009.

H.D.W.G. (Hester) Borrie (female, 1969)
Dutch nationality. Employed at Robeco since October 2009 as head of Global Distribution and Marketing. Formerly held several sales positions at Morgan Stanley in Amsterdam/London and was an associate in Corporate Finance & Capital Markets at MeesPierson.

H.A.A. (Hans) Rademaker (male, 1962)
Dutch nationality. Employed at Robeco since February 2010 as head of the Investment Division. Former Director of Fiduciary Management at Kempen Capital Management, Director of Asset Management and head of Financial Investments and Treasury at Mn Services.

J.B.J. (Jurgen) Stegmann (male, 1960)
Dutch nationality. Employed at Robeco as Chief Financial Officer (subject to approval of the supervisory authorities). Former member of the Executive Board of Fortis Bank in the Netherlands and Vice Chairman of the Managing Board and Chief Risk Officer at NIBC. From 2008 until he joined Robeco he was active as a boardroom consultant, mainly in the financial sector.

Supervisory Board

Report of the Supervisory Board

Composition of the Supervisory Board

Hans ten Cate resigned as member of the Supervisory Board and stepped down on 29 June 2010. He had been a member of the Supervisory Board since 2001 and we thank him for his valuable contribution during those years. Sjoerd Eisma was appointed to the Supervisory Board on 19 August 2010.

The supervisory directors, except Messrs. Bruggink and Van Schijndel, are independent within the meaning of the Dutch Corporate Governance Code. For information about each of the supervisory directors, please refer to the General Information section of this annual report.

Meetings of the Supervisory Board

In 2010 the Supervisory Board met nine times. Most of the Supervisory Board meetings were attended by almost all the Supervisory Board members and by all the Management Board members. The members of the Management Board were not, however, present when their performance and remuneration were discussed. The CEO did attend these meetings but did not attend the discussion on his own performance and remuneration. The meeting in April, in which the 2009 annual report was discussed, was also attended by the external auditor, Ernst & Young Accountants LLP.

In two meetings held in February and March the Supervisory Board extensively discussed the 2010-2014 Strategy plan submitted by the Management Board. The plan, which is considered to be ambitious, focuses on a number of key items. These can be summarized as follows: making choices regarding clients/markets and products; restructuring and developing the organization; further improvement of effectiveness and efficiency; expanding the synergy with Rabobank; focusing on growth and strengthening Robeco's profile in the market. In its July meeting, the various key plans, resulting from the approved strategy were further discussed, including the schedule and an update on its implementation.

Details of the strategy plan and how it will be implemented are covered in the report of the Management Board.

In September, the Supervisory Board met at the offices of Robeco Hong Kong. Prior to this meeting, the management of Robeco Hong Kong and Canara Robeco gave presentations and exchanged ideas with the Supervisory Board on various issues, such as business development, investment policies and the situation in the Asian markets.

The Supervisory Board used detailed, regularly updated reports for its discussions with the Management Board on the company's quarterly and year-end results in terms of budgetary targets, investment results and assets under management. Based on reports from its Audit & Compliance Committee, the Supervisory Board discussed various (internal-) audit and compliance-related issues.

As in previous years the Supervisory Board paid due attention to the project to integrate and optimize the various back-office and IT operations.

The Supervisory Board also discussed the proposed measures to implement the Banking Code. This was then carried out at both Robeco Groep N.V. and Robeco Direct N.V. levels. Remuneration policy forms an important part of the Banking Code. The proposals made to align the Robeco policy for Management Board members and senior management with the requirements imposed through the Banking Code were extensively discussed by the Nomination, Remuneration & Corporate Governance Committee and subsequently the full Supervisory Board, which then gave its approval to the revised remuneration mechanism.

On 1 December 2010 a permanent education session was held which was attended by most of the Supervisory Board members and all the members of the Management Board.

Supervisory Board Committees

The Supervisory Board agreed that starting from 1 January 2011 the Supervisory Board Committees will constist of four members. The composition of the committees is mentioned in the General information in this report.

Audit & Compliance Committee

In 2010 the Audit & Compliance Committee met six times. The meetings of the Committee were attended by the CEO, the CFO and the COO together with the head of Group Internal Audit, the head of Group Risk Management and the external auditor Ernst & Young Accountants LLP. The head of Group Compliance was present at some of the meetings too, depending on the subject matter. These meetings were preceded by private sessions with the external auditor. The regular agenda items were interim financial reports on the Robeco Group and Robeco Direct N.V. as well as semiannual reports and (draft) annual reports for publication. Other subjects discussed included the follow up on recommendations made by internal and external auditors, the annual service evaluation of the external auditors, operational incidents, pending litigation issues, tax issues, developments in fund governance, progress on ICT and outsourcing projects and results of disaster recovery tests. On the basis of quarterly reports, the Audit & Compliance Committee discussed various internal-audit, compliance and risk-management related issues. In the context of the implementation of the Banking Code adjustments to the Compliance and integrity Charter and the Code of Conduct were discussed and agreed upon. The agenda items included adjustments made to the policy applying to the introduction fees of brokers, while a presentation focused on the consequences of UCITS IV and the draft Alternative Investment Fund Managers directive and the opportunities these offer Robeco. In terms of personnel changes, the successors to the CFO and the head of Group Compliance were also discussion items.

Nomination, Remuneration & Corporate Governance Committee

In 2010 the Nomination, Remuneration & Corporate Governance Committee met four times, in the presence of the CEO, the head of Group Human Resources and, depending on the subject discussed, the CFO. In view of the personnel changes, the composition and division of tasks amongst the Management-Board members were discussed, in particular, the task of finding a successor for the CFO. In the context of the Banking Code, the implementation of the remuneration policy was an important issue on the agenda. Proposals to adjust the remuneration mechanism for the members of the Management Board and for senior management were extensively discussed and subsequently discussed and approved by the full Supervisory Board. Another agenda item was the criteria to be applied to establish key performance indicators. As a result of analyses of the terms and conditions of the Robeco pension plan, a number of adjustments aiming to make the plan more market conform were discussed and approved. After the proposals had received the endorsement of the full Supervisory Board, they were submitted to the Works Council which also approved the revised plan. Succession & continuity planning, a regular item on the agenda, was discussed too.

Investment Committee

In 2010 a new Supervisory Board committee – the Investment Committee – was established. The Investment Committee has an advisory role on issues related to the investment policies of the Robeco Group. In 2010 three meetings were held. In these meetings the performance and assets under management of Robeco Group products were discussed. A regular item on the agenda of the Investment Committee is the product range, more specifically the efforts to rationalize this as a result of the aforementioned strategy plan. In the meetings held in September and December special attention was paid to the investment capabilities of Transtrend and Harbor Capital Advisors respectively. Members of the management teams of these entities were also present at these meetings.

Composition of the Management Board

The composition of the Management Board changed in 2010 and was subject of discussion both in the Nomination, Remuneration & Corporate Governance

Committee, the Audit & Compliance Committee (CFO vacancy) and the full Supervisory Board.
Hans Rademaker was appointed head of Investments as of 1 February 2010, filling the vacancy resulting from the resignation of Jean Louis Laurens in June 2009.
Sander van Eijkern, who was responsible for Alternative Investments and CEO of SAM, stepped down from his position as of 1 February 2010. It was decided not to appoint a successor and to allocate his responsibilities to other Management Board members.
Constant Korthout, who was CFO from 2002 and member of the Management Board from 2004 resigned as per 1 October 2010.
We thank Messrs. Van Eijkern and Korthout for their contribution to the development of the company.
Jurgen Stegmann has been appointed to the position of CFO, the date of formal appointment is subject to the approval of the supervisory authorities.

Remuneration report

New remuneration policies

In the public debate on the causes of the financial crisis, a lot of attention is given to remuneration practices in the financial sector. Regulators and financial authorities have responded by issuing guidelines on remuneration. In the Netherlands, the banking sector itself has played a proactive role in this respect by developing the new Dutch Banking Code. Besides, the Netherlands Authority for the Financial Markets (Autoriteit Financiele Markten, AFM) and the Dutch central bank (De Nederlandsche Bank, DNB) have issued principles on sustainable remuneration. To conclude, Rabobank has issued its Vision on Remuneration.

As Robeco endorses the underlying principles of these standards, Robeco evaluated the existing remuneration policies of the Management Board. Based on this evaluation and taking into account the principles of sustainable remuneration from the different standards, Robeco only had to slightly modify its remuneration policy for the Management Board. With this policy Robeco is now compliant with the Dutch Banking Code as well as with the principles of AFM and DNB and Rabobank's Vision on Remuneration. This new remuneration policy was approved by the Supervisory Board in December 2010 and is effective as of compensation year 2010.

General principles of new remuneration structure

Even though Robeco's remuneration policy was already aimed at the long-term interests of Robeco and its clients, the modified policy incorporates few amendments. The general underlying principles of the remuneration policy, are as follows.

Fair and consistent remuneration

The fixed remuneration component aims to provide an attractive base remuneration relative to both the Dutch financial services market and the international asset management market, taking into account the relevant functions' level of responsibility, targets and competences. The level of responsibility is established using the Hay function-valuation system.

Performance management as starting point

The remuneration policy supports Robeco's business strategy and reflects individual as well as collective performance, while promoting the long-term interests of Robeco's clients.

External benchmarking

Robeco must be able to attract, retain and motivate employees who perform well and are expected to make an important contribution to the firm. Therefore independent benchmarking is an instrument to keep track of the median level of the relevant (labor) market.

Remuneration policy for the Management Board

The remuneration package consists of the following components: fixed remuneration, variable remuneration (bonus) and fringe benefits.

Fixed remuneration

In 2010 Robeco evaluated the current total remuneration of the members of the Management Board. This assesment showed that Robeco's fixed remuneration was conservative compared to its peers, but this was counterbalanced by the opportunity for variable remuneration (both short term and long term). Based on this evaluation the Supervisory Board decided to increase the level of fixed remuneration of the members of the Management Board by between 8% and 14% as of December 2010, the level still below median.

Variable remuneration (bonus)

The variable remuneration component for the Management Board depends on Robeco Group N.V.'s EBIT (excluding performance fees), the run rate revenue on net new money, and the investment performances. It is also linked to the financial results for the respective specific responsibilities of any individual member of the Management Board. The ratio between the actual results and the budgeted results is the basis of the level of the payment. Next to these quantitative Key Performance Indicators (KPIs), remuneration is also linked to KPIs such as client satisfaction and progress on the strategy. The Supervisory Board determines the final bonus for the individual Management Board members.
As of 2010, total variable remuneration of the members of the Management Board cannot exceed 100% of the fixed remuneration. This implied a decrease of the level of variable remuneration for the members of the Management Board ranging from 33% to 66%.
Also as of 2010, the deferral scheme for the Management Board members has changed. All bonus payments are now made in four installments. In the first year (after the applicable financial year), 50% is paid, followed by three other deferred portions. A 20% portion is paid in the second year, and a 15% portion in the third and fourth year respectively. Prior to 2010, the deferral scheme was 60%, 30% and 10% in the first, second and third year respectively. The proposal has been made to convert the deferred portions into a cash based instrument, which will be linked to Robeco Group's financial performance, which proposal is still under discussion. This instrument (Cash Appreciation Rights, CARs) will, according to the proposal, represent a value that directly corresponds to a pro forma calculated value of Robeco Groep N.V., and is based on 'profit from continuing operations after deduction of the expenses related to the long-term incentive plans and including the results related to the foreign-currency hedge'. These CARs vest at the end of these deferred periods in years two, three and four. If the recipient is no longer employed by Robeco Groep N.V. or hands in his notice when the payment (either the cash payment or the payment of the CARs) is made – either on, or before the day of vesting of the CARs – his right to this remuneration component lapses.

Long Term Incentive Plan

As of the compensation year 2010, for Robeco's Management Board the former short and long term bonus plans have merged into the above described variable remuneration policy.

Fringe benefits

Robeco offers a competitive package of fringe benefits, which may include a lease car, expense allowance, insurance, supplementary mortgage benefits, and a pension plan made up of an average wage plan (defined benefit, to a certain maximum) and a defined-contribution scheme.

Governance

Besides the remuneration policies Robeco also evaluated the existing governance on remuneration. As of 2011 remuneration policy includes:

- the remuneration policy as proposed by the Management Board, has to be approved by the Supervisory Board
- the Supervisory Board will oversee the implementation of the remuneration policy by the Management Board
- control functions will be incorporated in the

remuneration process, both ex ante (by Group Risk Management and Group Compliance) and ex post (by Group Risk Management, Group Compliance and Group Internal Audit)
– group Human Resources is responsible for monitoring the implementation and execution of the remuneration policy.

For the compensation year 2010, the Supervisory Board's Nomination, Remuneration & Corporate Governance Committee decided on the employment benefits for the individual members of the Management Board, as well as on the remuneration policy for other employees.

New proposal remuneration for other senior management and professionals
General principles, such as fair and consistent remuneration, performance management as a starting point and external benchmarking, will also be applied in the remuneration of the other senior managers.
To this end a proposal for the new remuneration policy for this group was approved in December 2010 and has been submitted to the Works Council of Robeco. If the Works Council gives its consent, this remuneration policy will be effective as of compensation year 2011.

Recommendation to adopt the annual financial statements

The Supervisory Board has taken note of the contents of the report presented by Ernst & Young Accountants LLP, who have given an unqualified opinion on the annual financial statements as presented, and recommends approval thereof. We concur with the Management Board's proposal to distribute the positive result as a dividend to the shareholder.

Rotterdam, 11 April 2011

The Supervisory Board

Corporate Governance & Fund Governance

Corporate Governance

As in previous years, in 2010 corporate governance remained a widely discussed subject. Although Robeco Groep N.V. is not a listed company and, as such, is not bound by the Dutch Corporate Governance Code (in this chapter referred to as the Code), it does find it important to comply with the Code's principles and best-practice provisions where possible. Robeco strives to implement any amendments to the Code if these are applicable. It should be noted here that the shares of Robeco Groep N.V. are all held by one shareholder, the Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ('Rabobank Nederland'). This means that those Code principles that relate to multiple shareholders do not apply. Below an overview is given of the issues covered by the Code that are most relevant to Robeco Groep N.V.

The principles and best-practice provisions of the Code that Robeco Groep N.V. does not or cannot apply and the current corporate-governance structure are also described and explained.

Compliance and enforcement of the Code

The corporate-governance policy of Robeco Groep N.V. is established in the company's Articles of Association and in the shareholder agreement between Robeco Groep N.V. and Rabobank Nederland, which was entered into in 1997 and amended in 2004. Within this framework, Robeco Groep N.V.'s Management and Supervisory Boards are responsible for the company's corporate-governance structure and compliance with the Code. They are accountable to Robeco Groep N.V.'s only shareholder, Rabobank Nederland. Robeco Groep N.V. intends to comply as fully as possible with the Code.

The Management Board

Robeco Groep N.V. is managed by a Management Board, consisting of five members. The Management Board is supervised by a Supervisory Board. According to the appointment procedure, a proposal is put forward at the General Meeting of Shareholders, but the candidate has to have been approved by the Supervisory Board before he or she can be appointed to the Management Board during this meeting. The Supervisory Board has undertaken not to reject proposals for appointments without good reason. On account of the above mentioned nature of the company, the maximum four-year membership term for board members recommended by the Code is not complied with as not all (i.e. except for one) Robeco Groep N.V. Management Board members are appointed for a definite period. After prior consultation with the Supervisory Board, the General Meeting of Shareholders appoints one of the members of the Management Board as chairman. The General Meeting of Shareholders is authorized to suspend or dismiss any member of the Management Board at any time. Dismissal terms for Management Board members are determined reasonably and fairly on a case-by-case basis. The Management Board is responsible for formulating and executing the approved strategic and operational policy of the company as well as managing its daily operations. In 2010 a set of Management Board Regulations were adopted. These supplement the statutory provisions and the Articles of Association that relate to the Management Board and its members. The Management Board reports to the Supervisory Board and to the General Meeting of Shareholders. Furthermore, the Management Board is also responsible for compliance with all relevant legislation and regulations, for risk management and for the financing of all corporate activities. Finally, the Management Board is responsible for providing the Supervisory Board with information, relating to the company's activities and on any developments affecting the Robeco Group as a whole. The Supervisory Board needs this information to carry out its supervisory responsibilities in a satisfactory way. As recommended by the Code, Robeco Groep N.V.'s regulatory environment and its risk-management structure are explained in the Report of the Management Board in the chapter on Compliance & Risk Management. The remuneration policy for members of the Management Board is outlined in the Report of the Supervisory Board; this policy was adjusted in 2010 in order to ensure its compliance with the Banking Code; reference is made to the remuneration report. The way in which this policy has been applied in this reporting period is explained in the notes to the annual financial statements. The remuneration policy forms an integral part of the Annual Report and is published on the company's website. The remuneration per individual board member is found in the notes to the annual financial statements. The value of the options granted to the Management Board and staff is also shown there. An explanation of the calculations involved can be found in the Accounting Policies in the annual financial statements. As explained in the remuneration report, members of the Management Board and certain employees have been granted E-notes in the past. However, one of the amendments to the remuneration policy was to terminate the E-notes scheme and replace it with a long-term incentive plan from 2011. The company does not grant loans or guarantees to members of the Management Board. Robeco Direct N.V., which is a wholly-owned subsidiary of Robeco Groep N.V. and a credit institution, can grant loans to members of the Management Board under the same conditions that apply to other Robeco employees. In the opinion of the Management Board, there were no conflicts of interest or semblance thereof between the company and the members of the Management Board in 2010. Robeco Groep N.V. does not have separate regulations covering securities transactions by members of the Management Board. The applicable 'Rules and regulations regarding private investment transactions by employees and insiders of Robeco Nederland B.V.' is published on the company's website. These rules should ensure that any insider trading or a semblance thereof, and any mixing of business and private interests is avoided.

The Supervisory Board

It is the duty of the Supervisory Board to supervise the Management Board's activities and any general developments at the company and its affiliated enterprises. The Supervisory Board also advises the Management Board. Robeco Groep N.V. has laid down the specific tasks of the Supervisory Board in the Articles of Association of the company and the above mentioned shareholder agreement. Moreover, in 2010 a set of Supervisory Board Regulations were adopted. These supplement the statutory provisions and the Articles of Association that relate to the Supervisory Board and its members. Information on the Supervisory Board's activities in the past financial year and the information required by the Code can be found in the Report of the Supervisory Board. The Robeco Groep N.V.'s Supervisory Board consists of nine persons: four supervisory directors A, four supervisory directors B and one chairman. There are currently three vacancies. The chair cannot be held by a supervisory director B or by an employee of Rabobank Nederland. Supervisory directors A cannot be or have been supervisory directors B, nor can they be employees of Rabobank Nederland. The General Meeting of Shareholders appoints the supervisory directors and is authorized to dismiss any supervisory director at any time. Supervisory directors will be appointed on the basis of a binding proposal consisting of at least two candidates, formulated by the Supervisory Board. The Supervisory Board is structured in such a way that it can satisfactorily fulfill its tasks and that its members can operate critically and independently of each other, the Management Board and any other participating interests. It should be noted that two of the supervisory directors B are employed by Rabobank Nederland. In line with the principle of the Code, each Robeco Groep N.V. supervisory director is able to assess the general overall policy and has the necessary expertise to fulfill his task. The Supervisory Board meets the Code's recommendation to have at least one financial expert as supervisory director; please refer to the short CVs of the supervisory directors in the General Information section. In order to get a proper insight into Robeco Groep N.V. and its activities, newly appointed members of the Supervisory Board follow a customized introduction program. All members of the Supervisory Board also meet the recommendation on the maximum number of supervisory directorships at Dutch listed companies (please refer to the information regarding supervisory directors in the General Information section) and all the supervisory directors (except for Messrs. Bruggink and Van Schijndel) are independent within the meaning of the Code. In accordance with the Articles of Association and the recommendation of the Code, the Supervisory Board has drawn up a retirement schedule. According to this schedule, supervisory directors should, in principle, resign on the day of the General Meeting of Shareholders four years after they were appointed. Reappointment can take place with immediate effect but only after careful consideration and not if the person involved has reached or will reach the age of 72 in that year. In contrast to the recommendation of the Code, no maximum term is applied for supervisory directors. The company publishes the retirement schedule on its website. In close consultation with and after approval by the Supervisory Board, the General Meeting of Shareholders appoints a chairman and one of the supervisory directors B as vice chairman. As mentioned above, the chairman may not be a supervisory director B or an employee of Rabobank Nederland. The chairman chairs the meetings of the Supervisory Board and ensures that the Supervisory Board functions satisfactorily. Furthermore, the chairman of the Supervisory Board has regular contact with the CEO on all issues relating to the responsibilities of the Supervisory Board. The company secretary assists the chairman of the Supervisory Board with the actual organization of Supervisory Board meetings. In 2004 a presidium was formed consisting of the chairman and the vice chairman of the Supervisory Board. The vice chairman is a supervisory director B who, in contrast to a supervisory director A, may be an employee of Rabobank Nederland. The CEO, in particular, keeps the presidium informed and discusses issues with them. The Supervisory Board has appointed an Audit & Compliance Committee, a Nomination, Remuneration & Corporate Governance Committee and an Investment Committee from among its members. In conformity with the Code's recommendations, the three committees are not chaired by the chairman of the Supervisory Board. All committees consist of four persons (see "General Information"). The Report of the Supervisory Board gives details about the composition of the committees, the number of meetings and the main items discussed in these meetings. In the opinion of the Supervisory Board there were no conflicts of interest or semblance thereof between the company and the members of the Management Board in 2010. The remuneration for supervisory directors is agreed on at the General Meeting of Shareholders. This remuneration is not linked to the company's results. The notes to the annual financial statements contain the information required by Dutch law (articles 2:383c through 2:383e of the Dutch Civil Code) on the level and structure of the remuneration for each supervisory director. The supervisory directors of Robeco Groep N.V. do not receive shares and/or rights to shares in the company as remuneration. The company does not grant loans or guarantees to its supervisory directors.

Shareholders and the General Meeting of Shareholders

Each year within six months of the close of the financial year, the General Meeting of Shareholders of Robeco Groep N.V. is held in Rotterdam. At this meeting the reports of the Management and Supervisory Boards are discussed, the annual financial statements are approved and decisions are taken on the proposed dividend and other items on the agenda. The minutes of the General Meeting of Shareholders are made available to the shareholder within three months of the meeting, in accordance with the Code's recommendations. As Robeco Groep N.V. has only one shareholder, the recommendations of the Code relating to proxy voting are irrelevant. The company does follow the other recommendations of the Code relating to dividend and discharge. The Code's recommendations on the supply of information to the General Meeting of Shareholders on price sensitive information or analysts' reports do not apply, as Robeco Groep N.V. is not a listed company. Finally, the recommendations relating to the responsibilities of institutional investors do not apply to Rabobank Nederland in its capacity as shareholder of Robeco Groep N.V. Robeco does pursue an active voting policy for most of its investment funds and institutional mandates, on the basis of which, voting rights are exercised on the underlying stocks. For more information on this subject, please see the company's website and the Special: Responsible Investing & Corporate Responsibility elsewhere in this report.

Financial reporting

The Management Board is responsible for the quality and completeness of the published financial reports and the Supervisory Board ensures that the Management Board takes this responsibility. Each year at the General Meeting of Shareholders, the external auditor is commissioned to audit the annual financial statements, on the recommendation of the Supervisory Board. The external auditor reports his findings to the shareholder, the Supervisory Board and the Management Board. Robeco Groep N.V. complies with the Code's recommendations relating to internal and external auditors. Robeco Groep N.V.'s annual financial statements are published on the company's website.

Compliance with the Banking Code

It was agreed that the Banking Code would be implemented both at the level of Robeco Groep N.V. and Robeco Direct N.V. level as per 31 December 2010 Robeco Groep N.V. complied to the Banking Code with the exception of the following principles:

Principle 2.1.8: the members of the Supervisory Board which are member of the Executive Board of Rabobank, and in that capacity subject to a Rabobank Permanent Education program, do not participate in the Robeco Permanent Education program, on the understanding that information that is to be considered relevant will be provided to them. In view of the position of these Supervisory Board members this is considered to be understandable from a governance perspective.

Principle 2.1.9: an evaluation of the lifelong learning program, including an assessment on effectiveness of the training program as part of the yearly internal evaluation of the Supervisory Board, was implicitly performed in 2010. An explicit evaluation by the Supervisory Board was conducted on 7 April 2011.

Principle 2.2.2: no specific profile requirements for the members of the Audit & Compliance Committee are defined; these profile requirements will be drafted.

Principle 3.1.2: job profiles of the Management Board functions are to be completed; this will be done.

Principle 3.1.3: the lifelong learning program of the Management Board of Robeco Group will be further developed and deepened.

Principle 4.1: the risk appetite is not proposed to the Supervisory Board for approval annually. It has been agreed that henceforth the risk appetite will be submitted for approval to the Supervisory Board annually.

Fund Governance

Robeco is committed to operating its fund-management activities in a fair and responsible manner; that is in the best interests of its customers. Several years ago, Robeco adopted its own principles on fund governance in which it addresses how conflicts of interest in its fund-management activities should be handled.

In 2008, the Dutch Fund and Asset Management Association (DUFAS) established a regulatory framework on fund governance and Robeco's principles were used as a basis for this industry standard. This framework has now been formally established as an effective self-regulatory industry standard.
Robeco subscribes to the DUFAS principles and has integrated them into its own principles on fund governance (the Principles). These Principles, which also describe a number of potential conflicts of interest, have been published on www.robeco.com/corporate information/ corporate governance.

Monitoring

Group Compliance monitors and reviews compliance with the Principles on an ongoing basis, partly during through Group Compliance activities including:

- memberships of the Product Approval Committee, the Risk Management Committees, the Valuation Committee and the GIPS Committee
- involvement in the prospectus process (including amendments)
- assessments of marketing materials
- involvement in fixing compensation for funds/clients in the event of operational incidents
- involvement in implementing the Banking Code and DNB/AFM 'Principles for managed compensation'
- monitoring individual employees' personal trading activity, and
- monitoring over 8,300 investment restrictions in more than 210 portfolios.

The Principles and conflicts of interests are also regular and specific items on the agendas of the relevant Management Company Board meetings, in which – if and when applicable – so-called 'conscientious consideration' takes place.

Group Internal Audit performed reviews in 2010 on best execution, service fees, proxy voting and soft commissions.

Monitoring results

Group Compliance has reported the outcome of all its monitoring activities to the Management Board, the Audit & Compliance Committee and the Boards of the applicable Management Companies. The general conclusion was that Robeco adheres to the Principles on Fund Governance.

Management Board

Report of the Management Board - Robeco Profile and key figures

Robeco, established in Rotterdam in 1929, offers investment products and services to institutional and private investors worldwide. Assets under management amounted to EUR 150 billion as of 31 December 2010.

Robeco advocates responsible investing. Environmental, social and governance factors are integrated into the investment processes, and there is an exclusion policy in place. Robeco makes active use of its voting right and enters into dialogue with the companies in which it invests, because we believe this will, in the long run, enhance the risk of return profile of our clients' investments.

The product range encompasses equity and fixed-income investments, money-market funds and alternative investments, including private equity fund of funds, hedge funds of funds and structured products. The various strategies are managed from Rotterdam (head office), Paris, Zurich, Boston, New York and Hong Kong.

To service institutional and business clients, Robeco has offices in Bahrain, mainland China, Germany, France, Hong Kong, Japan, Korea, Luxembourg, the Netherlands, Spain, Taiwan, the United States and Switzerland. Robeco has a license to operate as a bank in the Netherlands, which enables it to sell its products directly to private clients . Robeco holds its interests through wholly owned subsidiaries or branches.

Entities in which Robeco now holds a 100% stake include Corestone (Zug, Switzerland), Harbor Capital Advisors (Chicago, USA), SAM (Zurich, Switzerland), Robeco Investment Management, Inc. (RIM, Boston and New York) and Transtrend (Rotterdam, the Netherlands). Furthermore, Robeco holds a 51% interest in Robeco Teda (Tianjin) Investment Management Co Ltd. (Tianjin, China), a 49% interest in Canara Robeco Investment Management (Mumbai, India) and a 40% interest in AIM Trading NV (Rijmenam, Belgium).

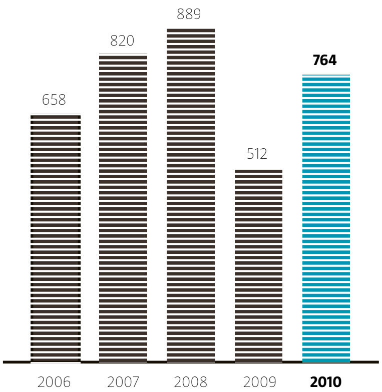
Robeco is part of Rabobank Group, one of the few privately owned banks in the world with the highest credit ratings from Moody's and Standard & Poor's. Furthermore, within the banking sector, Rabobank is one of the global leaders in terms of corporate social responsibility and sustainability.

Hans Rademaker, Hester Borrie, Roderick Munsters, Leni Boeren

Key figures

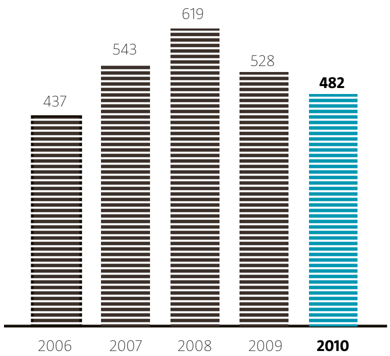
Operating income

EUR x million



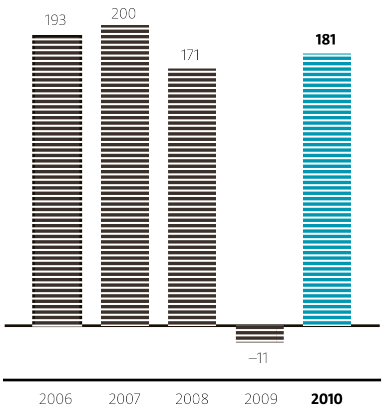
Operating expenses

EUR x million



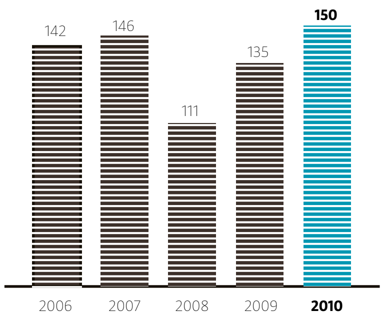
Net result

EUR x million



Assets under Management

EUR x billion



Chapter 1

Market environment

After their plunge into economic contraction in 2009, the major developed economies are set to report growth in 2010, with rates of close to 3% expected in the US and Japan, supported by extremely loose monetary policy. The euro-zone economy was less robust, with subdued growth of around 1% forecast for 2010.
However, it is important to distinguish between the different rates of growth within the region. While Germany was strong, as exporters benefited from the euro's decline and domestic demand picked up, Southern Europe struggled as the austerity measures began to bite. 2010 also saw the euro zone sovereign-debt crisis flare up again, as first Greece and then Ireland had to be bailed out for a combined EUR 195 billion.
The stellar economic performance of emerging markets was another key characteristic of 2010. China's economy expanded by 10.3%, while India should not be far behind with forecasts of 8% or more. But this strong growth brought inflation with it.

Financial markets played it by the book in 2010

Against this backdrop, financial markets turned in a textbook performance for the early phase of an economic recovery, a period in which risky assets typically receive a risk premium. Real estate rose by 30% in euro terms, equities gained 21%, commodities 17%, high-yield bonds (hedged) 15% and investment-grade bonds (hedged) 7%. By contrast, government bonds (hedged) gained 4% and cash returned just 1%.

It should be noted that these figures are skewed by the weakness of the euro, a factor that had important – and positive – implications for euro investors when they converted investments denominated in other currencies back into euros.

Equities had a good 2010 despite some hiccups

A combination of robust corporate earnings, improving economic data and the unprecedented US stimulus measures were enough to push up equities for the year. This was despite headwinds in the form of Europe's sovereign-debt crisis, still-high US unemployment and China's anti-inflation measures. In fact, global stocks ended 2010 at their highest levels since Lehman Brothers collapsed in September 2008. For the year, the MSCI All-Country World Index was up by 21% (in euro terms).

US equities had a solid performance for 2010, with the MSCI North America returning 24% (in euro terms). Asia was also strong, with the MSCI Pacific climbing by 24% (in euro terms), but European stocks lagged, with gains of 12% (in euro terms).

Within the various regions, emerging markets also outperformed, rising by 28% (in euro terms). This performance was supported by a decent macroeconomic picture, the more limited effects of aging in the medium term, the absence of sovereign-debt issues and the weaker impact of the crisis.

Corporate bonds outperformed sovereign debt

Government bonds returned 4% (hedged in euro terms) in 2010, spurred on by the high US unemployment rate, record low inflation and Europe's deepening sovereign-debt crisis, which provoked safe-haven demand, though gains were trimmed in the last four months of the year. Over 2010, the yield on the benchmark 10-year US Treasury dropped by 54 basis points to 3.29%.

Government debt's solid returns trailed the gains for investment-grade corporate debt, which returned 7% in (hedged) euro. High yield bonds did even better, gaining 15% in (hedged) euro. Corporate bonds benefited from the moderate economic growth, which meant that the number of bankruptcies and defaults was limited.

FX markets saw euro weakness

The US dollar was volatile, as the focus of the currency markets shifted back and forth between the crises in Europe and the Federal Reserve's renewed quantitative easing policy (QE2). In the end, the dollar had its biggest gain against the euro in five years. Europe's currency depreciated 7% against the dollar and 19% against the yen. The US currency weakened against many of its counterparts, as low US interest rates sent investors in search of higher-yielding assets. The yen was the best performer against the dollar. Currencies linked to commodities surged against the dollar as raw material prices hit record highs.

Chinese growth prompted soaring commodities

Commodities indeed performed strongly in 2010, as surging demand from China helped to push up prices of most raw materials. The S&P GSCI rose by 17%.

Property was the star performer in 2010

Listed property was the best-performing asset class in 2010, with the S&P Global REITs index returning 30% (in euro terms). Although this represents only a partial recovery from earlier declines, it also reflects an improved operating environment. Investors were also attracted by the asset class's high yields and cash flow, as well as the diversification it offers. Furthermore, underlying demand for property is strong, thanks to urbanization trends and the world's growing population.

Chapter 2

Strategy, implementation & realization

The year 2010 marked the start of a new strategic period for Robeco. After discussions with the Supervisory Board and our shareholder, the strategy for 2010 - 2014 was established at the beginning of March:

" To offer institutional and retail clients in the Netherlands, in a limited number of countries in Europe, Asia, the Middle East and in the United States a compact, client-oriented and competitive range of responsible, actively managed investment strategies and pension/investment solutions. In addition: continuous focus on cooperation, effectiveness and efficiency. "

This strategy has been converted into five spearheads for the coming years:

A. Make choices (clients/markets and products)
B. Restructure and develop the organization
C. Further improve effectiveness and efficiency
D. Significantly expand synergy with Rabobank
E. Focus on growth and strengthening Robeco's profile in the market

Make choices (clients/markets and products)

The most fundamental choice that has been made in Robeco's strategy is to consistently think and act in the best interests of our clients, within the framework of a profitable investment-management company. This means, for example, that Robeco will not do everything for everyone, but will focus on those areas where our added value for clients is highest.

Clear market leader in the Netherlands

Robeco intends to have doubled its institutional market share in the Netherlands by 2014. To this end, the institutional sales team for the Netherlands has been strengthened and in the second half of 2010 a dedicated Investment Solutions department was established, combining all Robeco's pensions expertise into a single department. Investment Solutions strives to offer pension funds and other companies everything they need to face the challengesof the present and the future, which include population ageing and longevity and looming inflation.

Robeco's proposition for fiduciary management is being upgraded in several ways. These include implementation of Dynamic Strategic Asset Allocation (DSAA), determining and maintaining long-term risk-/earnings expectations including macro-economic scenarios,the inclusion of an independent risk-management check and the rationalization of reporting.

One of the first solutions the department has developed is the Robeco Premie Pensioen Instelling (PPI, a defined-contribution pension institution). PPI is a means of implementing pension schemes not only in the Netherlands, but also in other countries, and is therefore particularly suited to European multinationals. It will enable Robeco to offer collective defined-contribution pension schemes directly to these companies, which stand to benefit from a substantial easing of their corporate

burden and low cost. PPI will supplement existing pension providers, pension funds and insurers.
Plans to strengthen Robeco's leading position in the Dutch retail market will be implemented in the course of 2011. These plans aim to underscore the added value of fund investing in terms of supplementary pensions and to regenerate Robeco's proposition to private investors.

Focus on a limited number of countries
In the coming years Robeco will realize its international ambitions in a more compact way. As a consequence sales efforts in some smaller countries have been discontinued and the number of international offices have been scaled down. The international strategy will be focused on a limited number of countries in Europe, Asia, the Middle East and the United States.
The sales offices in Belgium and Singapore were closed in 2010. Professional clients in Belgium are now being served from the Netherlands. The sales efforts in Italy and the UK have been directed towards retention only, whereas sales activities in some countries (e.g. Australia, Austria and Portugal) have been discontinued. In remaining countries, including Germany and Spain, Robeco continues and focuses even more on institutional investors, key distributors and larger intermediaries. Robeco's sales team in Switzerland has been integrated into SAM, Robeco's Zurich-based sustainability-investment center, while SAM's international sales force has been integrated into Robeco's international sales activities.

An evaluation of the French retail business resulted in the decision to refocus Robeco's activities in France on asset management, and to sell the private-banking arm (Banque Robeco). A strategic buyer was found in Oddo & Cie, a family-owned and independent financial-services group. This tie-up with Oddo & Cie will provide Banque Robeco's clients with access to a broader offering of products and services. The transaction has been completed on 31 March 2011. Robeco continues to consider France as a strategic market for its global and local asset-management activities and will continue to service institutional investors and large corporate groups.

Robeco's U.S. operations enjoyed a good year in 2010. On average Harbor Capital Advisors realized excellent performances for its clients and saw its assets under management grow to EUR 45 billion. RIM was very successful in terms of cash flow and profitability, and three-year track records are strong.

Robeco Middle East celebrated its tenth year in the Gulf in 2010. It takes time to get a foothold in the Middle East, but in the course of the last ten years the Bahrain team has strongly established Robeco's reputation.
Canara Robeco, Robeco's joint venture in India which was established in 2007, has developed well. Assets under management and advice amounted to almost USD 2 billion at the end of 2010 and Canara Robeco's portfolio managers are ranked among India's best. In mid-July,

a large Dutch pension fund invested EUR 100 million in Robeco's locally managed Indian Equities strategy, giving the joint venture with Canara Bank a substantial boost.

Robeco Greater China has made progress in building its distribution reach in the Greater China Region. In Taiwan, the distribution of Robeco funds through our strategic partners Shin Kon Life Insurance and Fubon Bank has been initiated. Robeco's Hong Kong office has recorded gradual and steady inflows from our private-banking partners. A USD 500 million mandate from one of China's largest sovereign-wealth funds for the SAM Smart Energy strategy has cemented Robeco's position as a recognized institutional asset manager in China.

Products: achieve a competitive sustainable advantage

In terms of products Robeco strives for a compact, client-oriented and competitive range of responsible, actively managed investment strategies and pension/investment solutions. The starting point is a compact range of actively managed generic products (for example Global Equities and Global Bonds) for retail investors in the Netherlands and medium-sized institutional investors. These are supplemented with a selection of specialty products with a proven track record such as Emerging Markets Equities, US Premium Equities, SAM and Transtrend.

In order to achieve a sustainable competitive advantage, product-development activities will be focused on five themes: 1. Responsible Investing, integrated into all investment products and supported by SAM's expertise; 2. Inflation products: a fund family that offers protection from inflation risks and products that enable investors to actively take advantage of inflation, building on existing skills; 3. Food and agricultural funds: a product family for the institutional market with diverse risk-return profiles, which is being developed together with Rabobank; 4. Pension and investment solutions (see above in the section 'Clear market leader in the Netherlands'); 5. Research expertise and quant products, building on Robeco's long-standing expertise in this area.
These five themes will form the starting point for all entities, asset classes and product lines within Robeco Group.

Capabilities that are small have been discontinued. In the course of 2010 the fund range was reduced by around10%. The combined fund range of Robeco Rotterdam and SAM saw a reduction of 25% up to and including February 2011. The management of Robeco's European Equities products has been transferred from Rotterdam to SAM, giving this range a clear sustainable edge and setting it apart from competitors in the mature, crowded and highly competitive European fund market. On 15 January 2011, portfolio management of the Robeco European Equities fund was transferred to SAM and it was rebranded as SAM Sustainable European Equities. At the same time, portfolio management of Robeco Agribusiness

Equities was transferred to SAM (this was renamed SAM Sustainable Agribusiness Equities). On 18 February 2011, Robeco European MidCap Equities and Robeco European Stars were merged into SAM Sustainable European Equities. Robeco Euro Bonds, Robeco Euro Medium Term Bonds and Robeco Global Bonds were all merged with Robeco All Strategy Euro Bonds, creating one of the largest euro aggregate bond funds in Europe, with total assets under management of EUR 2.8 billion.

In order to establish a clear and explicit responsible-investing proposition, the definitions of Sustainability Investing (SAM) and Responsible Investing (the overarching proposition for Robeco as a whole) were refined in the second half of 2010. The outcome is that the broader responsible-investing concept applies an investment approach predominantly driven by financial analysis, which takes sustainability and other performance drivers into consideration inthe associated investment-analysis and decision-making processes. Sustainability investing, on the other hand, is a specialist investment approach driven by sustainability insights translated into financial analysis and decision-making. In this approach sustainability insight features as the main performance driver among other fundamental drivers.

Restructure and develop the organization

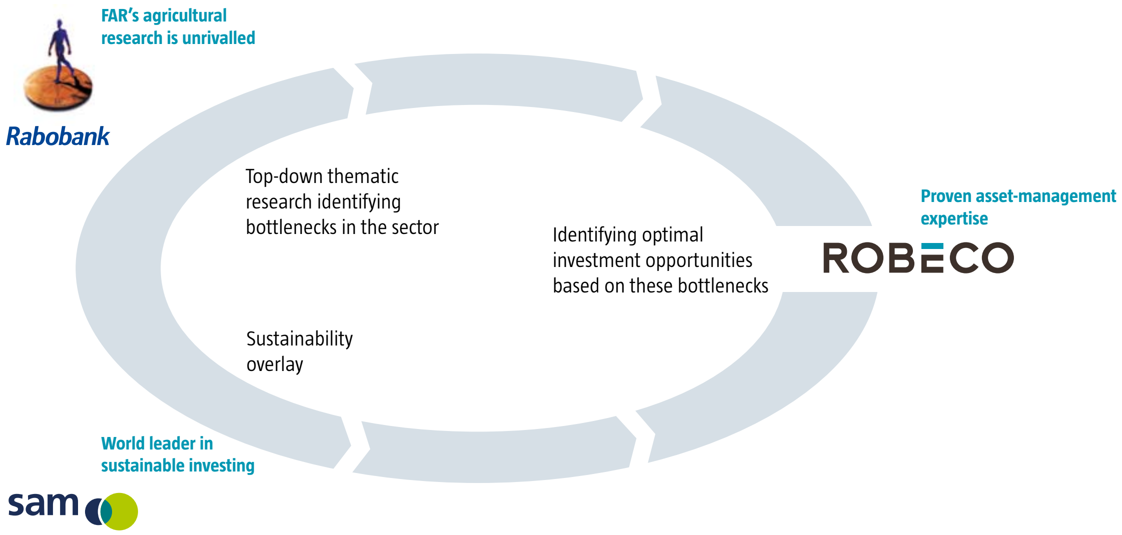
A number of organizational changes were implemented in 2010 (see also Chapter 3, 'Organization', and the paragraph below) in order to exploit synergy opportunities and enhance cooperation. All pensions-related activities have been assembled within one Investment Solutions department. Product management, and marketing and business support have also been centralized. The global mandates of the support departments have been more carefully defined to enhance control and cooperation.

Further improve effectiveness and efficiency

In 2009 Robeco suffered its first ever annual loss, amounting to EUR -11 million, mainly due to relatively high operational costs in Rotterdam. A program to increase overall cost effectiveness was launched in 2008 and implemented in 2009 and 2010. In 2010 additional measures were implemented, including the streamlining of the product range and several organizational changes. The main objective behind these developments is to further reduce annual IT and operations costs by around EUR 35 million by 2014. Standardization is one of the key words here. Making choices and improving effectiveness and efficiency will reduce overall recurring costs at Robeco level by EUR 75 million in the period early 2010 to 2014. The first results of Robeco's efforts to further increase efficiency were already visible in 2010; the company ended the year with a net profit of EUR 181 million.

Significantly expand synergy with Rabobank

Robeco has been a full subsidiary of Rabobank since 2001, serving as the center of competence on investment management within the Rabobank Group and utilizing Rabobank's wide distribution network for Robeco products. Cooperation between Rabobank and Robeco has gradually increased over the years, and Robeco's Management Board is convinced that synergies can still be expanded significantly. In the coming years Robeco and Rabobank will increasingly join forces in terms of business development, both in the Netherlands and internationally, in the retail as well as the institutional market. Food & Agri business will be one of the spearheads in the intensified cooperation between Rabobank and Robeco. It is Robeco's ambition to be recognized as the provider of choice of sustainable F&A investment products, combining Rabobank's unique expertise and network in the F&A business and SAM's expertise on sustainability investing with Robeco investment skills (see illustration below).



We are convinced that agriculture and food production is one of the major themes for the current and next generations and that the rising global population and the increasing wealth of the middle class worldwide will dominate economic developments in the decades to come. Robeco's F&A funds will be investing in efforts to provide solutions to the problems that stand in the way of the development of the global food chain. Investing in F&A strategies can be attractive for several reasons. First of all, it offers diversification. Farmland assets provide direct exposure to property and commodities, while having a small negative correlation to stocks. They also have a high correlation to inflation, which means that F&A also offers a solution to the problem of higher inflation that is likely to develop in the coming years. Overall, the combination of Robeco, Rabo and SAM forms a unique and powerful partnership in F&A investing. Robeco's first F&A product emerged in mid-January 2011 with the launch of the SAM Sustainable Agribusiness Equities Fund. Further product launches can be expected in the course of 2011.

Rabobank and Robeco will also bring their efforts in the field of CSR (Rabobank) and Responsible Investing (see below and Special: Responsible Investing) into line.

Focus on growth and strengthening Robeco's profile in the market

A disciplined execution of the clear choices that have been made, especially in terms of product focus and investment solutions, will strengthen Robeco's profile in the market. Responsible Investing is clearly one of the strategy's spearheads. After thorough consultation with clients and years of research Robeco introduced an integral policy for Responsible Investing (RI) early in 2010 (Robeco launched its first sustainable equities fund in 1999). An important pillar of our policy is the integration of environmental, social and governance (ESG) criteria into the investment processes. We are convinced that this will add value by improving the long-term risk-return profile of our clients' portfolios. By the end of 2010 ESG integration had been implemented for over 80% of all assets in scope for this (over EUR 60 billion). More information about Robeco's policy, efforts and achievements in terms of responsible investing can be found in the Special on Responsible Investing.

Chapter 3

Organization

Robeco's Management Board acts on the basis of shared responsibility on the understanding that all members have their own focus areas.

Due to the departure of Sander van Eijkern (1 February 2010) and Constant Korthout (1 October 2010) the areas of responsibility allocated to the various members of the Management Board has been adapted. This is explained in detail in the Outline of the Organization.
Investment activities are headed by Hans Rademaker. This includes equity, fixed-income, money-market investment and securities lending activities in Europe, the US and Hong Kong as well as investment solutions and responsible investing. Hans Rademaker is responsible for Robeco Gestions too.

Sales and marketing activities are headed by Hester Borrie. Integrating all the sales and marketing activities increases client focus and efficiency, stimulates cross-border cooperation and improves the organization's capacity to translate client demand into product specifications for the Investments division. Hester Borrie is responsible for Canara-Robeco too.

All IT and operating and support activities are headed by Leni Boeren, the Chief Operating Officer. Consolidation of all these operations creates a strong focus on delivery. A sound infrastructure will give Robeco a firm base enabling the company to benefit from the consolidation opportunities within the asset-management industry.

Leni Boeren is also responsible for RIM, Robeco Sage, SAM and the private equity activities.

Jurgen Stegmann took over the CFO position (the appointment of Mr. Stegmann as a member of the Management Board will become effective as from the date of the approval of the supervisory authorities) and is responsible for Group Finance, Group Treasury/ALM, Group Risk Management, Group Legal Affairs, Group Fiscal Affairs, Central Purchasing and Group Corporate Development & Business Control.

Roderick Munsters, the CEO and Chairman, is responsible for Group Product Management, Group Human Resources, Group Corporate Communications, Group Internal Audit and Group Compliance. He is also responsible for HCA and Transtrend.

Subsidiaries, joint ventures and associates

Robeco Direct N.V.
Robeco's direct distribution channel. In the Netherlands, the bank serves approximately half a million retail clients via Internet and telephone, and offers a wide range of financial products and services which include mutual funds, savings products, insurances and brokerage services.

Canara Robeco Asset Management Company Ltd.
Joint venture with Canara Bank, one of the largest banks in India (49% stake). Canara Robeco's assets

under management amount to around EUR one billion (at 31 December 2010).

Corestone Investment Management A.G.
Swiss-based independently operating investment manager, Corestone manages multi-discipline open-architecture portfolios for institutional investors (100% stake).

Harbor Capital Advisors Inc.
Chicago-based Harbor Capital Advisors offers a family of mutual funds through selecting and monitoring best-of-breed external managers. HCA provides management services to Harbor Funds, a mutual-fund complex, and to institutional segregated accounts. HCA's assets under management amount to around EUR 45 billion (at 31 December 2010).

Robeco Investment Management Inc.
US based asset manager, offering specialist investment capabilities thorough three specialist boutiques (Robeco Boston Partners, Robeco Sage and Robeco Weiss Pack & Greer) with offices in New York, Boston, Greenbrae and Los Angeles. RIM's assets under management amount to around EUR 12 billion (at 31 December 2010).

Robeco Teda (Tianjin) Investment Management Co. Ltd
Joint venture with TEDA International Holding Corporation Limited (51% stake), based in Tianjin, China. TEDA International, a company under Tianjin Investment Holdings, is mandated to hold all the financial assets under the Tianjin Government and is responsible for the development of all financial service related areas. TEDA International, the financial holding arm of the Tianjin government, is developing into the national leader in sustainability as well as a national center for private equity investing by fully leveraging its position in Tianjin, an ambition which is fully endorsed by the Chinese Government.

SAM Group Holding AG
SAM is a Swiss based global investment boutique focused exclusively on Sustainability Investing. The firm's offering comprises asset management, indexes and clean tech private equity. SAM partners with Dow Jones Indexes and STOXX Ltd. in the publication and development of the Dow Jones Sustainability Indexes (DJSI). In 2010, SAM operations were merged with those of Robeco Switzerland. As of 31 December 2010, SAM's total assets amount to EUR 11.8 billion (100% stake).

Transtrend B.V.
Rotterdam-based research-driven and system-based managed-futures trader, with track record going back to 1992 (100% stake). Transtrend's assets under management amount to around EUR 6 billion (at 31 December 2010).

Analytic Investment Management (AIM Trading N.V.)
Belgium-based systematic high-frequency data currency trader, which uses quantitative models to determine its trading strategy (40% stake).

Outline of the organization

CEO

Roderick Munsters

- Group Compliance
- Group Internal Audit
- Group Human Resources
- Group Corporate Communications
- Company Secretary
- Group Product Management
- Transtrend
- Harbor Capital Advisors

Investments

Hans Rademaker

- Investment Products
- Investment Solutions
- Investment Services
- Quantitative Strategies
- Investment Specialists
- Responsible Investing
- Financial Markets Research
- Robeco Gestions
- Corestone

Sales & Marketing

Hester Borrie

- Sales Offices NL & International
- Group Key Account Management & Consultant Relations
- Group Marketing & Business Support
- Robeco Direct Client Relations
- Canara Robeco

CFO

Jurgen Stegmann

- Group Corporate Development & Business Control
- Group Finance
- Group Fiscal Affairs
- Group Risk Management
- Group Legal Affairs
- Central Purchasing
- Group Treasury/ALM

COO

Lenie Boeren

- Group Information Services
- Financial Service Center (incl. Robeco Direct Operations)
- Simplicity Program
- Vendor Management
- SAM Sustainable Asset Management
- Robeco Investment Management (RIM)
- Private Equity
- Robeco Sage

Chapter 4

Investment performance

Group performance

Investment returns are dependent on general market developments and on the outperformance and underperformance of the different investment programs. Market developments are covered in detail elsewhere in this report. At group level, in 2010, 63% (2009: 73%) of the assets under management outperformed compared to the relevant benchmark.

Equity: a positive year in absolute terms; mixed results in relative terms

The year 2010 was a positive year in absolute terms for equity investments. In relative terms, however, the results were mixed. At group level, 58% of equity investments outperformed their benchmark on a gross-of-fee basis. Over a three-year period this figure is 84%. At business-line level, the percentage of outperforming equity assets in 2010 was 62% for Rotterdam, 18% for Gestions, 10% for RIM, 74% for HCA, 33% for SAM and 86% for Canara Robeco Asset Management.

The Harbor International Fund, the largest Robeco Group fund (EUR 24.3 billion) added another year of outperformance to its very impressive long-term track record. Its excess return versus the benchmark was 4.8% gross of fees. The Harbor Capital Appreciation Fund underperformed by 3.7% in 2010.

The Robeco fund outperformed its benchmark by 0.7%, Rolinco by 2.9%, Robeco European Equities by 3.9% and Robeco Asia-Pacific Equities by 4.6%. Robeco Emerging Markets Equities recorded an underperformance of 1.3%.

The two largest products managed by RIM in Boston – BPAM Large Cap Value and Robeco US Premium Equities – both underperformed their benchmarks by 1.5% and 1.6% respectively.

The two largest theme funds managed by SAM underperformed the MSCI World Index. SAM Sustainable Water Fund realized an excess return of –1.7% while SAM Smart Energy Fund underperformed the MSCI World by 21.4% in 2010. In comparison to the industry reference, however, SAM Smart Energy Fund outperformed by 21.5%.

SAM Sustainable Global Active Fund outperformed the MSCI World by 2.9%.

Fixed Income: a very positive year for fixed-income flagships

All Robeco fixed-income products generated a positive absolute return in 2010, 67% of the assets outperformed the benchmark. Over a three-year period this figure is 46%. Rorento realized an outperformance of 2.8% in 2010, while Robeco Lux-o-rente achieved an absolute return of 4.7%, outperforming the benchmark by 0.4%.

Robeco All Strategy Euro Bonds outperformed the benchmark by 0.8%, while HCA Bond Fund achieved an excess return of 1.9%. Absolute returns for the high-yield funds are high; the absolute return for Robeco High Yield Bonds was 16.0%, on a relative basis, the fund outperformed the benchmark by 2.8%.

Alternatives: positive results for Transtrend and Robeco-Sage

Transtrend's Enhanced Risk USD had a positive year with a performance of 14.9% net of fees. Robeco Multi Market Bonds (which are largely invested in a Transtrend product) also realized positive absolute returns. The hedge fund of funds Robeco-Sage Capital International realized an absolute return of 4.8% net of fees in 2010.

Returns of Robeco's flagships

In order to highlight the general developments in the market in 2010, an overview of the absolute returns of Robeco´s flagships is given in the table below. The table shows the gross-of-fee absolute returns of the most important funds (net of fees for alternatives), arranged according to investment type and assets under management (AuM). The excess returns indicated are the out- or underperformance of the funds versus their benchmarks.

Return flagship funds

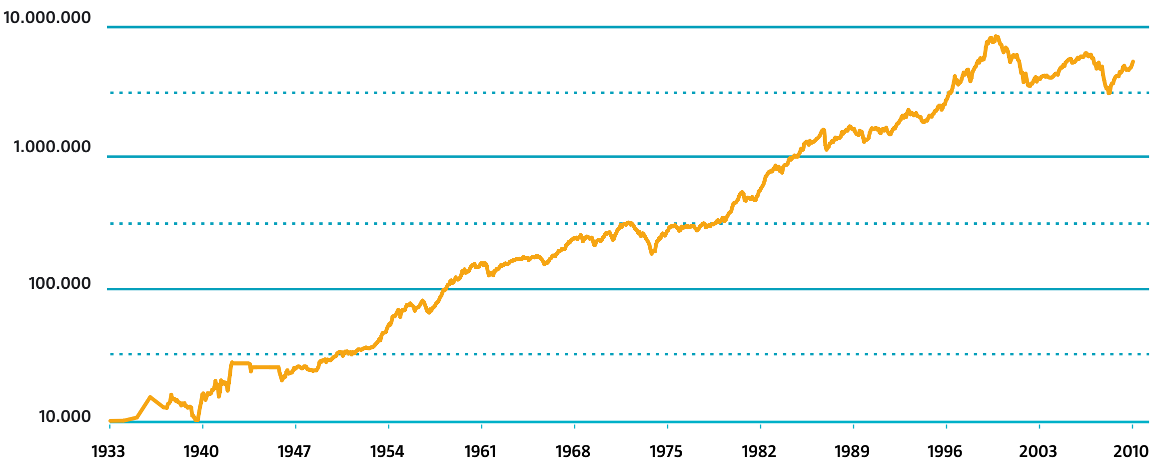
Flagship	Strategy	AuM in bn EUR*	Absolute Return (in currency)	Excess return
Harbor International	Equity - Large Cap Value	24.3	12.9**	4.8**
Harbor Capital Appreciation	Equity - Large Cap Growth	8.1	12.4**	– 3.7**
Robeco	Equity - Global	4.4	21.0	0.7
Robeco Emerging Markets Equities	Equity - Emerging Markets	3.6	25.5	– 1.3
BPAM Large Cap Value Compisite	Equity - Large Cap Value	3.5	13.7**	– 1.5**
BPAM Premium Equity composite	Equity - Premium Equity	3.0	14.4**	– 1.6**
SAM Sustainable Water	Equity - Global Sustainability	1.1	17.5	– 1.7
Robeco Emerging Stars Equities	Equity - Emerging Markets Focus	1.1	21.9	– 4.2
Rolinco	Equity - Thematic Investing	0.8	23.4	2.9
Harbor Bond	Fixed Income - US	5.6	8.6**	1.9**
Robeco Lux-o-rente	Fixed Income - Quantative Global	2.6	4.7	0.4
Robeco High Yield Bonds	Fixed Income – Global High Yield	2.2	16.0	2.8
Rorento	Fixed Income - Global	1.8	7.9	2.8
Robeco All Strategy Euro Bonds	Fixed Income - All Strategy EMU	1.5	3.0	0.8
Transtrend Enhanced Risk USD	Alternative Investments – Diversified Trend Program	4.3	14.9**	***

* At 31 December 2010
** Returns in USD
*** No appropriate benchmark available

Robeco N.V. 1929 - 2010

The graph below shows the performance of Robeco N.V. over time. The fund, which started as an investment consortium, was founded on the 4th of December 1929 and in 2010 it celebrated its 81st anniversary. Robeco N.V. has had a glorious history. It survived the depression of the thirties and the Second World War that followed and then prospered during the period of economic growth in the fifties and sixties. It moved sideways during the seventies but then successfully rode the big bull market of the eighties and nineties, ending the century at its highest level ever. Up until now the 21st century has not been very kind to equity investors in developed markets, but at least the relative performance of the fund has been sound over the past years. As the graph shows, the fund has been through good and bad times, but on average the performance has been a solid 8.4% return per year. An investment of EUR 100 (if the euro had existed then) made in March 1933 would have grown to more than EUR 51,500 by the end of 2010.

Performance of Robeco N.V. since inception (logarithmic scale)



Chapter 5

Business development 2010

Global business development

EUR x billion	2010 Total	2010 Retail	2010 Institutional	2009 Total	2009 Retail	2009 Institutional
AuM at opening date	**134.9**	**67.1**	**67.8**	**110.7**	**52.9**	**57.8**
Investment result	19.6	10.5	9.0	19.2	10.8	8.4
Net cash flow	− 3.4	3.4	− 6.7	7.5	3.9	3.6
Other gains / losses	− 1.5	− 0.1	− 1.5	− 2.5	− 0.5	− 2.0
AuM at closing date	**149.6**	**81.0**	**68.6**	**134.9**	**67.1**	**67.8**

Growth of assets under management

At the end of 2010, total assets under management amounted to EUR 149.6 billion. This is an all- time high for Robeco and stems from growth of 10.9% in 2010, following on from the strong recovery in 2009 (+21.9%). The continual recovery in the financial markets in 2010 affected Robeco's assets under management considerably. The increase is the result of a positive net investment result of EUR 19.6 billion and a net cash outflow of EUR 3.4 billion. The investment result also includes a positive contribution of EUR 3.0 billion caused by the appreciation of the US dollar. The annual dividend payments and interest distributions are included in 'Other gains / losses'.

Responsible investing is an important element in Robeco's strategy for 2010-2014. Robeco considers ESG integration (integrating environmental, social and governance factors into investment-analysis and decision-making processes) to be one of the most important elements of responsible investing. Within a year of its launch, ESG integration has been implemented for around 88% of all the assets in scope for ESG integration.

Net cash flow

In terms of net cash flow, the year was mixed. The net cash outflow of EUR 3.4 billion was mainly the result of significant outflow caused by rebalancing and strategic re-allocation for a small number of institutional clients. It affected mandates with relatively low fees. The retail cash inflow was strong, particularly into the mutual funds of Harbor Capital Advisors in the US. Also in Europe, the cash inflow from retail clients was strong and well-diversified. The net cash flow was negatively affected by the fact that some (structured) products and investment concepts terminated. Despite the outflow from a small number of institutional clients, cash inflow from others was very good, particularly in equity products. Despite the net cash outflow, cash-flow revenues significantly improved for Robeco in 2010.

European business development

EUR x billion	**2010**	2009
AuM at opening date	**90.1**	**79.3**
Investment result	10.0	9.8
Net cash flow	− 7.9	3.5
Other gains / losses	− 1.5	− 2.5
AuM at closing date	**90.7**	**90.1**

On the retail business side, the outflow in money-market products and structured products (mainly caused by terminations) was partly compensated by inflow into equity products (Emerging Markets Equities and US Premium Equities) and Robeco Mix funds which exceeded the EUR 2.5 billion mark in 2010. Robeco Emerging Markets Equities won various Lipper Awards in the classification Equity Emerging Markets Global in 2010. Robeco US Premium Equities also received acclaim in 2010, receiving the Morningstar Award for the best-performing investment fund and the "2010 Grand Prix de la Gestion d'Actifs" in the US Equity category. SAM received the award for best SRI/Sustainable Investment Manager of the Year for 2010.

US business development

EUR x billion	**2010**	2009
AuM at opening date	**42.6**	**30.2**
Investment result	9.2	9.0
Net cash flow	4.8	3.4
Other gains / losses	0.0	0.0
AuM at closing date	**56.6**	**42.6**

The assets under management in the US also increased significantly in 2010, showing growth of 31.2% (2009: 41.1%). Harbor Capital Advisors received substantial new investment from clients. Harbor International Fund and Harbor Bond fund managed to add another excellent year to their impressive track records and were the main beneficiaries of the net cash inflow.

Robeco Investment Management (RIM) generated considerable cash inflow, especially in the Large Cap Value Mutual Fund, Robeco Emerging Markets Equities and Robeco US Premium Equities.

Rest of the World business development

EUR x billion	**2010**	2009
AuM at opening date	**2.2**	**1.2**
Investment result	0.4	0.4
Net cash flow	− 0.3	0.6
Other gains / losses	0.0	0.0
AuM at closing date	**2.3**	**2.2**

Chapter 6

Financial results

Financial results

EUR x million	2010	2009
Assets under management EUR x billion	**149.6**	**134.9**
Management and performance fees	**932.8**	**665.0**
Operating income	763.6	512.2
Operating expenses	– 482.3	– 528.0
Operating result	**281.3**	**– 15.8**
Non operating result	– 24.7	13.8
Taxes	– 75.3	– 9.0
Net result	**181.3**	**– 11.0**

For 2010 a net profit of EUR 181.3 million was posted, following a loss of EUR 11.0 million in 2009. Operating income increased by a substantial EUR 251.4 million to EUR 763.6 million (+49.1%) in 2010. Both higher management and performance fees, in total EUR 932.8 million (2009: EUR 665.0 million), contributed to the increase in income from asset-management activities. The increase in management-fee income was a direct result of the increase in assets under management due to the overall positive net investment result and excellent inflow on strategies that yield attractive fees. It was also attributable to the stronger US dollar in 2010. Furthermore, in 2010 Robeco generated a higher performance fee income as a result of the improved investment returns of performance-fee related products.

Despite strong investment performance by Transtrend, the performance fees were not higher because they were subject to high watermarks. This means performance fees are not paid until the funds have recovered to previous levels. Nevertheless, gross performance fees amounted to EUR 94.7 million, recovering from EUR 16.1 million in 2009. In spite of a decrease in entrusted savings, the interest income from banking operations improved as the Dutch savings market saw a normalization in savings rates in 2010. The yield on the investments – such as loans, mortgages and government bonds – showed a similar pattern, although to a much lesser extent.

Operating expenses amounted to EUR 482.3 million, which was 8.7% lower than in the previous year.

Report of the Management Board - Financial results

In 2009 Robeco launched a program to create a more efficient organization, fit for future growth. As the majority of the measures were implemented during 2009, the full-year effects of this restructuring program became clearly visible in 2010. The 'Other expenses', which form part of 'Operating expenses' and are mainly made up of out-of-pocket costs, declined by 18.9% and amounted to EUR 198.0 million in 2010.

In July 2010 Robeco's strategy for 2010-2014 was finalized and approved by Robeco's Supervisory Board. In order to further increase profitability, Robeco started several projects. One of the major projects is to substantially reduce the long-term information technology (IT) and operations expenses to a benchmark level. Comparison with our competitors shows that these costs are still relatively high. Although the IT and operations expenses had already decreased in 2010, the cost level remained relatively high due to project costs relating to the replacement of some key IT applications. In November 2010 the fund-accounting system, MultiFonds, became operative. This system provides a single source of information for the daily NAV and financial reporting for mandates and Dutch- and Luxembourg-domiciled funds.

In addition to reductions in IT expenses, expenses for temporary staff also declined further in 2010. Compared with previous year there were 27% less staff hired on a temporary basis at the end of 2010. The organization also reduced marketing and advisory related expenses.

Impairments and other market-related events that had a negative impact in previous years were not a factor in 2010. The impairment result on the asset-backed-securities portfolio showed a positive result as reversals due to increases in fair value occurred for some assets that had been impaired at an earlier date and these more than offset the one occurrence of impairment that was recorded during 2010.

The non-operating negative result was mainly caused by losses on hedge positions associated with foreign currency fluctuations (compensated by comparable gains in other line items) and the sale of Banque Robeco, Robeco's private banking operations in France.

In December 2010 Robeco reached an agreement with Oddo & Cie to acquire Banque Robeco and ownership has been transferred from Robeco to Oddo & Cie on 31 March 2011.

The effective corporate tax rate was 29% in 2010. A number of negative non-deductible one-off tax items and the fact that US earnings were subject to a higher local tax rate caused the effective corporate tax rate for 2010 to exceed the Dutch base tax rate. Shareholders' equity amounted to EUR 1,605 million at year end 2010, which represents an increase of EUR 238 million. The increase was mainly due to the 2010 net result of EUR 181 million and positive unrealized results within the available-for-sale reserve and other revaluation reserves.

Chapter 7

Compliance & Risk management

Robeco aims for maximum transparency in terms of those risks that might influence the results of the organization. This chapter provides an insight into Robeco's risk control governance and risks.

Risk Control Governance

Risk management is the responsibility of line management and ultimately the Management Board. Risk control governance is exercised by line management and the Group Risk Management (GRM), Group Compliance and Group Internal Audit departments, which are independently positioned within the Robeco Group. Line management functions as the first line of defense while GRM and Group Compliance, which ensure compliance with rules and regulations, act as the second line. Group Internal Audit, the third line of defense, monitors the effectiveness of the control framework as well as the design, existence and effectiveness of processes and related process controls. GRM, Group Compliance and Group Internal Audit have a global mandate.

Several committees dedicated to risk management are in place within the Robeco Group. The Group Risk & Compliance Committee (GR&CC) ensures that there is comprehensive and consistent risk oversight throughout the different entities within the Group. This committee evaluates and ratifies group-wide policies relating to compliance and risk-management topics, and is chaired by the CEO. The GR&CC is supported by various (sub) committees that focus on specific topics (e.g. valuation, new products, asset and liability management etc.).
In case of a financial distress event, the Financial Crisis Committee is responsible for identifying any risks that could arise and identifying the impact such an event would have on client portfolios and Robeco's reputation. This committee formulates initiates and coordinates necessary actions, and is chaired by the Head of GRM. This committee convened a number of times during 2010, due to the euro crisis.

As a sub committee of the Supervisory Board, the Audit & Compliance Committee oversees governance and risk control related topics. In addition, the Audit & Compliance Committee discusses the risks relating to and the progress made on the implementation of control measures as described in this chapter. Please refer to Chapter 3 of the Annual Report for further details on the Audit & Compliance Committee.

Group Risk Management

As a second line of defense, Group Risk Management (GRM) supports management by developing policies, methodologies and infrastructures for measuring, monitoring and reporting on the different types of risk inherent in the activities of the Group. More specifically, GRM is responsible for risk oversight of client portfolios, risk management for Robeco's own account positions and for advising the Management Board on strategic capital allocation based on economic capital calculations. In addition, GRM provides assistance in performing risk & control self-assessments, is responsible for operational incident management and facilitates the documentation of Robeco's business processes. Annually GRM facilitates a risk & control self assessment at Management Board level, to determine the strategic risks. GRM and the security officers manage information security risk, ensuring that principles and regulations for information security are understood, adhered to and monitored. Furthermore, GRM coordinates and monitors the business-continuity-management program. GRM reports directly to Robeco's Chief Financial Officer (CFO).

Robeco has a control framework in place that encapsulates the risk-management activities of Robeco Group. The framework is based on COSO II and sets the standards for the risk assessment, control and monitoring activities that are required to be in place within the different Robeco entities. The control framework allows Robeco to provide stakeholders assurance on the performance of processes and internal controls. In 2010, Robeco issued SAS 70 reports for Robeco Institutional Asset Management B.V., Robeco Pension Providers and Robeco Fiduciary Management activities. Robeco also contributed to the Rabobank In Control Statement on its own financial reporting. The board of Robeco's Dutch retail funds issues an In Control Statement which forms part of the annual reports of the funds.

Group Compliance

In addition to Group Risk Management, Group Compliance also acts as a second line of defense in supporting the Management Board and the management teams of the various entities in maintaining a high level of compliance. It also aims to ensure that all business principles are understood and implemented.

Robeco operates in markets that are regulated by financial regulators and holds all the necessary licenses to operate in these markets. It is essential for Robeco's business interests that the company retains these licenses. In order to do this Robeco must maintain a high level of compliance with the license requirements and all other requirements set by financial and national legislators. In addition, regulators issue opinions and market best practices and expect industry practitioners to implement these as far as possible, an example is the duty to show due care to customers. Robeco therefore continually works on maintaining a proactive relationship with regulators through open and transparent communication. Robeco works consistently at a level meant to safeguard compliance with all the relevant rules and regulations.

Besides being legally compliant, Robeco is committed to operating in compliance with all the (investment) agreements we have with our customers. Any investment restrictions agreed with our customers are monitored by the investment-restrictions team that forms part of

Robeco's Group Compliance department. Compliance with the agreements entered into with our customers is considered a cornerstone of Robeco's business.

As a result of the increasing number of rules and regulations and their diversity and complexity worldwide, the inherent risk of non-compliance also increases. To manage and mitigate this risk, Robeco's Group Compliance department employs specialists for designated compliance areas. The Group Compliance department initiates and monitors the implementation of new regulations together with the Legal department to ensure that Robeco's conduct is in line with stakeholders' expectations. In 2010, the UCITS IV implementation project was initiated.
As Robeco is active in many countries, each with its own laws and regulations, the Group Compliance department also initiates, implements and monitors global compliance policies to define the minimum compliance standards for activities worldwide throughout the company. Although Robeco's products and services differ from one country to another, high standards of integrity and conduct are always required.

To enhance employees' understanding of Robeco's global compliance policies, Group Compliance continuously shares knowledge within the organization. The principles covered by the compliance policies are divided into four different areas: retail and institutional clients; products and services; investment management, and personnel and organization. In 2010 the globally applicable Code of Conduct was revised to become compliant with the Banking Code, by adding an integrity statement which had been signed by all Management Board members. The Code of Conduct integrates rules on integrity and staff conduct, and acts as an umbrella for all other policies and regulations. It is accessible to all personnel worldwide and they are regularly kept informed on compliance-related issues via internet. All employees confirm that they have understood the Code of Conduct and that they will comply with it. This is a significant corner stone of sound operational management.

Group Compliance monitors adherence to policies and procedures and participates in local and group risk-management committees. Within all Robeco entities, the Local Compliance Officers perform the day-to-day compliance activities (e.g. checks on know-your-customer, anti-money-laundering, approving marketing materials and investment restrictions).

Robeco has set fund governance principles that align with industry best practice and where special attention is paid to managing potential conflicts of interest relating to fund-management activities. Robeco's fund governance is tested by a regular fund-governance examination carried out within all Robeco's business operations. The outcome is reported to the Audit & Compliance Committee of Robeco Groep N.V.'s Supervisory Board.

Group Internal Audit
Group Internal Audit, the third line of defense, reports to the CEO. The independence of this function is additionally safeguarded by having a second reporting line, to the Chairman of the Audit & Compliance Committee.
Based on an in-depth annual risk analysis, a medium-term audit plan is maintained and implemented by Group Internal Audit. Senior management, Group Compliance and Group Risk Management provide input on assessing risks and for establishing the audit plan. With a view to keeping overall audit coverage at an appropriate level and evenly spread over the group, every quarter the audit plan is adjusted to reflect any new developments.

Besides operational audits, IT audits, project reviews and management-control assessments, Group Internal Audit also performs SOx testing for operational effectiveness. In executing its audit plan, Group Internal Audit cooperates closely with the external auditors Ernst & Young on a global level.

Group Internal Audit's quarterly reports are discussed in detail with the Management Board, Group Risk & Compliance Committee, the Audit & Compliance Committee and Audit Rabobank Group. Audit Rabobank Group also annually reviews the risk analysis, audit plan and audit coverage, and every two years the Group Internal Audit department as a whole.

Audits generally result in audit reports with an audit rating, where everything is discussed with the responsible Management-Board member. If and when necessary during the audit, measures of improvement are agreed upon with management and for each measure an owner, deadline and its significance are documented. Every quarter Group Internal Audit monitors the progress of implementation and reports on this to the Management Board, enabling it to take timely corrective action. Group Internal Audit considers the implementation of measures of improvement within the Robeco Group to have been satisfactory, which shows the willingness of the organization to improve or optimize design, documentation, effectiveness and efficiency of processes, risk management and risk control.

Risk Appetite

Robeco defines its risk appetite in terms of both operational and financial risk.

Operational risk is defined as the risk of loss resulting from inadequate or failed processes, people and systems, or from external events. In 2010, a qualitative operational risk appetite was used to determine the degree of risk that the Robeco Group was willing to accept in pursuit of its commercial targets and in terms of the cost of control:
" Finding a healthy balance between becoming a leader in specialized investment management, gaining revenues and lowering costs while preventing material fraud and

avoiding the occurrence of operational risks which could cause catastrophic damage to the Robeco Group, its clients and Robeco Group's reputation. "

In terms of financial risk, Robeco makes a distinction between credit risk, market risk, liquidity risk and interest-rate risk. The risk appetite for financial risks in Robeco's own account positions for Robeco Group N.V., including but not limited to those of Robeco Direct N.V, is outlined in limit and control structures and governed by policies that are consistent with Rabobank's policies. Limit and control structures are ultimately endorsed by the Asset & Liability Committee.

Risk Types

Robeco recognizes several types of risk that are actively managed throughout the Robeco organization. This chapter covers those that are currently considered to be significant within the Robeco Group. The list of risks covered is, therefore, not exhaustive. There may be other significant risks that Robeco has not yet identified or that have been assessed as not having a significant potential impact on the business, but that could materialize as such at a later stage. Robeco's control framework is designed to provide timely insight into such risks.

Strategic risks

Changes in market conditions, unsatisfactory profitability and the need to update our strategic ambitions for the near future made it necessary to reassess the strategy. At the beginning of 2010, Robeco defined its strategy for the period 2010-2014.

Strategic objectives

The main goal of Robeco's strategy for 2010-2014 is the profitable growth of its assets under management. A number of projects have been initiated to achieve this goal and implement the strategic choices we have made. The Management Board closely monitors the progress of these projects. In 2010, the profitability for clients as well as for Robeco improved satisfactorily and cost reduction went according to plan.

A relevant development in our market is the debate on distribution fees. Robeco actively participates in the discussion as the outcome can affect revenues in third-party fund distribution.

In 2010, the Organizational Development & Internal Communication department was set up. This department supports the creation of an organization that is capable of achieving its strategic objectives in 2014. The emphasis is on team development and promoting leadership at all levels of the organization, stimulating knowledge-sharing and encouraging further cooperation.

Reputation

Robeco is striving for excellence in its products and services, offering high quality products and solutions to clients and ensuring that their needs are being met. In doing this Robeco endeavors to keep a low risk profile in terms of reputation risk.

Responsible investing (RI) is an important element in Robeco's strategy. It is one of the five themes where Robeco intends to secure a sustainable competitive advantage in terms of products and solutions for clients. Robeco is convinced that responsible investing will improve the long-term risk return profile of its clients' portfolios. It is likely that Robeco will suffer reputation risk if it is not able to live up to the expectations of responsible investing.
The expected improvement in risk-return profiles is carried by the integration of sustainability information into the investment process and through the active–ownership strategies conducted by Robeco's RI-department.
At the end of 2010, ESG integration was implemented into the portfolio management process for 88% of all assets under management that fall within the scope for ESG integration. It will be implemented for the remaining 12% in 2011. In 2010, a Social and Environmental Policy was implemented. A new Exclusion Policy was established to ensure that Robeco acts in line with corporate responsibility objectives. In addition, Robeco's Responsible Investing department monitors Robeco's compliance with responsible investing targets on a quarterly basis.
Robeco advocates responsible investing which includes sustainable investing, and this is managed actively by SAM, a specialist in this field. SAM opts for a best in class approach and aims to invest in sustainable leaders. SAM identifies companies that achieve a superior sustainability performance compared to their peers in their respective sector through its annual Corporate Sustainable Assessment. This Assessment leads to SAM's proprietary sustainability scores which are amongst others used to determine the companies' eligibility for the Dow Jones Sustainable Index and for their potential weight in certain indexes. In October 2010, SAM identified an issue in the new software used to evaluate the results of the Corporate Sustainability Assessments and directly undertook sufficient effort to ensure the scores and related products meet SAM's high standards for quality and accuracy.

Robeco's reputation is closely tied to the quality of its products. Robeco, therefore, has strong governance and processes in place for product development and product approval. In addition, the product-at-risk analysis periodically performed by Group Compliance provides controls for the quality of Robeco products.

Operational risks

Robeco's main operational risks are described below, together with the mitigating measures that are applied.

Key processes

Key processes for Robeco are the daily processing of a large number of transactions and the calculation of the Net Asset Value of all portfolios.

Robeco's trading desks process a large number of transactions on a daily basis. An extensive set of controls is embedded in the business processes for processing transactions. Important controls are the individual matching of transactions by Robeco's Financial Service Center and the regular reconciliation of holdings and cash. There is an automated registration and execution of transactions with relevant audit trails in place, in addition to the four-eyes principle and the segregation of duties within the transaction-processing departments.
The daily calculation of the Net Asset Value (NAV) of all portfolios is an important process for both our portfolio managers and our clients. An incorrect NAV may lead to incorrect or incomplete investment decisions. The valuation process consists of the pricing of holdings and the subsequent calculation of the NAV. Both elements have their own specific controls, such as automatically imported prices and exception reporting, the four-eye principle applied to actions carried out by individuals, and a simultaneous second NAV calculation to verify the outcome of the first NAV calculation. The methods used are validated by the Valuation Committee.

Outsourcing of activities

In several areas of Robeco's business, activities are outsourced to third parties. As Robeco remains responsible for all outsourced activities, an outsourcing policy provides a framework to support the decision-making process regarding the outsourcing of activities. Furthermore the policy contains a number of prerequisites that have to be met before outsourcing can take place. An In Control report (i.e. SAS70), as well as the right to audit, are important prerequisites. The decision to outsource activities creates a long-term relationship with a third-party service provider. Dedicated vendor managers maintain the relationship with Robeco's service providers and ensure appropriate service levels are agreed upon and continuously met. At the beginning of 2011, the control over outsourced activities was further enhanced by the establishment of a centralized Vendor Management department. This department reports directly to the COO of Robeco.

An important activity outsourced by Robeco is the IT infrastructure and related systems management activities for Robeco's Rotterdam-based operations. In 2010, Hewlett Packard (HP) completed the transfer of the Robeco IT infrastructure to the HP datacenters, infrastructure and services. In addition to the transfer program, governance structures at a strategic, tactical and operational level are in place. Where any weaknesses were detected in the control environment, Robeco initiated the necessary remedial action in cooperation with HP.

Information Technology

Robeco is in the process of executing a comprehensive program to update its IT-application landscape in the investment and fund-management area. The key objective of this project is to implement an IT solution that supports

Robeco's ambitions with respect to innovation, connectivity and internationalization. In 2010, several key projects of this program were finalized. To mitigate the risk of improvements not being realized or not being realized within the timeframe or plan, a clear governance structure under the leadership of the COO is in place. Furthermore, quality assurance performed on both program and project level has been continued.

Robeco intends to bring IT and operations expenses back to benchmark level. This will be done in various ways including a reduction in the number of IT applications and reducing complexity. The reduction in the number of IT applications will inherently lead to a temporarily increase in risks, as switching off certain applications might have unforeseen consequences. It is important to have processes in place to ensure the controlled management of such changes, especially if they involve significant changes to IT systems. To address this, Robeco has used its project-management methodology for IT projects. Moreover, to minimize the damage resulting from business processes or critical-systems failure as a result of a severe disruption or complete interruption to its services, Robeco has business continuity measures in place. These measures are incorporated into a group-wide business continuity program.

Cyber criminals are especially interested in activities that offer financial benefits and an e-banking service is therefore an attractive target. The company is aware of the potential risks for the Robeco on-line fund bank and specific controls are in place. Cyber crime is not only applicable to Robeco, as our outsourcing partners are also exposed to this threat. Robeco is aware of those threats that exist within its service chain and has taken appropriate measures. In 2011, Robeco will further enhance control on cyber-related risks in areas that are vulnerable throughout its organizations and the services it performs.

Robeco is aware of the opportunities social media provides. However, within the internet landscape social media gains more and more attention from cyber criminals, using typical media instruments and negative writing to try to damage the reputation of organizations.
Handling corporate information and the publication of such information, both intentionally and unintentionally, through social media channels could affect the reputation of Robeco and could lead to reputation damage. Robeco is aware of the risks relating to social media and potential for corporate-information leaks, both internally and externally, and takes additional measures. Robeco follows and monitors social media, is currently developing internal guidelines for its use and plans to heighten employee awareness of the related risks.

Financial risks

In terms of financial risk, Robeco makes a distinction between credit risk, market risk, liquidity risk and interest-rate risk, all of which are actively managed and monitored by Robeco's Group Risk Management department. IFRS 7 has been in effect since 1 January 2007. This accounting standard focuses on providing an insight into financial instruments and their effects on the financial positions and results of a company. The diversity of the applicable financial risks, their size, and the policies that are in place to mitigate these risks need to be stated explicitly. Note 51 to the Financial Statements provides further qualitative and quantitative information on financial instruments and financial-risk management.

Developments in the euro-zone economy

Robeco extended and refined the measures it had already taken in 2009, in order to offer its customers optimal protection for the possible financial effects resulting from these developments. The measures were also discussed in Robeco's Financial Crisis Committee. The emphasis was on limiting losses resulting from bankruptcy of its counterparties and on reducing the liquidity risk of the funds. Robeco is for example closely involved in initiatives to settle over-the-counter transactions (OTC) via clearing houses, which would materially reduce counterparty risk as well as increasing transparency in the markets. Furthermore, procedures surrounding the use of collateral (management) were further enhanced. Other measures that Robeco has taken and that are worthy of note include the further increase in the frequency of exchange of collateral in derivatives transactions.

Robeco also carefully monitored liquidity risk, in terms of both investments in the portfolios and purchases and sales by its clients. These risks are monitored and reported in an integrated way within a specially designed framework. This involves close contact with clients and between the parties concerned within Robeco - portfolio managers, risk management and product management.

Basel III

The aim of Basel III is predominantly to ensure stricter capital and liquidity rules for financial institutions in terms of quality and quantity. These rules will be applicable to Robeco, since banking activities form an integral part of Robeco's activities. Robeco has conducted an impact analysis, which concluded that the company can and will comply in time with the more restrictive liquidity and capital requirements. In addition to the annual mandatory capital adequacy analysis (ICAAP) for the banking and asset-management activities, a more frequent capital (and liquidity) adequacy assessment is performed for banking activities. The results are discussed by senior management and used to ascertain our financial solidity. They are also used as input for the debate on risk tolerance versus risk appetite. Discussions focus on whether there is sufficient capital and liquidity available for the current positions and business plans for the near future. This can result in changes being made to set limits or business plans.

Management Review

Ongoing monitoring of risk management and internal control systems is embedded in Robeco's Risk and Control Governance and Framework. This provides insight into the significant risks that are applicable to the Robeco Group. These risks, which are reported by the different lines of defense at Robeco, are discussed with senior management and/or the Audit & Compliance Committee. Regular reports on these aspects are submitted to the Supervisory Board. In 2010, Group Internal Audit performed an assessment on implementing the Banking Code and - in order to comply with this Code - issued a report to both the Management Board and Supervisory Board on governance and internal control.

It is important to note that the proper design and implementation of internal risk management and control systems significantly reduces, but cannot fully eliminate, the possibility of poor judgment in decision-making; human error; control processes being deliberately circumvented by employees and others; management overriding controls; and the occurrence of unforeseen circumstances.

Another limitation is the need to consider the relative costs and benefits of risk responses. Properly designed and implemented internal risk-management and control systems will therefore provide reasonable, but not absolute assurance that a company will not be hindered in achieving its business objectives, or in the orderly and legitimate conduct of its business. In this context, reasonable assurance refers to a degree of certainty that would be satisfactory for prudent managers in the management of their affairs in the given circumstances. Projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with Robeco policies, procedures and instructions may deteriorate.

Based on the monitoring of Robeco's risk management and internal control systems, and awareness of their inherent limitations as described above, we have concluded that there is reasonable assurance that Robeco has sufficient insight into the extent to which its targets will be realized and the reliability of its internal and external (financial) reporting. Based on this monitoring, nothing has come to our attention that causes us to believe that the applicable laws and regulations are not being complied with.

Chapter 8

Robeco in 2011

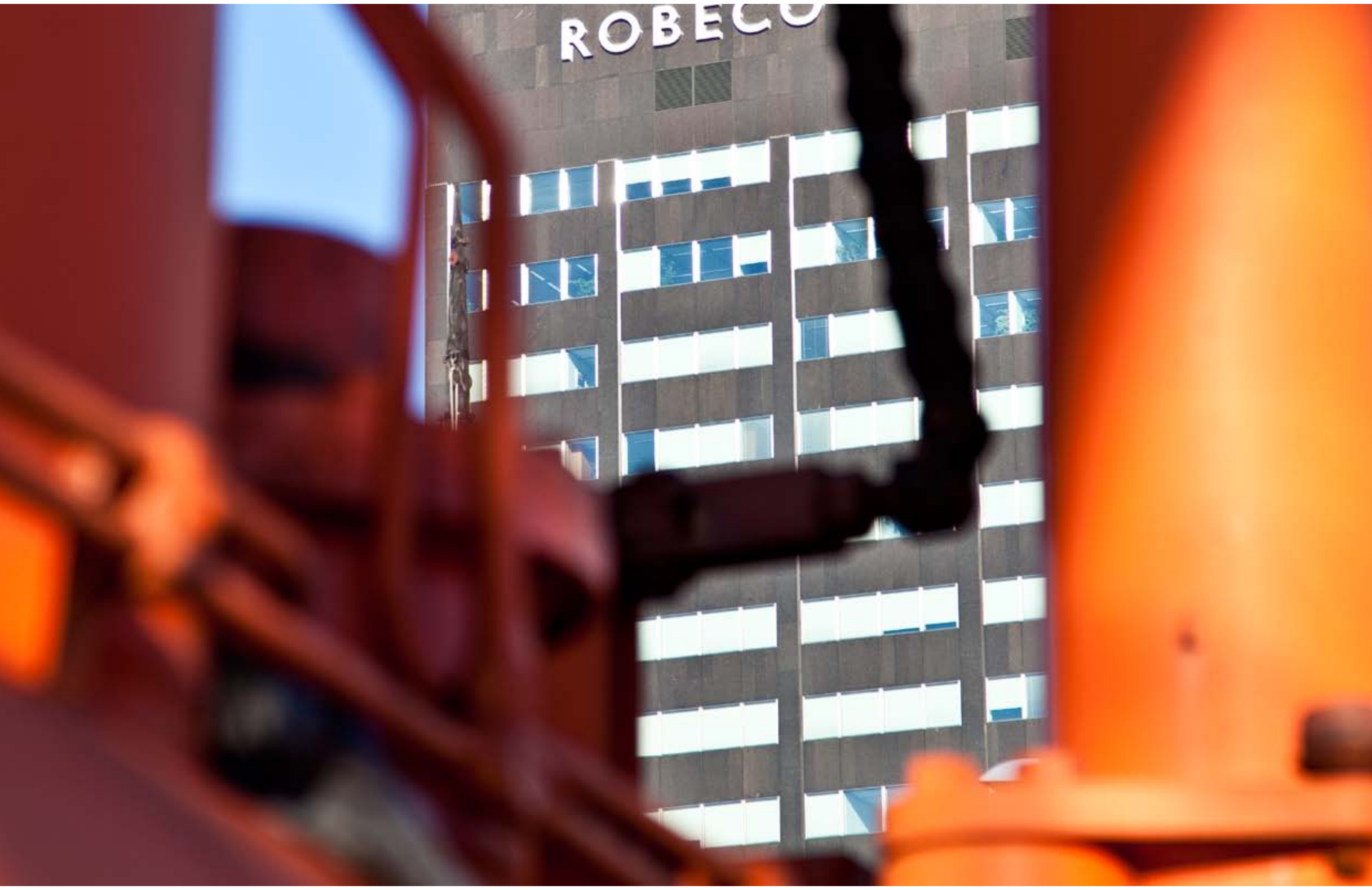
This year will be a crucial year in terms of implementing Robeco's strategy for 2010 - 2014. In 2011 Robeco will have to build further on its client focus and establish itself as a attractive supplier of investment solutions and as a natural supplier of sustainable food & agri investments and inflations products, while maintaining the high quality of its existing proposition in the field of quantitative strategies, responsible investing, emerging-markets equities, US equities, credits and other capabilities.
This is also the year during which a part of the targeted reduction of IT and operations costs will have to be realized. In other words: in 2011 we should start to see the results of the preliminary work initiated in 2010. At the same time, Robeco will have to consolidate the head start it has in responsible and quantitative investing and its leading position in the Dutch retail market. To support these ambitions and to boost Robeco's profile in the market a new brand positioning will be introduced in April 2011.

Rotterdam, 11 April 2011

The Management Board

How we see Robeco in 2014

- Clients value Robeco for its attractive products and solutions for retail and institutional investment management
- Robeco focuses internationally on specific markets for institutional and wholesale investment management
- Robeco occupies the no. 1 position in the Netherlands (excluding passive and captive business) in both retail and institutional markets
- Rabobank and Robeco cooperate well in the Netherlands and internationally and specifically in areas such as food & agri and Responsible Investing
- Robeco boutiques (Harbor Capital Advisors, Transtrend, Canara Robeco) continue to experience strong growth
- Net new assets grow by an annual 3 - 5% (on average EUR 5 billion); 2014: assets under management stand at EUR 225 - 250 billion and institutional money has grown to 60% of total AuM
- More than 60% of generic and 70% of specialty products outperform their benchmarks (over a three-year period, gross of fees)
- Robeco's profitability is at the industry average of 30% of operating margin
- Robeco Group 2014 net profit is EUR 483 million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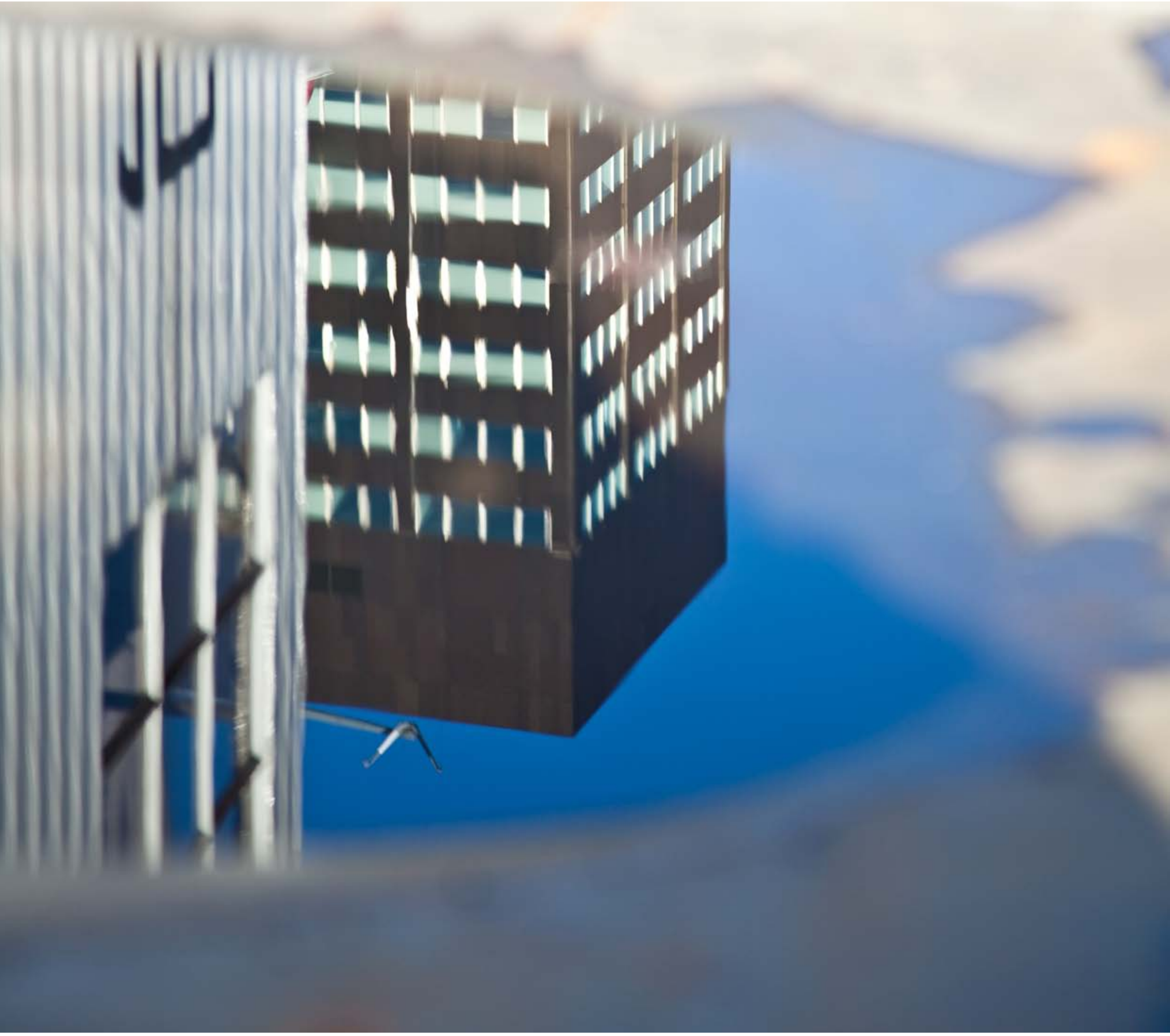

Responsible Investing and Corporate Responsibility

Special

Robeco advocates responsible investing because it is our conviction that good corporate governance and social responsibility enhance long-term shareholder value. In recent years, this conviction has developed into an essential element of our investment approach. In addition, responsible investing corresponds closely to our clients' requirements.

In the late 1990s, Robeco started to focus increasingly on responsible investing and in 1999 it became the first large Dutch asset manager to introduce a sustainable equity fund. This was followed in 2004 and 2005 by an increased focus on voting rights and engagement, areas in which Robeco now holds a leading position. We took another very important step at the end of 2006, when we acquired SAM, an investment boutique focused exclusively on Sustainability Investing. Since 2008 Robeco has increasingly set its sights on responsible investing and on expanding its lead further in this area. This is being achieved mainly through incorporating ESG (environmental, social and governance) factors into our investment process, increasing our active dialogue and voting activities and by giving third-party and Robeco's wn funds a responsible investing classification. In addition, Robeco implemented an exclusion policy on 1 February 2010 focusing on companies that are involved in the production of, or trade in, controversial weapons such as cluster munitions and anti-personnel mines. Robeco's Responsible Investing department collaborates with several Rabobank Group experts on controversial weapons.

Robeco follows international codes of conduct such as the United Nations Principles for Responsible Investment for responsible investing and the United Nations Global Compact for corporate social responsibility.

Robeco and responsible investing in figures (year end 2010)

Assets in sustainability theme funds	EUR	4 billion
Assets for which ESG integration has been implemented	EUR	60 billion
ESG integration has been carried out for over 80% of the assets that fall within its scope.		
Assets 'under dialogue' *	EUR	44 billion
Assets 'under voting' **	EUR	26 billion
Assets in scope for exclusion ***	EUR	90 billion

Major developments in responsible investing at Robeco

ESG Integration into the investment process

Robeco considers ESG integration – integrating environmental, social and governance (ESG) factors into investment-analysis and decision-making processes – to be one of the most important elements of responsible investing. We expect ESG integration to improve risk/return profiles and our corporate risk assessment, lead to more comprehensive company assessments, and enable us to discover new investment opportunities more quickly. Currently ESG integration is applied to over EUR 60 billion of Robeco's assets under management. This represents more than 88% of the assets which are in scope for ESG integration.

* A total of 365 engagement cases covering 21 different themes were conducted in 2010. All in all, Robeco's engagement activities have expanded in recent years. In 2009 Robeco conducted 188 dialogues with companies worldwide.
** In 2010 Robeco voted at 2,188 shareholder meetings.
*** Assets in scope for exclusion amount to ca. 60% of Robeco Group's total assets under management (excluding Roparco and third-party funds).

Robeco's preferred supplier for ESG data is SAM, a subsidiary that has more than 15 years experience in Corporate Sustainability Assessments. SAM has used these assessments to compile one of the world's largest sustainability databases. SAM's proprietary research and sustainability data are also fully integrated into its investment offering. Robeco's portfolio managers work closely together with the Responsible Investing department which undertakes dialogues with investee companies on ESG issues. The results and underlying analyses of these dialogues are used by the portfolio managers in their investment process.

Enhanced engagement

At the end of 2009 Robeco announced its intention of broadening its active-ownership strategies by including enhanced engagement. This means entering into an active dialogue with companies that violate the principles of the UN Global Compact, with the option of excluding such companies from our investment portfolios if the dialogue does not produce the desired result. The process for enhanced engagement was approved by the Management Board in April and became a formal part of Robeco's exclusion policy. It should be noted that in certain countries, at the request of clients, the exclusion policy is not applied. By the end of 2010 Robeco had a list of more than 80 companies that qualify for enhanced engagement. Robeco's Responsible Investing department has already started a dialogue with 21 of these companies and this number will increase in 2011. The department cooperates with Robeco's portfolio managers in pursuing these dialogues. On occasion Robeco cooperates with Rabobank and SAM experts in the area of corporate responsibility.

The emerging markets have been in Robeco's overall engagement program since 2010, so our engagement themes include companies from both developed and emerging markets. However, Robeco has certain themes that focus specifically on emerging markets, such as sustainability reporting by companies in South Korea, South Africa and Brazil.
In 2010 Robeco started engagement activities for credit investments. By the end of 2010 around 30% of all engagement activities on portfolio holdings were related to the credit portfolios of Robeco and its clients.

Fund classification

In 2009 Robeco and Sustainalytics, an independent research organization, developed a responsible investing classification for mutual funds.
This classification concept gives an indication of the extent to which a mutual fund practices responsible investing. The results of this classification process can be found on Robeco's website: www. robeco.com.

New sustainability investments

On 18 May 2010 Robeco launched its first dedicated sustainable fixed-income product, Robeco Euro Sustainable Credits. The fund offers the combined expertise of SAM and Robeco's Fixed Income department, it focuses on selecting sustainable leaders and following the main ESG-related sector trends.

In June, SAM Private Equity held its first closing of the third-generation Clean Tech Private Equity Fund at USD 200 million. The Robeco SAM Clean Tech Private Equity III Fund is a hybrid private-equity vehicle investing in the leading primary and secondary global cleantech funds as well as selective co-investments. Building on strong demand from global institutional investors, the program is on course to reach its target fund size of USD 500 million.

Corporate responsibility

As a responsible investor, Robeco is committed to conducting business in a respectable and transparent manner. Robeco deals responsibly and carefully with people and the environment.

In 2010 we conducted a survey on the CSR performance of our largest suppliers. Around 90% of the suppliers meet our CSR standards. In 2011 Robeco will enter into a dialogue on CSR performance with the suppliers that still currently underperform.

Milestones reached in the public domain

Over the course of 2010 Robeco received multiple acknowledgements of the leading role it plays in the area of responsible investing.
For example SAM won the SRI/ Sustainable Investment Manager of the Year Award at the annual Awards for Excellence in Institutional Asset Management – Europe 2010. Further acknowledgements of Robeco's RI efforts are listed below:

February - At a conference last February, ThomsonReuters Lipper used the term "Robeco effect" to indicate a trend among asset managers to integrate ESG factors into their investment processes. ThomsonReuters Lipper considers the Robeco effect to be one of the driving forces behind responsible investing.
April - The South Korean branch of the UN PRI invited Robeco to present its RI approach and proposition at their regular meeting, attended by the signatories;
June - 14 independent media sources acclaimed the first Robeco-SAM Sustainability Leaders Awards Seminar in Tokyo;
August - Financial Times Fund Management called attention to Robeco's efforts to promote responsible investing;
October - SAM won the SRI/ Sustainable Investment Manager of the Year Award;
November - At the plenary roundtable of the TBLI Conference Europe 2010, Robeco was mentioned as an example of positive change in terms of RI within the financial industry.

Implementation of the UN Principles for Responsible Investment by institutional investors

UN Principles for Responsible Investment has published its Report on Progress 2010. This report describes the general trends in terms of how signatories implement the UN PRI principles. The report is based on the individual assessment frameworks that the signatories (including Robeco) submitted in May 2010 and it shows the aggregate results of these assessments.
One of the key trends in this report is the fact that over 95% of asset-owner and 87% of investment-manager signatories now have an overall investment policy that addresses ESG issues. Moreover, the proportion of signatories (asset owners and investment managers) integrating ESG factors into their actively managed funds has grown from 64% last year to 69% this year (on average across asset classes), while the number of asset owners that have incorporated specific ESG considerations into their contracts with investment managers has risen to 66%.
Overall, this report shows that signatories are committed to the further implementation of the Principles and that there has been an impressive growth in reported activity from investors worldwide. The use of ESG research within mainstream funds as well as themed asset classes such as microfinance, sustainable forestry and clean tech, continues to expand. However, there is still a long way to go, particularly in asset classes such as fixed income and in areas such as monitoring outsourced voting activities and creating incentives for ESG performance amongst staff and other agents. The number of asset owners including ESG criteria in their contracts with investment managers continues to rise but there are still many that are not yet embedding these criteria in a systematic way into their requests for proposals and manager-evaluation processes.

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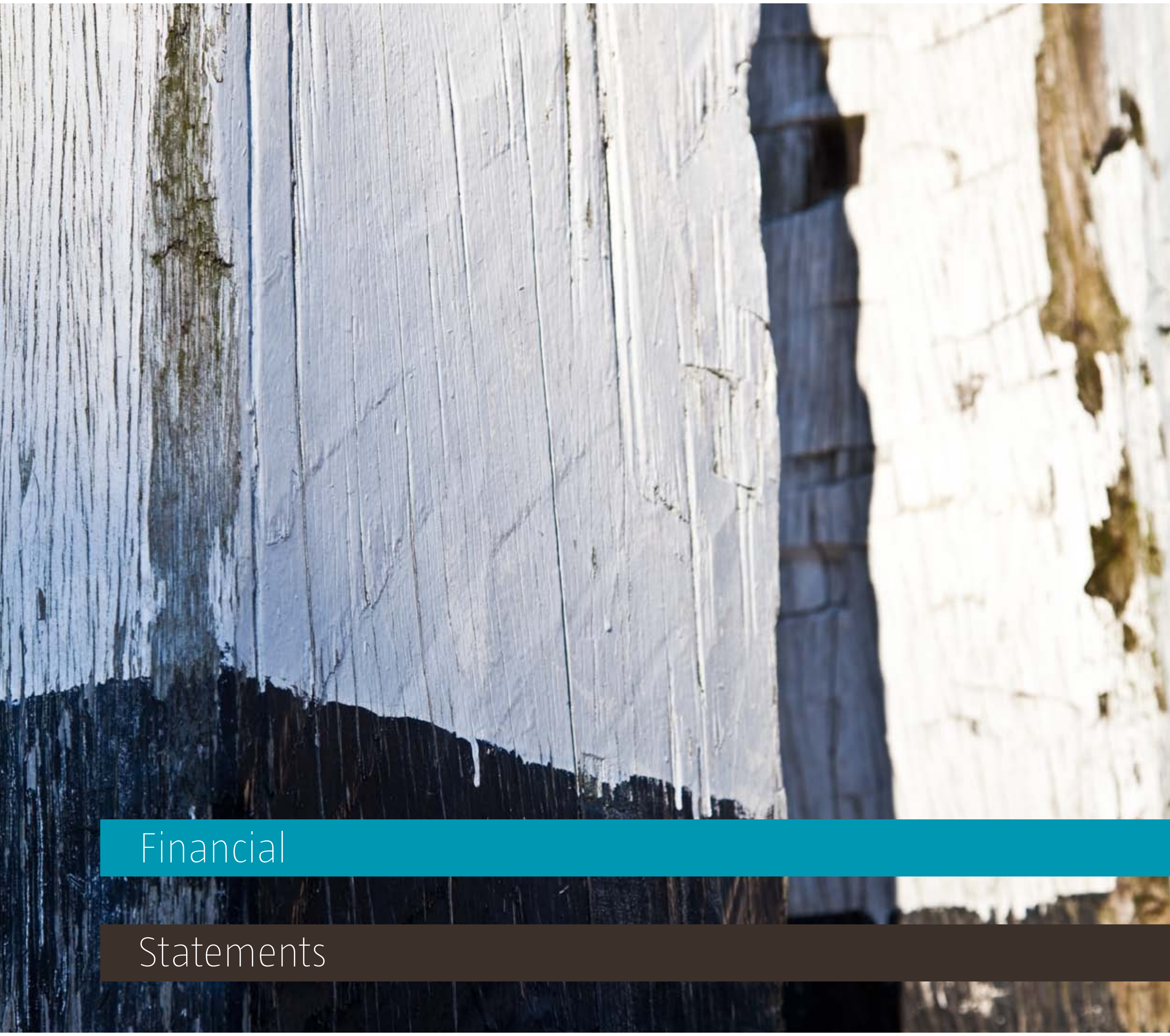

Financial
Statements

Consolidated
income statement

for the year ended 31 December

EUR x million	Notes	2010	2009
Management and other fees	5	932.8	665.0
Distribution and subadvisory costs	6	– 257.6	– 195.8
Net income from fees		**675.2**	**469.2**
Interest income from banking operations	7	257.7	293.0
Interest expense from banking operations	8	– 191.9	– 274.3
Net interest income from banking operations		**65.8**	**18.7**
Results on financial instruments from banking operations	9	6.6	6.6
Other income	10	16.0	17.7
Operating income		**763.6**	**512.2**
Employee benefits expense	11	252.2	219.7
Depreciation and amortization	12	37.2	38.9
Impairment losses / reversal impairment losses	13	– 5.1	25.2
Other expenses	14	198.0	244.2
Operating expenses		**482.3**	**528.0**
Operating result		**281.3**	**– 15.8**
Finance income	15	0.9	4.2
Finance costs	16	– 10.8	– 10.6
Results on financial instruments held for trading	17	– 5.6	22.8
Results on financial instruments designated at fair value through profit or loss	18	– 0.5	-
Results on financial instruments available-for-sale	19	0.8	– 2.7
Results from groupcompanies	20	– 9.6	-
Share of result of associates	25	0.1	0.1
Result before tax		**256.6**	**– 2.0**
Income tax expense	21	75.3	9.0
Result for the year		**181.3**	**– 11.0**
Attributable to:			
Equity holders of the parent		181.2	– 13.3
Non-controlling interests	39	0.1	2.3
		181.3	**– 11.0**

Consolidated
statement of comprehensive income

for the year ended 31 December

EUR x million	2010	2009
Result for the year	**181.3**	**– 11.0**
Other comprehensive income		
Net unrealized results on financial assets available-for-sale	64.4	83.5
Realized gains and losses on financial assets available-for-sale reclassified to the income statement on disposal	– 4.4	2.5
Impairment of financial assets available-for-sale	– 2.9	28.6
Income tax effect	– 14.3	– 29.5
	42.8	**85.1**
Net result on hedge of net investments	– 39.5	5.1
	– 39.5	**5.1**
Exchange differences on translation of foreign operations	41.0	– 8.6
Deferred tax asset valuation regarding profitability	13.3	-
Other items	– 0.7	– 0.1
Other comprehensive income for the year, net of tax	**56.9**	**81.5**
Total comprehensive income for the year, net of tax	**238.2**	**70.5**
Attributable to:		
Equity holders of the parent	238.1	68.2
Non-controlling interests	0.1	2.3
	238.2	**70.5**

Consolidated
statement of financial position

at 31 December (before appropriation of result)

EUR x million	Notes	2010	2009
Assets			
Non-current assets			
Property, plant and equipment	22	23.7	21.7
Intangible assets	23	512.8	527.3
Investment in associates	25	0.4	0.3
Financial assets		6,082.9	6,195.9
Available-for-sale	26	*2,453.9*	*2,460.6*
Held-to-maturity	27	*112.1*	*248.7*
Designated at fair value through profit or loss	28	*1,685.1*	*1,502.5*
Loans and advances	29	*1,831.8*	*1,984.1*
Derivative financial instruments	36	22.1	16.1
Deferred tax assets	30	236.4	218.8
Pension asset	43	28.4	24.7
		6,906.7	**7,004.8**
Current assets			
Loans and advances	31	441.0	434.3
Current tax receivables	32	11.0	7.2
Financial assets held for trading	33	762.7	758.9
Other current financial assets	34	1,233.2	1,389.9
Other receivables	35	317.8	294.1
Derivative financial instruments	36	5.7	1.1
Cash and cash equivalents	37	971.0	1,196.8
		3,742.4	**4,082.3**
Assets classified as held for sale	20	31.4	-
		3,773.8	**4,082.3**
Total assets		**10,680.5**	**11,087.1**

EUR x million	Notes	2010	2009
Equity and liabilities			
Equity attributable to equity holders of the parent	38		
Issued capital		4.5	4.5
Share premium		1,119.5	1,119.5
Available-for-sale reserve		− 32.6	− 75.4
Foreign currency translation reserve		− 8.3	− 9.8
Other revaluation reserve		41.1	51.9
Retained earnings		480.6	276.0
		1,604.8	**1,366.7**
Non-controlling interests	39	0.7	16.7
Total equity		**1,605.5**	**1,383.4**
Non-current liabilities			
Subordinated loans	40	37.7	37.7
Other interest-bearing loans and borrowings	41	215.0	199.3
Provisions	42	1.8	2.9
Employe benefit liability	43	34.8	15.4
Deferred tax liabilities	30	49.8	66.4
Total return swaps	47	208.1	243.4
Other derivative financial instruments	36	145.1	134.1
Other non-current liabilities	44	8.3	1.3
		700.6	**700.5**
Current liabilities			
Interest-bearing loans due to customers	45	6,515.8	7,143.5
Interest-bearing loans due to banks	46	1,112.3	1,061.9
Total return swaps	47	48.2	-
Other derivative financial instruments	36	0.4	2.0
Current tax payable	32	48.6	25.3
Provisions	42	4.6	3.8
Financial liabilities at fair value	48	269.6	364.9
Financial liabilities at amortized cost	48	2.1	2.2
Other non financial liabilities	49	318.9	399.6
		8,320.5	**9,003.2**
Liabilities directly associated with the assets classified as held for sale	20	53.9	-
		8,374.4	**9,003.2**
Total liabilities		**9,075.0**	**9,703.7**
Total equity and liabilities		**10,680.5**	**11,087.1**

Consolidated
statement of changes in equity

for the year ended 31 December

EUR x million	Attributable to equity holders of the parent							Non-controlling interests	Total equity
	Issued capital	Share premium	Available-for-sale reserve	Foreign currency translation reserve	Other revaluation reserve	Retained earnings	Total		
At 1 January 2010	**4.5**	**1,119.5**	**− 75.4**	**− 9.8**	**51.9**	**276.0**	**1,366.7**	**16.7**	**1,383.4**
Result for the year	-	-	-	-	-	181.2	181.2	0.1	181.3
Other comprehensive income	-	-	42.8	1.5	-	12.6	56.9	-	56.9
Total comprehensive income	**-**	**-**	**42.8**	**1.5**	**-**	**193.8**	**238.1**	**0.1**	**238.2**
Amortization of intangible assets	-	-	-	-	− 10.8	10.8	-	-	-
Movements in non-controlling interests	-	-	-	-	-	-	-	− 16.1	− 16.1
At 31 December 2010	**4.5**	**1,119.5**	**− 32.6**	**− 8.3**	**41.1**	**480.6**	**1,604.8**	**0.7**	**1,605.5**
At 1 January 2009	**4.5**	**1,119.5**	**− 160.5**	**− 6.3**	**62.0**	**279.3**	**1,298.5**	**20.1**	**1,318.6**
Result for the year	-	-	-	-	-	− 13.3	− 13.3	2.3	− 11.0
Other comprehensive income	-	-	85.1	− 3.5	-	− 0.1	81.5	-	81.5
Total comprehensive income	**-**	**-**	**85.1**	**− 3.5**	**-**	**− 13.4**	**68.2**	**2.3**	**70.5**
Amortization of intangible assets	-	-	-	-	− 10.1	10.1	-	-	-
Movements in non-controlling interests	-	-	-	-	-	-	-	− 5.7	− 5.7
At 31 December 2009	**4.5**	**1,119.5**	**− 75.4**	**− 9.8**	**51.9**	**276.0**	**1,366.7**	**16.7**	**1,383.4**

Consolidated
statement of cash flows

for the year ended 31 December

EUR x million	Notes	2010	2009
Operating activities	52		
Operating result before tax from continuing operations		281.3	− 15.8
Result before tax		**281.3**	**− 15.8**
Adjustments to operating result:			
Depreciation and amortization		37.2	38.9
Impairment		− 5.1	25.2
Results on financial assets		− 85.0	5.0
Exchange rate differences on loans and borrowings		15.7	− 6.8
Movements in provisions		− 0.1	6.9
Other movements from operations:			
Current assets		2.3	434.1
Current liabilities		− 706.4	− 77.6
Income tax paid		− 74.3	58.4
Net cash flows from operating activities		**− 534.4**	**468.3**
Investing activities	53		
Interest received		0.9	9.1
Other intangible assets		− 1.3	− 3.8
Purchase of property, plant and equipment		− 6.6	− 1.9
Purchase of financial assets available-for-sale		− 1,188.8	− 1,164.5
Purchase of financial assets held-to-maturity		-	− 108.9
Purchase of financial assets at fair value through profit or loss		− 242.3	− 662.8
Purchase of financial assets loans and advances		− 463.2	− 1,558.7
Proceeds from sale of property, plant and equipment		0.9	1.1
Proceeds from sale of financial assets available-for-sale		1,305.8	1,457.4
Proceeds from sale and redemption of financial assets held-to-maturity		200.5	185.0
Proceeds from sale of financial assets designated at fair value through profit or loss		150.6	232.8
Proceeds from redemption of financial assets loans and advances		563.9	483.9
Net cash flows used in investing activities		**320.4**	**− 1,131.3**
Financing activities	54		
Interest paid		− 10.8	− 11.4
Net cash flows from/(used in) financing activities		**− 10.8**	**− 11.4**
Net increase / (decrease) in cash and cash equivalents		− 224.8	− 674.4
Net foreign exchange difference		− 1.7	0.4
Cash and cash equivalents at 1 January		1,190.8	1,864.8
Cash and cash equivalents at 31 December	37	**964.3**	**1,190.8**

Accounting policies
for the consolidated financial statements

1. Corporate information

Robeco Groep N.V. is established in the Netherlands. Its core business is managing funds for its clients. The main activities are regular investment management activities for which management fees and other fees are received. In addition to the core business, Robeco Groep N.V. is also involved in banking activities.

The consolidated financial statements of Robeco Groep N.V. for the year ended 31 December 2010 relate to Robeco Groep N.V. and its subsidiaries (together referred to as the 'Company'), as well as the Company's investment in jointly controlled entities. The consolidated financial statements of Robeco Groep N.V. are included in the Rabobank Group consolidated financial statements.

All shares of Robeco Groep N.V. are owned by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), which is also the ultimate parent.

The financial statements were authorized for issue by the directors on 11 April 2011. The shareholder has formal power to change the financial statements after issue.

2. Accounting policies

Statement of compliance

The financial statements of Robeco Groep N.V. have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

Basis of preparation

The financial statements are presented in euros, which is the functional currency of Robeco Groep N.V., rounded to the nearest hundred thousand except when explicitly stated otherwise. The financial statements have been prepared on a fair value or amortized cost basis, except for property, plant and equipment and purchased intangible assets which are stated at historical cost less accumulated depreciation or amortization and any accumulated impairment losses. The presentation of, and certain terms used in, the consolidated statement of financial position, the consolidated income statement, consolidated statement of cash flows, consolidated statement of equity and certain notes have been changed to provide additional and more relevant information.

Changes of presentation

The current portion of the non-current financial assets has been reclassified in 2010 from the non-current assets to the current assets under Other current financial assets. Furthermore the current financial liabilities have been separated from the current non financial liabilities. The presentation of the consolidated statement of financial position for 2009 has been restated to provide additional and more relevant information. The changes have no influence on the total assets and total liabilities in the statement of financial position. The changes are disclosed in the specific notes.
In compliance with IAS 36, the Company annually performs an impairment test at the carrying amount of the goodwill recognised by the different cash-generating units. As from 2010, the allocation of the goodwill among the various cash-generating units changed due to changes in the management model of the Company.

IFRS developments

Adopted International Financial Reporting Standards

Several new or revised IFRS standards were issued for the purpose of the consolidated financial statements as of 2010. Only those standards mentioned below are applicable to the consolidated financial statements 2010 of Robeco Groep N.V.

IAS 24 Related party disclosures (Revised)

In IAS 24 Related party disclosures (Revised) the definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. A partial exemption from the disclosures has been included for government-related entities. This amendment is effective for annual periods beginning on or after 1 January 2011.

Future IFRS developments

Of all future IFRS developments, only the one mentioned below is considered to be applicable to the financial statements of Robeco Groep N.V.

IFRS 9 Financial instruments

The first phase of IFRS 9 Financial instruments addresses the classification and measurement of financial assets. The work of the IASB on the other phases is ongoing and includes classification and measurement of financial liabilities, impairment of financial instruments, hedge accounting and derecognition of financial instruments. Phase I of IFRS 9 applies to all financial assets and liabilities within the scope of IAS 39.
The standard has not yet been adopted by the EU and will be effective for annual periods beginning on or after 1 January 2013. Earlier adoption is permitted but only possible after endorsement of this standard by the EU.

Interest in investment funds

Interests in investment funds managed by the Company are recognized as equity securities and stated at fair value. Depending on the IFRS classification the gains and losses are taken to the statement of comprehensive income or the income statement. For interests in investment funds for which the IFRS control criteria are met, the Company consolidates the underlying interests in full.

Basis of consolidation

The consolidated financial statements include Robeco Groep N.V., its subsidiaries and its joint ventures as at 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent IFRS accounting policies.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable or convertible are taken into account to determine if the Company holds more than 50% of the voting rights.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. A complete list of the subsidiaries is shown in the disclosure Related parties. The subsidiaries are accounted for by integral consolidation showing a non-controlling interest in equity.

Joint ventures

The Company's interests in jointly controlled entities are accounted for by proportionate consolidation. Under this method the Company includes its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows in the relevant components of the financial statements.

Transactions eliminated on consolidation

Intragroup balances, any unrealized gains or losses and income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated in proportion to the Company's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, unless it provides an evidence of impairment.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of judgment and estimates that affect the recognition and valuation of assets and liabilities, the disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, the actual results may differ ultimately from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Judgments made by management in the application of IFRS that might have a significant impact on the financial statements are:

Goodwill and other identified intangibles

Goodwill arises on the acquisition of group companies, joint ventures and associates, when the costs of acquisition exceeds the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill related to associates is included in the carrying amount of the associate. Annually the Company performs a goodwill impairment test and assesses whether there are indications of impairment of other identified intangibles. Management judgment is involved for the calculation of the values of the expected future cash flow, the cost of capital and the value in use. See also note 4.15 Impairment testing of non financial assets for further details.

Fair value of financial instruments

The fair value of financial assets classified as available-for-sale, financial assets and liabilities classified as designated at fair value through profit or loss and held for trading and derivative financial instruments, is determined by reference to published price quotations in an active market where available. If no active market price or rate is available, the fair values are estimated using appropriate discounted cash-flow models and option valuation models, using inputs based on market conditions existing at the reporting dates. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. For some financial instruments the Company adjusts the latest valuation in order to limit the time lag between moment of valuation and availability of information at reporting dates by assessing additional required information from underlying independent fund managers. These valuation adjustments are necessary and appropriate to fairly determine the values of financial instruments carried at fair value on the statement of financial position.

Impairment of financial instruments available-for-sale and at amortized cost

The Company reviews its financial assets classified as available-for-sale and at amortized cost at each reporting date to assess whether they are impaired. See also note 4.21 Impairment of financial assets for further details.

Share-based payments

The Group measures the cost of cash-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. For the estimation of the fair value, the Company uses an appropriate valuation formula for the grant of equity instruments, which is dependent on the terms and conditions of the grant. The assumptions used are disclosed in note 43.

Deferred tax asset

The Company tests annually whether the recognized deferred tax assets are still appropriate. To recognize the deferred tax assets related to deductible temporary differences, mainly regarding capitalized and amortized goodwill of several acquired entities, and carry forward of unused tax credits and unused tax losses in full, the future taxable profit of the operations concerned has to be estimated. At the moment of recognition the Company is satisfied that, based on current assumptions regarding growth of business and profitability, the relevant future tax benefits can be realized within the obligatory legal timeframe. For the subsidiaries in the US, the existence of a US-based consolidated tax group contributes to the feasibility of utilization of potential losses.

Capitalized fees

For certain structured products the Company records an asset in relation to structuring fees recognized upfront. The Company recognizes part of the future management fee upfront in the income statement for which upfront fees to distributors and all costs relating to the structuring of this type of products are also recognized. During the life of the product the asset will be amortized against the actual management fees received. Due to the structuring of the products these upfront fees are guaranteed with a limited residual risk. The Company regularly reviews the risk to establish that the capitalized fees are recoverable. Regarding certain private equity products some expenses have been paid in advance. Those expenses are also capitalized and will be amortized against the management fees received.

Pension benefits

The cost of defined benefit plans and the present value of the pension asset are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Owing to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the assumptions used are given in note 43 Pension asset and employee benefit liability.

4. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These accounting policies are applied consistently in all periods presented in the consolidated financial statements.

The Company presents its income statement using a nature of expense view. This presentation gives a clear insight in the profitability of its main activities.

4.1 Foreign currency translation

As stated before, the euro is the functional currency of Robeco Groep N.V. Each entity of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the spot rates prevailing at the reporting date.

Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any goodwill arising on the acquisition of a foreign operation is translated using the exchange rates at the date when the fair value was determined. Any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated using the spot rate prevailing at the reporting date.
Purchases and sales of securities are translated at the exchange rates prevailing at the relevant transaction date.

The same applies to both income and expenses. Forward transactions in foreign currencies for funds withdrawn and settled are converted at the exchange rates at the closing date. Other forward exchange transactions not settled at the reporting date are valued at the forward rate for the contract's remaining term to maturity at closing date. In general the exchange rate differences are taken to the income statement.
Exchange rate differences on non-monetary items classified as available-for-sale are taken to other comprehensive income. Exchange rate differences for non-monetary items classified as designated at fair value through profit or loss are taken to the income statement.

Changes in the valuation of investments in foreign operations are recorded in other comprehensive income. Changes in the valuation of derivative financial instruments, which are designated as a hedge against the foreign operations currency risk, are also recorded in other comprehensive income.

4.2 Management and other fees
Management and other fees include service fees, performance fees, transaction fees, structuring fees and securities lending commission. Fees are recognized when the services have been performed and can be reliably measured. Management and service fees are primarily based on predetermined percentages of the market value of the assets under management, including investment performance and net subscriptions or redemptions. Transaction fees are based on predetermined percentages of transaction volumes. Performance fees are calculated as a percentage of the performance of the relevant assets under management and recorded when earned. Structuring fees, technically locked in with limited risk, are recognized and earned immediately after completion and distribution of a product. Securities lending commissions are recognized in the period in which the services are rendered.

4.3 Distribution and subadvisory costs
Distribution and subadvisory costs include trailer fees, one-off distribution expenses and subadvisory costs payable to third and related parties. Trailer fees, one-off distribution expenses and subadvisory costs are recorded when the services have been performed and can be reliably measured. Trailer fees are primarily based on predetermined percentages of the market values of the assets under management of the investments, including investment performance and net subscriptions or redemptions. One-off distribution expenses are upfront fees to distributors related to structured products. Subadvisory costs are paid to third party asset managers. These costs are based on predetermined percentages of the market values of the average assets under management of the investments.

4.4 Interest income from banking operations
Interest income from banking operations consists of the interest income generated by banking activities on both the mortgage portfolios, the investment portfolio and derivative financial instruments. Interest earned on financial assets related to banking operations is also reported as interest income from banking operations.

4.5 Interest expense from banking operations
Interest expense from banking operations mainly relates to expenses incurred on entrusted funds from customers and banks as well as gross interest expenses on derivative financial instruments.

4.6 Results on financial instruments from banking operations
The results on financial instruments from banking operations consists of the realized gains and losses on the sale of interest bearing securities classified as available-for-sale and all gains and losses in the fair value through profit or loss portfolio to the extent that these are related to the banking operations.

4.7 Other income and expenses
Other income consists of income generated from rendering services, i.e. sale of mutual funds of third party asset management companies, distribution, research and advisory activities on behalf of third parties, to both related and third parties. The revenues are recognized in the period in which the services are rendered. Gains and losses from the disposal of property, plant and equipment are also included in Other income.

Other expenses consist of expenses charged by third parties for services to the Company. The expenses are recognized in the period in which the services are rendered to the Company.

4.8 Finance income and costs
Finance income and finance costs relate to non banking activities only.

Finance income comprises interest income on cash and short-term deposits. Finance costs comprise interest payable on subordinated loans and interest-bearing loans.

4.9 Results on financial instruments held for trading, available-for-sale and designated at fair value through profit or loss
Results on financial instruments held for trading, available-for-sale and designated at fair value through profit or loss relate to results on financial instruments from non-banking operations only.

Results on financial instruments held for trading comprise (realized and unrealized) gains and losses on financial instruments held for trading. Also the results on financial instruments designated at fair value through profit or loss comprise (realized and unrealized) gains and losses on financial instruments designated at fair value through profit or loss. Results on financial instruments available-for-sale comprise realized gains and losses and impairment losses on financial instruments available-for-sale following seed capital, co-investments and secondary market support.

4.10 Non-controlling interests
Non-controlling interests are the portion of the net result and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company.

4.11 Property, plant and equipment
Property, plant and equipment are stated at cost, less accumulated depreciation and any recognized accumulated impairment losses. The carrying amounts of property, plant and equipment are reviewed for impairment once a year. If an indication of impairment exists, the items are impaired to their recoverable amount and the impairment is taken to the income statement in the period in which it arises. Depreciation is calculated using the straight-line method over the expected useful economic lives of the assets, recognized as an expense and included in the income statement under Depreciation and amortization expenses. Disposal gains or losses are included in the income statement under Other income. The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each financial year end.

Property, plant and equipment

Category	Useful economic life (years)	Depreciation rate
Property (excluding land)	40	2.5%
Equipment	5	20.0%

4.12 Intangible assets
Intangibles consist of goodwill and certain other intangible assets. The goodwill and other intangible assets are tested for impairment annually and immediately if there are indications of impairment.

Goodwill
The acquired business combinations are accounted for using the purchase method. The goodwill is initially measured at cost being the excess of the cost of the business combination over the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, the goodwill acquired in a business combination is, from the acquisition date, allocated to the Company's cash- generating unit that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to these units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets
Other intangible assets consist of capitalized software, customer relations, licenses and sustainability databases.

Other intangible assets are stated at cost less any accumulated amortization and any accumulated impairment losses determined individually for each asset. The assets are reviewed for impairment annually.

The intangible assets of the Company are all finite and acquired. Amortization is on a straight-line basis. The amortization periods are as follows:

Category	Amortization period (years)
Customer relations	5-15
Databases	7
Capitalized software	4
Purchased software	5

4.13 Acquisitions of group companies
The identified intangible assets meet the recognition criteria of IAS 38 and IFRS 3 standards and are amortized through the income statement between 4 to 15 years as from the acquisition date. The intangible assets are reviewed for impairment on an annual basis; they are reviewed immediately if there are indications of impairment.

Measurement as per the acquisition date of the fair value of the assets and liabilities of the business combinations, identification of goodwill and the purchase price allocation for Transtrend B.V., Analytic Investment Management Trading N.V. and SAM Group Holding A.G. were supported by an independent valuer.

4.14 Investment in associates
An associate is an entity over which the Company has significant influence (normally 20%-50% of the voting rights) and which is neither a subsidiary nor a joint venture. The financial statements of the associate are used by the Company to apply the equity method. The reporting dates of the associate and the Company are identical and both use uniform accounting policies. The income statement reflects the Company's share of the associate's operating profit. Where a change has been recognized directly in the associate's equity, the Company recognizes its share of that change and discloses this in the statement of changes in equity.

On acquisition of an investment any difference between the cost of an investment and the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill, which is included in the carrying amount of the associate.

4.15 Impairment testing of non financial assets
In accordance with IAS 36, Impairment of Assets, the Company performs an impairment test on goodwill and intangible assets with an indefinite life. For intangible assets with a finite life the Company assesses at each reporting date whether there are any indications of impairment. Implicated in the assessment are the goodwill and other intangible assets of the acquired group companies Transtrend B.V., SAM Group Holding A.G. and Canara Robeco Asset Management Company Ltd. For impairment testing purposes in 2009, the goodwill of Transtrend B.V. and SAM Group Holding A.G. was allocated to the cash-generating unit Alternative & Sustainable Investments, the goodwill of Canara Robeco Asset Management Company Ltd was allocated to the cash-generating unit Robeco India Holding B.V. Due to an organizational change in 2010, the goodwill allocation has changed. As from 2010 the goodwill of Transtrend B.V. is allocated to the cash-generating unit Transtrend the goodwill of SAM Group Holding A.G. is allocated to the cash-generating unit Robeco Core and the goodwill of Canara Robeco Asset Management Company Ltd. is allocated to the cash-generating unit Canara Robeco.

4.16 Financial assets available-for-sale
Financial assets available-for-sale are non-derivative financial instruments that are designated as available-for-sale or are not classified as (a) loans and advances, (b) held-to-maturity, (c) financial assets designated at fair value through profit or loss. Those financial assets are recorded on a trading date basis. Financial assets available-for-sale are instruments which, in management's opinion, may be sold in response to or in anticipation of needs for liquidity or changes in interest rates, foreign exchange rates or equity prices. Financial assets available-for-sale consist of money market paper, other debt instruments and equity instruments.

Financial assets available-for-sale are initially recognized at fair value plus directly attributable transaction costs. After initial measurement, financial assets available-for-sale are subsequently measured at fair value. Unrealized gains or losses on financial assets available-for-sale are reported as other comprehensive income and recognized in the available-for-sale reserve, net of taxes until such assets are sold, collected or otherwise disposed of, or until such assets are impaired.

On disposal of an available-for-sale asset, the accumulated unrealized gain or loss included in the available-for-sale reserve is transferred to the income statement. Gains and losses on disposal are determined using the average cost method. If a financial asset available-for-sale is impaired, the cumulative unrealized loss recognized in the available-for-sale reserve is included in the income statement.

Interest earned on financial assets available-for-sale related to banking operations is reported as Interest income from banking operations. Realized gains and losses on financial assets available-for-sale related to banking operations are recognized as Results on financial instruments from banking operations. Interest earned on financial assets available-for-sale not related to banking operations is recognized under Results on financial instruments available-for-sale. Realized gains and losses on financial assets available-for-sale not related to banking operations are also recognized as Results on financial instruments available-for-sale.

If a financial asset available-for-sale is impaired, the amount comprising the difference between its costs (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the income statement, is removed from other comprehensive income and recognized in the income statement. For debt instruments available-for-sale reversals of impairment losses are reversed through the income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the income statement. For available-for-sale equity securities however, reversals of impairment losses are not recognized through the income statement; increases in their fair value after impairment are recognized directly in other comprehensive income.

4.17 Financial assets held-to-maturity

When management has both the intention and the ability to hold financial assets to maturity, securities with fixed or determinable payments and fixed maturity are classified as financial assets held-to-maturity. Management determines the appropriate classification of its financial assets at the time of purchase. The financial assets are recorded on a trading date basis.

Financial assets held-to-maturity are initially recognized at fair value and subsequently carried at amortized cost using the effective-yield method. Interest earned on financial assets held-to-maturity is reported as Interest income from banking operations.

If there is objective evidence that an impairment loss on financial assets carried at cost or amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred), discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss shall be recognized in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

4.18 Financial assets designated at fair value through profit or loss

Financial assets designated at fair value through profit or loss are non-trading financial assets that have been designated on initial recognition at fair value through profit or loss, using the 'fair value option'. These financial assets are recorded on a trading date basis and are initially recognized at fair value and subsequently measured at fair value.

The management of the Company chooses to designate non-trading financial assets at fair value through profit or loss on initial recognition when the following criteria are met:

– the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains

or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis in accordance with a risk management strategy; or
- the financial instruments contain an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or if it is clear that it would not be separately recorded.

Interest earned on these assets is reported as Interest income from banking operations. All realized and unrealized gains and losses from re-measurement at fair value are included in Results on financial instruments from banking operations. The fair value of financial assets actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the reporting date. The fair value of all other financial assets is determined using valuation techniques, which include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market prices do exist, and valuation models. The input into these valuation models is practically always market observable.

As the market risk of purchased loans and mortgages is considered to be nil as these positions are fully hedged, changes in the fair value of these financial assets are fully attributed to credit risk.

4.19 Financial assets loans and advances
Financial assets loans and advances with a maturity of more than one year are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest rate method less any impairment losses. Gains and losses are recognized in the income statement upon derecognition or impairment as well as through amortization. Transaction costs are taken into account at initial recognition and are amortized over the remaining term. The assets are recorded on a trading date basis.

Loans and advances with a (remaining) maturity shorter than one year are recorded under current assets loans and advances.

4.20 Derecognition
A financial asset (or, where applicable a part of a financial assets or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4.21 Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of assets that can be reliably estimated.

Objective evidence of impairment includes observable data about:
- significant financial difficulty of the issuer;
- an actual breach of contract, such as a default or

delinquency in interest or principal payments;
- probability of bankruptcy or other financial reorganization of the borrower;
- the disappearance of an active market for that financial asset due to financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets.

For debt instruments classified as available-for-sale, held-to-maturity or loans and advances, impairment is assessed if there is objective evidence that an impairment loss has been incurred. If, in a subsequent period, the fair value of a impaired debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized in the income statement, the fair value increases not exceeding the impaired amount will be reversed to the income statement.

Objective evidence of impairment for Available-for-sale equity instruments may include specific information about the issuer as detailed above, but may also include a significant or prolonged decline in the fair value of the asset. In assessing whether it is significant, the decline in fair value is evaluated against the original cost of the asset at initial recognition. In assessing whether it is prolonged, the decline is evaluated against the period in which the fair value of the asset has been below its original cost at initial recognition. 'Significant' and 'prolonged' are interpreted on a case-by-case basis for specific equity instruments; as general guideline the Company considers a decline of 25% as 'significant' and a period of more than six months as 'prolonged'.

For loans and advances to customers carried at amortized cost, the Company assesses individually whether objective evidence of impairment exists. If there is objective evidence that an impairment loss has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. In determining the extent of the impairment, management evaluates the risk in the portfolio, current economic conditions, loss experiences in recent years and credit concentration trends. The identification of impairment and determination of the recoverable amount are a process involving assumptions and factors including the financial condition of the counterparty, expected future cash flows and expected net selling prices.

4.22 Share-based payments

To certain employees and the Board of Directors of a subsidiary of the Company share-based payment transactions were part of the local remuneration, whereby employees render services as consideration for equity instruments. The costs of cash-settled transactions are measured by reference to the fair value at the date on which they are granted.

The costs of cash-settled transactions are recognized over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. The accumulated expenses recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expenses or income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. Further details are disclosed in note 43.

4.23 Taxes

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income, in which case it is recognized in other comprehensive income.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to tax authorities. The tax rates and laws used to compute taxable amounts are those enacted or substantially enacted at the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The following temporary differences are not accounted for:

- the initial recognition of assets and liabilities that affects neither the accounting profit nor the taxable profit;
- differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future;
- the recognition of carry-forward losses that will be set off against expected taxable profits in the future that are still uncertain according to management judgment.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply in the year when the asset is realized and the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for tax benefits relating to the carry forward of unused tax losses when it is probable that estimated future taxable profits will be available for which these losses can be utilized.
The carrying amount of deferred income tax assets is reviewed annually and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
A deferred tax liability is provided for the recognized fair value identification on the intangible assets.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the costs of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the statement of financial position.

4.24 Financial assets held for trading

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near future. Financial assets held for trading are initially recognized at fair value, and transaction costs are expensed in the income statement. The financial assets held for trading are presented in the statement of financial position under Current assets. Interest earned and dividends received on these assets are reported as Results on financial instruments held for trading. All other realized and unrealized gains and losses on re-measurement of these financial instruments at fair value are also included in Results on financial instruments held for trading.

All purchases and sales of financial assets held for trading that require delivery within the time frame established by regulation or market convention, i.e. regular-way purchases and sales, are recognized at the trading date.

4.25 Other receivables

Other receivables are valued at amortized cost.

4.26 Derivative financial instruments and hedge accounting

The Company enters into transactions in derivative financial instruments which are designated and qualified as net investment hedges of foreign operations and as derivative transactions to hedge against economic risk exposure to which no hedge accounting is applied.
The Company uses derivative financial instruments, such as foreign currency forwards, interest rate and credit default swaps to hedge foreign currency risk, interest rate risk, credit risk and market risk. Such derivative financial

instruments are initially recognized at fair value on the date on which the derivative financial instruments were entered into and subsequently remeasured. Gains and losses on the remeasurement of derivative financial instruments are included in Result on financial assets held for trading. Derivative financial instruments are carried as assets if the fair value is positive and as liabilities if the fair value is negative.

The recognition of the resulting fair value gain or loss depends on whether the derivative financial instrument is designated as a hedging instrument and, if so, the nature of the item being hedged. The Company has designated certain derivative financial instruments as net investment hedges of foreign operations.

The effective portion of changes in the fair value of hedges of net investments in foreign operations is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.
When a financial instrument is designated as a hedge, the Company documents the relationship between the hedging instrument and the hedged item. Accordingly, the Company documents its assessment, both at hedge inception and on an ongoing basis, of how effective the derivative financial instruments used in hedging transactions are in offsetting changes in the fair values of hedged items. This assessment includes a way of assessing the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. The fair value gain or loss from the interest-rate swaps related to banking operations is recognized as Results on financial instruments from banking operations. All other fair value gain or loss from derivative financial instruments which are designated as economic hedges but which do not qualify for hedge accounting are recognized as results on financial instruments held for trading.

4.27 Cash and cash equivalents
Cash and cash equivalents comprise cash at banks, cash in hand and short-term deposits with an original maturity of three months or less and an insignificant risk of change in fair value. Certain cash and short-term deposits that are held to satisfy regulatory liquidity requirements are disclosed as restricted cash. Bank overdrafts are classified as current liabilities.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

4.28 Equity attributable to equity holders of the parent
Equity is accounted for as the residual interest of the Company after deducting all its liabilities. The amount at which equity is shown in the statement of financial position is dependent on the measurement of assets and liabilities.

Dividends for distribution are recognized as a liability in the period when they are declared. Dividends declared after the reporting date are not retroactively reflected in the financial statements of the period just ended.

Non-controlling interests are presented in the consolidated statement of financial position as part of total equity attributable to equity holders of the parent, separately from the Company's equity.

4.29 Other interest-bearing loans and borrowings
Other interest-bearing loans and borrowings are initially recognized at fair value and subsequently recognized at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process. Transaction costs are taken into account at initial recognition and amortized over the remaining term.

4.30 Provisions

General
A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Restructuring provisions

Restructuring provisions are only recognised when general recognition criteria for provisions are fulfilled. Additionally, the Company needs to follow a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and appropriate time-line. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.31 Pension asset and employee benefit liability

Pensions

The asset and liability recognized in the statement of financial position in respect of the defined benefit pension plan is the value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses or past service costs. The defined benefit plan applies to employees in the Netherlands and Switzerland. Employees outside the Netherlands and Switzerland are entitled to defined contribution plans. The defined benefit obligation is calculated annually by independent actuaries using the project unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. In the Eurozone region the yields on the 1-3, 3-5, 5-7, 7-10 and over 10 year iBoxx indices (not constituents) are turned from gross redemption yields to zero-coupon yields. They are then interpolated and extrapolated to form an AA corporate bond yield curve.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to the income statement as employee benefit costs over the employees' expected average remaining working lives.

Past-service costs arising from new plans or changes to existing plans are recognized on a straight-line basis over the average service period until the amended benefits become vested. Vested benefits are recognized immediately.

Settlements and curtailments during the year are recognized in the income statement in the year they occur. A pro-rata share of unrecognized gains and losses is recognized immediately if curtailments occur.

Under the defined contribution plan, the Company pays contributions to publicly or privately administered insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Other long-term employee benefits

In addition to fixed annual income, all employees have a variable income component. The variable component is expressed as a percentage of fixed annual income. The percentage awarded depends on the realization of predefined targets. The seniority of the employees concerned determines the range set for the variable income percentage. If the absolute amount of variable income exceeds a threshold, it is partially postponed over several years.

The Company also has a staff option plan for its employees in the Netherlands as well as a management option plan in place. The costs of these option plans are borne in full by the Company and have no impact on the annual performance of the funds. The costs are recognized as employee benefits by the Company at the date of granting as these are fully vested from that date of granting. The estimated fair value of the options is calculated using the Cox, Ross & Rubinstein model, which is closely related to the methodology of the Black & Scholes option valuation model. As from 1 January 2010 no options have been granted on funds managed by the Company.

The Company has a Long-term Incentive Plan for key employees. This plan is an Equity Notes Plan eligible for certain employees. These Equity Notes are recorded at a value that is related to the Company's valuation basis of profit from continuing operations, adjusted downwards for expenses related to the Long-term Incentive Plan and adjusted for the results related to the foreign currency hedge.
The Equity Notes are vested according to a specific timetable or subject to pre-defined conditions, but in general they mature between four and six years after granting. Based on the fact that the Equity Notes Plan is a long-term employee benefit plan as bonuses are vested and paid more than one year after the period in which they are earned, the projected unit credit method is applied for accounting purposes. This leads to a straight-line allocation of the total expected amount of the benefit over the vesting period. The Equity Notes are recorded in the income statement after granting to the key employees.

In addition to the Equity Notes Plan, the Company has an Investment Notes Plan. The Investment Notes Plan is positioned next to – but separate from – the Equity Notes Plan as an investment opportunity for key employees who have been granted Equity Notes. Only participants in the Equity Notes Plan can purchase Investment Notes.
The Investment Notes are recorded at a value that is partly related to the Company's valuation basis of profit from continuing operations and partly to the development in profitability of a specified group of Dutch and UK financial institutions. The Investment Notes have a maximum life of five years, but can be converted into cash at any time before the end of their life. The Investment Notes are not conditional, are not subject to vesting conditions and are not forfeited upon termination of the employment relationship. If Investment Notes remain outstanding during their maximum life of five years, the conversion into cash will be increased by 25%, as an investor's loyalty premium. The Investment Notes are recorded in the income statement after granting to the key employees in the period in which the aforementioned value increased.
The investor's loyalty premium is recorded in the income statement annually, based on the estimated expected remaining Investment Notes after five years.

Equity Notes that have been awarded but have not yet vested generate a yield in cash of 5% of the base value per year. Vested Equity Notes do not generate any yield. Investment Notes generate a yield in cash of 5% of the base value each year.

4.32 Other non-current liabilities

Other non-current liabilities include management fees received in advance, which are stated at nominal value. The management fees are recognized in the income statement once the services have been performed. The current portion of the non-current liabilities is classified as Trade and other payables.

4.33 Total return swaps

The Company entered into structured transactions on behalf of clients, which result in total return swaps and certain financial instruments in the Company's statement of financial position. Total return swaps are financial instruments whose values are derived from an underlying instrument or products. Through total return swaps the market risk and the economic returns on the underlying financial instrument are transferred to clients. Total return swaps are recognized at fair value at reporting date.
The gains or losses arising from changes in the fair value and the economic returns on underlying financial instruments are recognized under Results on financial instruments held for trading.

4.34 Other liabilities

Other liabilities such as Interest-bearing loans due to customers and due to banks are valued at amortized cost.

4.35 Financial liabilities

Financial liabilities designated at fair value through profit or loss are recognized at fair value, with transaction costs being recognized in profit or loss, and are subsequently measured at fair value. Gains and losses on financial liabilities designated at fair value through profit or loss are recognized in profit or loss as they arise.
Financial liabilities at amortized cost are recognized at amortized cost using the effective interest method.

Notes to
the consolidated income statement

5. Management and other fees

Management and other fees represent management fees, service fees, performance fees, transaction fees, structuring fees and securities lending commissions.

EUR x million	2010	2009
Management fees	781.5	600.4
Performance fees	94.7	16.1
Other fees	56.6	48.5
Total	**932.8**	**665.0**

6. Distribution and subadvisory costs

The costs can be broken down as follows:

EUR x million	2010	2009
Distribution costs	130.0	105.5
Subadvisory costs	127.6	90.3
Total	**257.6**	**195.8**

7. Interest income from banking operations

Interest income from banking operations can be broken down as follows:

EUR x million	2010	2009
Financial assets available-for-sale	96.2	122.9
Financial assets held-to-maturity	10.2	19.0
Financial assets designated at fair value through profit or loss	32.2	21.7
Loans and advances	101.8	97.9
Cash and balances with central banks	1.6	2.2
Due from other banks	2.8	11.4
Derivative financial instruments	12.9	17.9
Total	**257.7**	**293.0**

The bond portfolio generated less interest income. After the continued decline in the beginning of 2010, the money market rates as well as bond yields recovered and the decline came to a halt. In addition to the lower absolute level of interest rates the total investments reduced during the year, resulting in a lower interest income amount.

8. Interest expense from banking operations

Interest expense from banking operations can be broken down as follows:

EUR x million	2010	2009
Due to customers	140.1	227.3
Due to other banks	0.6	4.5
Derivative financial instruments	49.9	41.3
Other	1.3	1.2
Total	**191.9**	**274.3**

The interest paid on the more traditional savings normalized to a certain extent, allowing the Company to recover from a low interest margin environment. In addition to the above, the effect of a decreased amount of entrusted savings results into a material lower total interest expense amount.

9. Results on financial instruments from banking operations

Results on financial instruments related to banking operations can be broken down as follows:

EUR x million	2010	2009
Gains and losses on the designated at fair value through profit or loss portfolio	0.5	11.2
Gains and losses on derivative financial instruments	2.2	− 2.4
Realized gains and losses on available-for-sale portfolio	4.3	− 2.3
Realized gains and losses on held-to-maturity portfolio	− 0.4	-
Realized gains and losses on loans and advances portfolio	-	0.1
Total	**6.6**	**6.6**

Besides regular redemptions, the Bank was offered to have an Icelandic government bond repurchased. Due to the assessed creditworthiness and the illiquid market for such bonds, the Bank decided to sell its position. Based on IAS 39 guidance, the Bank concluded that its remaining held-to-maturity portfolio was not tainted by this sale.

10. Other income

Other income consists of:

EUR x million	2010	2009
Distribution income from external parties	8.7	5.7
Sublease income	2.4	2.0
Service charges to third parties	1.6	4.9
Revenue on inhouse clearing	0.9	0.7
Income from non core business related to rendering services	0.1	0.5
Other income	2.3	3.9
Total	**16.0**	**17.7**

11. Employee benefits expense

Employee benefits expense can be broken down as follows:

EUR x million	2010	2009
Wages and salaries	205.6	178.3
Social security costs	15.3	14.8
Pension costs	19.2	12.5
Other staff costs	12.1	14.1
Total	**252.2**	**219.7**

The Company sponsors a number of defined benefit plans. The contributions to these plans for the years 2010 and 2009 were EUR 13.3 million and EUR 28.2 million, respectively.

On average, the Company had a workforce of 1,528 employees in 2010 (1,567 employees in 2009). The distribution of employees by region is as follows:

Average number of employees (FTE's)	2010	2009
Netherlands	909	952
Rest of Europe	251	250
United States	261	265
Other	107	100
Total	**1,528**	**1,567**

12. Depreciation and amortization

Depreciation and amortization can be broken down as follows:

EUR x million	2010	2009
Depreciation of property, plant and equipment	4.9	4.8
Amortization of intangible assets	34.7	35.1
Reversal of impairment of intangible assets	– 2.4	– 1.0
Total	**37.2**	**38.9**

Reference is made to the separate movements shown in note 22 'Property, plant and equipment' and in note 23 'Intangible assets'.

13. Impairment losses / reversal impairment losses

EUR x million	2010	2009
Impairment of financials assets available-for-sale related to banking operations	15.2	27.9
Reversal impairment of financials assets available-for-sale related to banking operations	– 20.3	– 2.7
Total	**– 5.1**	**25.2**

The impairment of financial assets available-for-sale related to banking operations relates to the asset-backed securities (ABSs). Based on the economic circumstances and the market situation in 2009 and 2010, the Company made an assessment of its entire investment portfolio. The outcome of these in-depth analyses resulted in an impairment of additional ABSs, in 2010 more than offset by positive fair value changes of earlier impaired financial instruments.

14. Other expenses

Other expenses can be broken down as follows:

EUR x million	2010	2009
Information technology	40.1	57.0
Fund and client related costs	25.7	41.1
Temporary staff	30.8	36.6
Marketing	25.2	27.1
Housing and furniture	25.6	27.1
Advisory fees	14.0	18.5
Market data	11.3	10.8
Travel and accommodation	6.4	5.8
Recruitment and courses	3.1	3.3
Other	15.8	16.9
Total	**198.0**	**244.2**

15. Finance income

Finance income comprises interest income on cash and short-term deposits.

16. Finance costs

Finance costs can be broken down as follows:

EUR x million	2010	2009
Interest expense on interest-bearing loans	10.3	9.8
Interest expense on subordinated loans	0.5	0.8
Total	**10.8**	**10.6**

17. Results on financial instruments held for trading

Results on financial instruments held for trading can be broken down as follows:

EUR x million	2010	2009
Gains and losses on the financial instruments held for trading portfolio	77.2	– 180.2
Dividend received on financial instruments held for trading portfolio	1.8	26.8
Gains and losses on total return swaps	– 59.2	178.2
Gains and losses on other derivative financial instruments	– 9.8	– 12.3
Results on foreign currency contracts	– 28.6	18.4
Foreign exchange differences	13.0	– 8.1
Total	**– 5.6**	**22.8**

A major part of the Results on financial instruments held for trading relates to seed capital investments. From time to time, the Company injects capital – on a temporary basis – into funds managed by the Company at the time of their inception. These 'seed capital' investments are included in the financial instruments held for trading portfolio. As the gains and losses on total return swaps are strongly related to the financial instruments held for trading portfolio, they are both presented under result of financial assets held for trading. These derivative financial instruments are designated as economic hedges but do not qualify for hedge accounting.

18. Results on financial instruments designated at fair value through profit or loss

Results on financial instruments designated at fair value through profit or loss, related to seed capital investments, amounting to a loss of EUR 0.5 million in 2010.

19. Results on financial instruments available-for-sale

Results on financial instruments available-for-sale can be broken down as follows:

EUR x million	2010	2009
Realized gains and losses on the financial assets available-for-sale portfolio	1.2	– 0.3
Dividend and interest on the financial assets available-for-sale portfolio	1.7	1.0
Impairment of financial assets available-for-sale debt instruments not related to banking operations	– 2.1	– 1.7
Impairment of financial assets available-for-sale equity instruments not related to banking operations	-	– 1.7
Total	**0.8**	**– 2.7**

A major part of the results on financial instruments available-for-sale relates to investments of a permanent nature made by the Company in order to realize investment returns. These co-investments are included in the available-for-sale portfolio. The impairment of the financial assets available-for-sale relates to investments in private equity funds and real estate bonds. A decline in the fair value of the underlying investments gave cause to recognize an impairment of these investments.

20. Results from group companies

The results from group companies consists mainly of the intended sale of Banque Robeco in France. In December 2010 Robeco signed a binding sale and purchase agreement with Oddo & Cie to sell Banque Robeco. Ownership was transferred to Oddo & Cie in the first quarter of 2011. The result regards to the write-down from the carrying amount to the lower fair value less costs to sell.

21. Income tax expense

Income tax recognized in the consolidated income statement and consolidated statement of comprehensive income can be broken down as follows:

Consolidated income statement

EUR x million	**2010**	2009
Current income tax		
Current year	82.6	10.4
Prior-year adjustment	– 0.8	0.9
Total	**81.8**	**11.3**
Deferred income tax expense		
Relating to origination and reversal of temporary differences	– 6.5	– 2.3
Income tax expense reported in the income statement	**75.3**	**9.0**

Consolidated statement of comprehensive income

EUR x million	**2010**	2009
Unrealized loss on financial assets available-for-sale	– 14.3	– 29.5
Deferred tax asset valuation regarding profitability	13.3	-
Income tax charged directly to comprehensive income	**– 1.0**	**– 29.5**

The reconciliation between tax expense and accounting result for the year ended 31 December 2010 and 31 December 2009 is as follows:

EUR x million	**2010**	2009
Accounting result before tax	256.6	– 2.0
Tax at statutory tax rate	65.4	– 0.5
Adjustments related to tax assessments for previous years	– 0.8	0.9
Effect of higher tax rates in foreign operations	13.1	9.4
Movement from deferred tax position	– 2.2	0.8
Foreign tax threshold	– 4.3	– 3.9
Other	4.1	2.3
Income tax expense reported in income statement	**75.3**	**9.0**

The foreign tax threshold of EUR –4.3 million (2009: EUR –3.9 million) relates to ruling facilities with local tax authorities. The effective tax rate of 29.4% in 2010 (2009: 438.8%) is higher than the statutory tax rate due to profits in foreign entities for which the local tax rate is higher. The statutory tax rate for 2010 in The Netherlands is 25.5% (2009: 25.5%). The tax rates in the US are between 40.5% and 46.25% (federal, local and state taxes).

Notes to
the consolidated statement of financial position

22. Property, plant and equipment

Movements in property, plant and equipment are as follows:

EUR x million	Buildings	Equipment	Total
Cost at 1 January 2010, net of accumulated depreciation	**1.7**	**20.0**	**21.7**
Additions	-	6.6	6.6
Disposals	− 0.5	− 0.3	− 0.8
Impairment upon reclassification as assets held for sale	-	− 0.6	− 0.6
Depreciation charge for the year	− 0.1	− 4.8	− 4.9
Foreign exchange differences	0.2	1.5	1.7
Net carrying amount at 31 December 2010	**1.3**	**22.4**	**23.7**
At 1 January 2010			
Cost	2.1	60.7	62.8
Accumulated depreciation and impairment	− 0.4	− 40.7	− 41.1
	1.7	**20.0**	**21.7**
At 31 December 2010			
Cost	1.7	41.5	43.2
Accumulated depreciation and impairment	− 0.4	− 19.1	− 19.5
	1.3	**22.4**	**23.7**

EUR x million	Buildings	Equipment	Total
Cost at 1 January 2009, net of accumulated depreciation	**2.9**	**23.2**	**26.1**
Additions	-	1.9	1.9
Disposals	− 1.0	− 0.1	− 1.1
Depreciation charge for the year	− 0.2	− 4.6	− 4.8
Foreign exchange differences	-	− 0.4	− 0.4
Net carrying amount at 31 December 2009	**1.7**	**20.0**	**21.7**
At 1 January 2009			
Cost	3.5	61.5	65.0
Accumulated depreciation	− 0.6	− 38.3	− 38.9
	2.9	23.2	26.1
At 31 December 2009			
Cost	2.1	60.7	62.8
Accumulated depreciation	− 0.4	− 40.7	− 41.1
	1.7	**20.0**	**21.7**

23. Intangible assets

Movements in intangible assets are as follows:

EUR x million	Goodwill	Other intangible Assets	Total
Cost at 1 January 2010, net of accumulated amortization and impairment	**360.1**	**167.2**	**527.3**
Changes	-	1.3	1.3
Amortization	-	− 34.7	− 34.7
Reversal of impairment	-	2.5	2.5
Foreign exchange differences	14.6	2.4	17.0
Impairment upon reclassification as assets held for sale	-	− 0.6	− 0.6
Net carrying amount at 31 December 2010	**374.7**	**138.1**	**512.8**
At 1 January 2010			
Cost	360.1	279.1	639.2
Accumulated amortization and impairment	-	− 111.9	− 111.9
	360.1	**167.2**	**527.3**
At 31 December 2010			
Cost	374.7	276.0	650.7
Accumulated amortization and impairment	-	− 137.9	− 137.9
	374.7	**138.1**	**512.8**

EUR x million	Goodwill	Other intangible Assets	Total
Cost at 1 January 2009, net of accumulated amortization and impairment	**360.3**	**197.5**	**557.8**
Changes	− 0.4	3.8	3.4
Amortization	-	− 35.1	− 35.1
Reversal of impairment	-	1.0	1.0
Foreign exchange differences	0.2	-	0.2
Net carrying amount at 31 December 2009	**360.1**	**167.2**	**527.3**
At 1 January 2009			
Cost	360.3	280.1	640.4
Accumulated amortization and impairment	-	− 82.6	− 82.6
	360.3	**197.5**	**557.8**
At 31 December 2009			
Cost	360.1	279.1	639.2
Accumulated amortization and impairment	-	− 111.9	− 111.9
	360.1	**167.2**	**527.3**

The goodwill of EUR 374.7 million comprises the fair value of expected synergies arising from the acquired entities Canara Robeco Asset Management Company Ltd., SAM Group Holding A.G. and Transtrend B.V.
In 2009 a reassessment of Transtrend's customer relationship categories was carried out, as well as a review of the remaining useful life of these assets. This reassessment resulted in a revised grouping of determined customer relationships and a shorter remaining useful life (from a range between 5 -17 years to 8 years). These changes in estimate had a financial impact on the amortization schedule and impairments of EUR 0.4 million.

The Company tested the goodwill and the other identified intangible assets for impairment. In 2010 an impairment amount of EUR 2.5 million regarding the other intangibles was reversed (2009: EUR 1.0 million was reversed). During 2010 and 2009 the goodwill was not impaired.

The total carrying amount of the cash-generating unit Robeco Core as at 31 December 2010 amounted to EUR 1,033.5 million (2009: EUR 874.9 million), of which EUR 78.7 million (2009: EUR 72.7 million) concerned goodwill.

The total carrying amount of the cash-generating unit Transtrend as at 31 December 2010 amounted to EUR 485.2 million (2009: EUR 454.8 million), of which EUR 277.6 million (2009: EUR 277.6 million) concerned goodwill.

For 2010 the goodwill arising from the 49% acquisition of Canara Robeco Asset Management Company Ltd. was tested for the smallest cash- generating unit to which the goodwill can be allocated. The total carrying amount at 31 December 2010 amounted to EUR 15.3 million (2009: EUR 12.7 million) of which EUR 10.7 million (2009: EUR 9.9 million) concerned goodwill.

The recoverable amount has been determined based on a value-in-use calculation using cash flow projections from financial forecasts approved by senior management covering a multiple-year period. For 2010 the pre-tax discount rates used in cash flow projections are 5% for the cash-generating units Robeco Core and Transtrend (2009: varied between 15% and 17%) and 16% for the cash-generating unit Canara Robeco Asset Management Company Ltd. (2009: 16%). Cash flows beyond the five-year period are extrapolated using long-term average growth rates of 2.5% for the cash-generating units Robeco Core and Transtrend (2009: varied between 4% and 10%) and 8.5% for the cash-generating unit Canara Robeco Asset Management Company Ltd. (2009: 10%), in line with the expected long-term average growth rates for the underlying businesses.

24. Impairment testing of non financial assets

The calculation of value in use for the cash-generating units is most sensitive to the following assumptions:

- Earnings before interest and taxes (EBIT)
- Discount rates
- Long-term average growth rate

Earnings before interest and taxes (EBIT) – The EBIT's are derived from the Robeco Strategy 2010 - 2014 and the current developments. To forecast beyond the five years period into perpetuity, a long term average growth rate has been used.

Discount rates – Discount rates reflect management's estimate of the risks specific to each unit. The weighted average cost of capital is determined for each unit, with regard to the yield on a long term risk free government bond as per ultimo October 2010, adjusted for a market risk premium and multiplied by a relevant beta coefficient.

Long-term average growth rate – Rates are based on the average growth rate in Real Gross Domestic Product for the next five year period in the territory or territories where the revenues are generated, as published by an independent external party.

With regard to the assessment of value in use of the cash-generating units Robeco Core, Transtrend and Canara Robeco, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the unit to materially exceed its recoverable amount.

25. Investment in associates and joint ventures

The Company has a 40% interest in the share capital of Analytic Investment Management Trading N.V. This

investment is regarded as an associate as the Company has significant influence over the financial and operational policy decisions, but does not have control or joint control. This entity is a private entity and is not listed on any public exchange. No published quotation price for the fair value of the investment is therefore available. The reporting date and reporting year of the entity are identical to that of the Company, i.e. 31 December.
The entity SET Venture Partners, powered by Chrysalix and Robeco B.V., acts as the management company for the Sustainable Energy Technology Fund. The Company's interest in SET Venture Partners, powered by Chrysalix and Robeco B.V., is 27.5%.

The table below shows the summarized information of the total investments in associated companies.

EUR x million	2010	2009
Share of associate's statement of financial position:		
Current assets	0.4	0. 2
Non-current assets	0.1	0.1
Current liabilities	– 0.1	-
Non-current liabilities	-	-
Net assets	**0.4**	**0.3**
Carrying amount of investments	**0.4**	**0.3**

EUR x million	2010	2009
Share of associate's revenue and profit:		
Revenue	0.8	0.4
Profit of associates owned as at 31 December 2010	**0.1**	**0.1**

Investment in a joint venture

The Institute for Research and Investment Services B.V. (IRIS) is a joint venture between Rabobank Nederland. Its financial information is consolidated on a 50% proportional basis. IRIS has been liquidated as per 1 November 2010.

Canara Robeco Asset Management Company Ltd. is a joint venture in India between Canara Bank and the Company. Its financial information is consolidated on a 49% proportional basis.

In 2009 the Company set up Robeco TEDA (Tianjin) Investment Management Company Ltd., a joint venture with TEDA International (Holding) Corporation Ltd. Its financial information is consolidated on a 51% proportional basis.

The table below shows the share of the joint ventures that are included in the consolidation of the Company.

EUR x million	2010	2009
Share of joint ventures' statement of financial position:		
Current assets	2.3	2.2
Non-current assets	3.9	2.8
Current liabilities	– 0.7	– 2.1
Non-current liabilities	– 0.4	– 0.2
Net assets	**5.1**	**2.7**
Share of joint ventures' revenue and profit:		
Revenue	3.2	3.8
Profit	0.1	0.1

26. Financial assets available-for-sale

EUR x million	2010	2009
Government bonds	1,345.9	1,625.3
Bank bonds	1,030.3	993.1
Asset-backed securities	809.3	664.4
Other debt securities	221.1	210.8
Equity securities	78.7	60.9
Total	**3,485.3**	**3,554.5**
Non-current	2,453.9	2,460.6
Current	1,031.4	1,093.9
Total	**3,485.3**	**3,554.5**

The accrued interest income on impaired financial assets available-for-sale amounts at 31 December 2010 EUR 0.2 million (31 December 2009: EUR 0.1 million).

27. Financial assets held-to-maturity

EUR x million	2010	2009
Government bonds	207.5	359.5
Bank bonds	14.7	66.3
Total	**222.2**	**425.8**
Non-current	112.1	248.7
Current	110.1	177.1
Total	**222.2**	**425.8**

28. Financial assets designated at fair value through profit or loss

The table below provides the fair values of the Company's non-trading financial assets designated at fair value through profit or loss.

EUR x million	2010	2009
Mortgages	662.9	663.0
Government bonds	441.7	439.5
Bank bonds	444.9	372.0
Other debt securities	193.1	131.8
Equity securities	34.2	15.1
Total	**1,776.8**	**1,621.4**
Non-current	1,685.1	1,502.5
Current	91.7	118.9
Total	**1,776.8**	**1,621.4**

The mortgage portfolio (EUR 600 million notional amount) forms, together with the accompanying saving deposits and interest rate swaps, a package. The package is part of the fair value portfolio following the fair value option, which the Company could apply as it manages the financial assets and liabilities in the package as a group, while evaluating its performance on a fair value basis. From an interest rate perspective, there is no accounting mismatch. The package's total nominal value equaled the total fair value on all of the above dates. Hence, there are no revaluation results. The fair value of this particular package at year-end amounted to:

EUR x million	2010	2009
Mortgage portfolio	662.9	663.0
Less: Saving deposits	– 28.1	– 27.0
Less: Interest rate swaps	– 56.4	– 47.9
Total	**578.4**	**588.1**

The government bonds, bank bonds and other debt securities (all with fixed rates) are managed as a single portfolio. Although the interest rate risk of this portfolio is largely hedged using interest rate swaps, the Company decided not to apply hedge accounting.

The maximum credit exposure of the loans and mortgages amounts to EUR 687.5 million (2009: EUR 667.8 million). The change in fair value of the purchased loans and mortgages attributable to changes in credit risk amounts to a gain of EUR 0.2 million (2009: result was nil).

29. Financial assets loans and advances

EUR x million	2010	2009
Loans originated from Robeco:		
Private sector loans and advances to customers		
Mortgages	929.6	967.9
Public sector loans	328.9	462.4
Private sector loans	834.8	754.0
Bankers loans	61.2	66.9
Other	1.7	1.5
Total	**2,156.2**	**2,252.7**
Non-current	1,831.8	1,984.1
Current	324.4	268.6
Total	**2,156.2**	**2,252.7**

The company holds collateral relating to private sector loans consisting of properties.

30. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

EUR x million	Consolidated statement of financial position		Consolidated income statement	
	2010	2009	**2010**	2009
Deferred tax asset				
Goodwill	214.8	199.8	0.1	0.6
Net operating losses	9.8	7.5	1.2	− 0.5
Pensions	2.3	1.3	− 0.1	-
Unrealized loss on investments in partnerships	3.1	5.6	-	-
Others	6.4	4.6	− 0.1	− 0.1
Total deferred tax assets	**236.4**	**218.8**	**1.1**	**0.0**
Deferred tax liabilities				
Pensions	7.1	6.3	0.8	6.0
Revaluation of foreign subsidiaries	9.2	18.7	-	-
Fair value adjustment of assets and liabilities acquired in acquisitions	32.9	41.0	− 8.0	− 8.3
Other	0.6	0.4	− 0.4	0.0
Total deferred tax liabilities	**49.8**	**66.4**	**− 7.6**	**− 2.3**
Deferred tax income			**− 6.5**	**− 2.3**
Deferred tax assets net	**186.6**	**152.4**		

The Company paid goodwill for the acquired entities in the United States in previous years. The related goodwill was immediately deducted from equity prior to the adoption of IFRS. As the amortization of goodwill for tax purposes requires at least 15/20 years of substantial gross profits, the Company estimates the growth of the business, taking into account the specific assumptions of future cash flows and market performance.

Movements in the deferred tax assets are as follows:

EUR x million	**2010**	2009
Balance at 1 January	**218.8**	**262.1**
Release to current tax	− 6.0	− 30.8
Foreign exchange difference	16.9	− 8.4
Unrealized result on investments	− 2.9	− 4.4
Valuation regarding profitability	11.1	-
Other	− 1.5	0.3
Balance at 31 December	**236.4**	**218.8**

The valuation regarding profitability relates to a reversal of an unrecognized deferred tax asset of previous years for which is foreseen that it will be recognized.

Movements in the deferred tax liabilities are as follows:

EUR x million	**2010**	2009
Balance at 1 January	**66.4**	**78.0**
Release to current tax	− 9.5	− 9.4
Amortization of intangible assets	− 8.6	− 8.3
Pensions	0.8	6.0
Other	0.7	0.1
Balance at 31 December	**49.8**	**66.4**

Unrecognized deferred tax assets

Deferred tax assets have not been recognized for a taxable loss of EUR 68.8 million (2009: EUR 62.5 million) of which EUR 56.7 million (2009: EUR 51.9 million) relates to Robeco Gestions S.A. The remaining taxable loss relates to other subsidiaries.

The recognition of deferred taxes is based on management judgment to which extent the taxable profits are expected to arise in the near future.

Maturity of deferred tax asset and liabilities:

EUR x million	2010	2009
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	188.5	174.4
Deferred tax asset to be recovered within 12 months	47.9	44.4
Total deferred tax assets	**236.4**	**218.8**

EUR x million	2010	2010
Deferred tax liabilities		
Deferred tax liabilities to be realized after more than 12 months	40.1	49.1
Deferred tax liabilities to be realized within 12 months	9.7	17.3
Total deferred tax liabilities	**49.8**	**66.4**

31. Loans and advances

Total loans and advances can be broken down as follows:

EUR x million	2010	2009
Private sector loans and overdrafts	66.4	55.6
Placements with other banks	41.3	51.7
Credits collateralized by securities	3.8	33.0
Receivables securities transactions	5.1	25.3
Other	0.0	0.1
	116.6	**165.7**
Current portion of the non current loans and advances	324.4	268.6
Total	**441.0**	**434.3**

Placements with other banks include deposits not withdrawable on demand with terms between three months and one year.
The company holds collateral in the form of securities relating to private sector loans.

32. Current tax receivable and payable

The current tax receivable consists of corporate income tax of EUR 11.0 million (2009: EUR 7.2 million). The current tax payable consists of corporate income tax of EUR 48.6 million (2009: EUR 25.3 million).

There is no offset of income tax receivable and payable due to the different tax jurisdictions in which the Company is located.

33. Financial assets held for trading

The fair values of the Company's financial assets held for trading can be broken down as follows:

EUR x million	2010	2009
Equity securities	533.1	529.4
Other debt securities	228.8	227.5
Other	0.8	2.0
Total	**762.7**	**758.9**

Financial assets held for trading include EUR 291.2 million (2009: EUR 279.0 million) that is held to back the total return swaps entered into with Rabobank and other financial institutions in order to meet specific investment objectives of note holders bearing the investment risk arising from financial assets held for trading.

34. Other current financial assets

This item contains the current portion of the non-current financial assets and can be broken down as follows:

EUR x million	2010	2009
Current portion of financial assets:		
Available-for-sale	1,031.4	1,093.9
Held-to-maturity	110.1	177.1
Designated at fair value through profit or loss	91.7	118.9
Total	**1,233.2**	**1,389.9**

35. Other receivables

Other receivables can be broken down as follows:

EUR x million	2010	2009
Accrued income	274.4	187.7
Capitalized structuring fee	13.7	19.0
Cash transfer	2.0	42.2
Other	27.7	45.2
Total	**317.8**	**294.1**

The item accrued income includes mainly items yet to be invoiced or received, such as accrued interest, management fees and VAT.

36. Derivative financial instruments

The Company hedges the foreign currency-conversion risk of net investments in foreign entities using forward currency contracts. At 31 December 2010 forward contracts with a notional amount of EUR 475.7 million (2009: EUR 364.1 million) and a fair value of EUR 1.8 million (2009: EUR –0.3 million) were designated as net investment hedges. This resulted in a currency loss for the year under review of EUR 39.5 million (2009: gain EUR 5.1 million) that was taken to other comprehensive income. In 2010 and 2009 no amounts were withdrawn from other comprehensive income and no amounts were recognized as ineffective portion in the income statement.

The notional amounts or contract sizes of certain types of financial instruments provide a basis for comparison with instruments recognized in the statement of financial position, but do not necessarily indicate the value of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Company's exposure to credit or price risks. The notional amount represents the value of a derivative financial instrument's underlying asset, reference rate or index and forms the basis for measuring the value of the derivative financial instrument. It provides an indication of the volume of the Company's business transactions but does not provide any measure of risk. Some derivative financial instruments are standardized in terms of their notional amounts and settlement dates and these are designed to be bought or sold in active markets (i.e. at organized exchanges). Others are packaged specifically for individual customers and are not listed, as they may be bought and sold between counterparties at negotiated prices (over-the -counter instruments).

Positive fair value represents the cost to the Company of replacing all transactions with a receivable amount if all the counterparties were to default. Negative fair value represents the cost incurred by the counterparties in replacing all the transactions if the Company were to default. The total positive and negative fair values are included separately in the statement of financial position. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in the underlying risk factors, like interest rate or foreign exchange rate movements relative to their terms. The total contract or notional amount of derivative financial instruments held, the degree to which these instruments are favourable or not favourable, and hence the total fair value of the derivative financial assets and liabilities may fluctuate significantly.

The table below provides the notional amounts and the positive and negative fair values of the Company's derivative transactions.

EUR x million	2010			2009		
	Contract/Notional Amount	**Fair values Assets**	**Fair values Liabilities**	**Contract/ Notional Amount**	**Fair values Assets**	**Fair values Liabilities**
Net Investment hedge						
Forward currency	475.7	1.8	0.0	364.1	-	0.3
Derivative financial instruments held for hedge accounting		**1.8**	**0.0**		**-**	**0.3**
Funded total return swaps	0.7	0.7	-	4.0	4.0	-
Equity swaps	16.2	2.3	18.5	18.4	2.6	21.0
Interest rate swaps	2,626.6	18.3	125.5	2,064.0	8.6	112.0
Swaptions	-	1.0	1.0	71.7	0.8	-
Credit default swaps	83.7	-	0.5	133.0	0.1	1.9
Forward currency	226.7	3.7	0.0	129.6	0.1	0.4
Other	-	-	-	-	1.0	0.5
Derivative financial instruments not held for hedge accounting		**26.0**	**145.5**		**17.2**	**135.8**
Total recognized derivative financial instrument		**27.8**	**145.5**		**17.2**	**136.1**
Of which:						
Non-current		22.1	145.1		16.1	134.1
Current		5.7	0.4		1.1	2.0
Total		**27.8**	**145.5**		**17.2**	**136.1**

Derivative financial instruments include an interest rate swap that is designated as an element of a package of instruments for which the Company applies the "fair value option". These instruments are disclosed in financial assets designated at fair value through profit or loss.

37. Cash and cash equivalents

Cash and cash equivalents can be broken down as follows:

EUR x million	2010	2009
Cash at banks	808.9	888.1
Short-term deposits	27.5	144.9
Balances at central banks	134.5	163.8
Cash in hand	0.1	0.0
Cash and cash equivalents	**971.0**	**1,196.8**
Bank overdrafts	– 6.7	– 6.0
Cash and short-term deposits in the statement of cash flows	964.3	1,190.8

During the period from 8 December 2010 to 19 January 2011, an amount of EUR 141.9 million (during the period from 8 December 2009 to 20 January 2010: EUR 171.1 million) on average was held to satisfy regulatory liquidity requirements of the Dutch Central Bank and which is therefore restricted.

38. Equity attributable to equity holders of the parent

The authorized share capital amounts to EUR 22,689,015 (2009: EUR 22,689,015) consisting of 22,689,015 shares with a par value of EUR 1 each, of which EUR 4,537,803 is paid in full. The number of shares has not been changed.

Shareholders are entitled to receive dividends when declared and are entitled to vote on a one-vote-per-share basis at the Company's shareholder meetings.

Capital management

The primary objective when managing capital is optimization of the Company's debts and equity balance in order to maintain a strong capital base and maximize shareholder value.

The company manages its capital structure and monitors capital using various indicators for the assessment of financial performance. The use of these indicators is part of the strategic capital allocation process and enables the Company to improve the quality of decision-making.

Capital is also required under regulatory rules. Robeco Direct N.V., a subsidiary with a bank license, monitors the regular capital based on the Advanced Internal Rating Based method. For other licensed subsidiaries within the Company capital in use is monitored based on the regulatory standardised approach.

Developments in economic capital and regulatory requirements for the different types of risks are monitored by the Asset and Liability Committee on a monthly basis. The determination of economic capital is disclosed in Note 51 Financial risk management objectives and policies.

39. Non-controlling interests

This item relates to a 3% interest in Robeco Indian Equities, a 10% interest in SAM Sustainable Multi-Theme and a 19% interest in KenTyde B.V.

In 2009 this item relates to a 1% interest in VCM Emerging Managers Fund, a 34% interest in Robeco Multi Alternatives, a 30% interest in Robeco 130/30 Emerging Markets Equities, a 12% interest in Robeco European Dividend Extension, a 36% interest in Robeco 130/30 European Equities and a 19% interest in KenTyde B.V.

Movements in this item are as follows:

EUR x million	2010	2009
Balance at 1 January	**16.7**	**20.1**
Net result for the financial year	0.1	2.3
Change in third party assets and liabilities	– 16.1	– 5.7
Balance at 31 December	**0.7**	**16.7**

40. Subordinated loans

Two loans totaling EUR 37.7 million (2009: EUR 37.7 million) have been granted by Rabobank Nederland at a variable interest rate to Robeco Direct N.V. The loans are subordinated to all other present and future liabilities of Robeco Direct N.V. The term is indefinite and subject to a five-year notice period. The loans were granted as a result of the solvency rules set by the Dutch Central Bank and can only be repaid when the Dutch Central Bank removes the subordination in writing.

The average variable interest rates paid on the loans were as follows:

EUR x million	Average Interest rate (Euribor + 40bp)		
	EUR	**2010**	2009
Rabobank Nederland	26.3	1.14%	2.01%
Rabobank Nederland	11.4	1.16%	2.08%

41. Other interest-bearing loans and borrowings

Total other interest-bearing loans and borrowings amounted to EUR 215.0 million (2009: EUR 199.3 million). To finance acquisitions, Rabobank Nederland has granted loans to Robeco Groep N.V. subsidiaries. The loans have a fixed interest rate for a period of ten, eleven or fifteen years. On the interest-adjustment date, the loan is repayable by the borrower at par value. In principle the loans are non-current.

These amounts can be broken down as follows:

(EUR x million)	Year	Effective interest rate	Original maturity	Currency	2010	2009
Robeco Institutional Asset Management B.V.	2006	4.19%	10 Yrs	EUR	1.6	1.6
Robeco Institutional Asset Management B.V.	2007	3.13%	15 Yrs	CHF	7.0	7.0
Robeco US Holding, Inc.	2007	4.82%	11 Yrs	USD	278.2	278.2

42. Provisions

The components of provisions are as follows:

EUR x million	**2010**	2009
Provision for onerous contracts	2.4	6.1
Legal, tax and social security provisions	4.0	0.3
Restructuring provision	-	0.3
Total	**6.4**	**6.7**

The provisions mainly relate to a rental agreement for office space, tax issues and termination benefits. Movements in provisions are as follows:

EUR x million	Provision for onerous contracts		Legal, tax and social security provisions		Restructuring provision	
	2010	2009	**2010**	2009	**2010**	2009
Balance at 1 January	**6.1**	**5.3**	**0.3**	**4.0**	**0.3**	**4.3**
Unused amounts reversed	-	-	-	− 0.5	-	-
Arising during the year	1.0	1.4	5.3	0.4	-	-
Utilised	− 5.0	− 0.6	− 1.2	− 3.6	− 0.3	− 3.8
Reclassified as liabilities directly associated with the assets classified as held for sale	-	-	− 0.4	-	-	-
Imputed interest	0.2	-	-	-	-	-
Foreign exchange differences	0.1	-	-	-	-	− 0.2
Balance at 31 December	**2.4**	**6.1**	**4.0**	**0.3**	**-**	**0.3**

Maturity dates of provisions at 31 December 2010:

EUR x million	Up to 1 year	1 -5 years	More than 5 years	Total
Provision for onerous contracts	0.6	1.8	-	2.4
Legal, tax and social security provisions	4.4	-	-	4.4
Total	**5.0**	**1.8**	**-**	**6.8**

Onerous operating lease

In 2009 the Company launched a program (Top Shape) aimed at creating a more efficient organization. This program comprised the reduction of office space in use. A provision has been recognized for the cost related to the early termination of rental commitments and the costs of restoring the premises to their original condition.

Legal, tax and social security provisions
The amount arising in 2010 is mainly a result of a legal provision regarding a settlement of a purchase.

The maturity and amounts of the provisions are based on management's best estimate.

43. Pension asset and employee benefit liability

EUR x million	2010	2009
Pension asset	28.4	24.7
Pension asset	**28.4**	**24.7**
Pension liability	1.9	1.2
Other employee benefits	32.9	14.2
Employee benefit liability	**34.8**	**15.4**
Net balance	**– 6.4**	**9.3**

In The Netherlands, the Company grants non-contributory pension benefits based on a final pay scheme to all employees on attaining 65 years of age. This defined benefit plan consists of a retirement pension, a widow/ widower's- and orphans pension and a disability pension. The plan only applies to salaries up to EUR 73,612 (2009: EUR 72,703). A defined contribution plan is applied for salaries exceeding that amount. As per 1 January 2011 pension benefits will be based on a average pay scheme. Existing rights based on the final pay scheme will not be affected. Starting 2012 an employee contribution will be introduced.

The amounts recognized as a pension asset / liability in the statement of financial position are determined as follows:

EUR x million	2010	2009	2008	2007	2006
Defined benefit obligation	– 322.7	– 250.7	– 190.5	– 194.1	– 203.9
Fair value of plan assets	283.9	241.1	195.3	203.3	182.6
Funded status of plan	**– 38.8**	**– 9.6**	**4.8**	**9.2**	**– 21.3**
Unrecognized actuarial gains and losses	65.3	33.1	– 5.1	– 10.6	18.0
Net asset/liability	**26.5**	**23.5**	**– 0.3**	**– 1.4**	**– 3.3**
Experience adjustments on plan assets gains/(losses)	**17.5**	**14.1**	**– 23.8**	**– 7.4**	**4.5**
Experience adjustments on defined benefit obligation gains/(losses)	**2.6**	**– 12.7**	**8.7**	**– 2.5**	**– 29.0**

The movement in the asset / liability recognized in the statement of financial position is as follows:

EUR x million	2010	2009
Balance at 1 January	**23.5**	**– 0.3**
Total company expense	– 10.3	– 4.4
Actual employer contributions	13.3	28.2
Balance at 31 December	**26.5**	**23.5**

The movement in the defined benefit obligation is as follows:

EUR x million	2010	2009
Balance at 1 January	**250.7**	**190.5**
Net service cost	12.1	10.2
Interest cost	11.9	12.3
Curtailment gain	-	– 5.9
Benefits paid	– 6.4	– 8.1
Participant contributions	0.6	0.4
Actuarial gains and losses	49.9	51.3
Foreign exchange difference	1.8	-
Other movements	2.1	-
Balance at 31 December	**322.7**	**250.7**

In the actuarial gains and losses a loss of EUR 46.2 million (2009: EUR 63.9 million of which EUR 42.8 related to 2008) is included due to assumption changes.

The movement in the fair value of the plan assets is as follows:

EUR x million	2010	2009
Balance at 1 January	**241.1**	**195.3**
Expected return on plan assets	14.5	12.1
Actual employer contributions	13.3	28.2
Participant contributions	0.6	0.4
Benefits paid	– 6.4	– 8.1
Actuarial gain and losses	17.5	13.2
Foreign exchange differences	1.5	-
Other movements	1.8	-
Balance at 31 December	**283.9**	**241.1**

The amounts recognized in the income statement are as follows:

EUR x million	2010	2009
Net service costs	12.1	10.2
Interest expense	11.9	12.3
Expected return on plan assets	– 14.5	– 12.1
Amortization of actuarial gains and losses	0.3	1.7
Amortization of past service costs	0.1	-
Curtailment gain	-	– 5.9
Changes in irrevocable surplus	-	– 1.8
Other movements	0.3	-
Total pension expense	**10.2**	**4.4**

In 2009 actuarial gains and losses were amortized due to curtailments and the corridor being exceeded. All costs are classified as employee benefit expenses. Effective 1 January 2008 the Company adopted IFRIC 14 which is an interpretation of IAS 19 accounting standard published by the IASB. It provides guidance on how the economic benefit available to the employer in the form of surplus refunds and reductions in contributions should be determined, in particular when a minimum funding requirement exists. In 2009 it became apparent that the limitation applied no longer existed and had been reversed (EUR 1.9 million). This is reflected in the line Changes in irrevocable surplus.
Restructuring and outsourcing activities were carried out in 2009. The pension accrual for employees concerned was discontinued and the accrued rights became vested. The curtailment recorded in 2009 reflects the related financial impact.

The principal actuarial assumptions used are as follows:

EUR x million	2010	2009
Discount rate	4.60% at 31-12-'10	4.90% at 31-12-'09
Expected return on plan assets	5.50% at 31-12-'10	6.00% at 31-12-'09
Inflation	2.00% per annum	2.00% per annum
General salary increase	3.00% per annum	3.00% per annum
Career salary progression		
AGE (male - female):		
20-30	12.21%-8.28% per annum	6.89%-5.73% per annum
31-35	9.68%-7.06% per annum	5.49%-5.10% per annum
36-39	6.45%-5.22% per annum	4.80%-3.87% per annum
40-44	4.92%-3.90% per annum	3.96%-3.34% per annum
45-49	3.40%-3.11% per annum	2.93%-2.67% per annum
>50	2.42%-2.42% per annum	2.36%-2.35% per annum
Increase in social security offset	2.00% per annum	2.00% per annum
Increase in accrued pensions of active participants	1.80% per annum	1.60% per annum
Increase in pensions in payment and vested benefits of deferred pensioners	2.70% per annum	1.60% per annum
Mortality rates	According to mortality tables, age setback of two years for men and one year for women	According to mortality tables, age setback of two years for men and one year for women
Disability rates (male – female)		
AGE:		
<25	0.05%-0.09%	0.07%-0.12%
25-29	0.09%-0.18%	0.12%-0.23%
30-34	0.14%-0.25%	0.18%-0.32%
35-39	0.19%-0.32%	0.25%-0.42%
40-44	0.25%-0.41%	0.33%-0.53%
45-49	0.34%-0.50%	0.44%-0.65%
50-54	0.44%-0.62%	0.57%-0.80%
55-59	0.56%-0.75%	0.73%-0.98%
<60	0.72%-0.94%	0.93%-1.22%
Correction factor on disability rates	0.77	0.77
Withdrawal rates (male – female)		
AGE:		
20-39	6.88%-3.54%	6.34%-3.53%
40-44	1.56%-0.49%	1.16%-0.39%
45-49	0.92%-0.33%	0.50%-0.33%
50-54	0.33%-0.08%	0.19%-0.21%
55-65	0.45%-0.08%	0.43%-0.12%

In 2010 the mortality table rates are obtained from the "Prognosetafel GBM/V 2010-2060".

With respect to the pension plan, the actual allocation of the plan assets is as follows:

	Percentage of the plan assets 2010	Percentage of the plan assets 2009
Equity securities	44.1%	40.0%
Debt securities	55.9%	60.0%
Total	**100.0%**	**100.0%**

The item Other employee benefits consists mainly of long term liabilities regarding equity notes and postponed employee's variable income.

Share-based payments

No share-based incentive plan was effective in 2010. Until 2009 one of the subsidiaries of the Company had share-based payment arrangements in place for employees and members of the Board of Directors of the subsidiary. The Company did not allot shares in 2009 as it agreed to accelerate the full closing of the share-based payment arrangement. The expense related to share based payments in 2009 is reported under Employee benefits expense. As a result at 31 December 2009 the Company had no liability.

44. Other non-current liabilities

The amount of EUR 8.3 million (2009: EUR 1.3 million) relates to management fees received in advance and a deferred payment .

45. Interest-bearing loans due to customers

EUR x million	2010	2009
Savings available on demand	6,481.5	6,491.5
Savings not available on demand	79.8	648.6
Current accounts / settlement accounts	0.3	2.2
Other	-	1.2
Total	**6,561.6**	**7,143.5**

The savings available on demand refer to the saving accounts of private customers and non-private customers. Savings not available on demand are fixed-term savings accounts and deposits provided by customers and some of the funds managed by the Company. The current accounts and settlement accounts consist of non-private customers.

46. Interest-bearing loans due to banks

EUR x million	2010	2009
Call money / balances available on demand	1,106.2	1,018.1
Liability securities transactions	6.1	43.8
Total	**1,112.3**	**1,061.9**

Call money / balances available on demand refer to saving accounts via third party distributors.

47. Total return swaps

The fair value of funded total return swaps, of which EUR 228.3 million (2009: EUR 227.8 million) was entered into with Rabobank and EUR 28.0 million with other financial institutions (2009: EUR 15.6 million) depends on the value of the underlying investments (see note 33 'Financial assets held for trading') that are held to meet the specific investment objectives of note holders who bear the investment risk arising from these investments. The total return swaps can be broken down as follows:

EUR x million	2010		2009	
	Contract/ notional amount	Fair values liabilities	Contract/ notional amount	Fair values liabilities
Derivative financial instruments not designated for hedge accounting				
Funded total return swaps	256.3	256.3	243.4	243.4
Of which:				
Non-current		208.1		243.4
Current		48.2		-
Total		**256.3**		**243.4**

48. Financial liabilities

EUR x million	2010	2009
Financial liabilities at fair value	269.6	364.9
Financial liabilities at amortized cost	2.1	2.2
Total	**271.7**	**367.1**

Financial liabilities are mainly stated at fair value. At 31 December 2010, the notional amount equals EUR 278.2 million (2009: EUR 386.8 million). The Company issued principal protected (EUR 104.7 million notional amount; EUR 106.2 million fair value) and non-principal protected (EUR 173.5 million notional amount; EUR 165.5 million fair value) structured notes. All notes are linked to Robeco's private equity, commodity trading advisor and fixed-income capabilities. The Company did not observe any credit events during 2010 and 2009 that affected the fair value of the issued securities.

49. Other non financial liabilities

EUR x million	2010	2009
Accrued interest	107.5	159.7
Creditors	67.0	93.3
Employee benefits obligation	46.7	40.4
Other non financial liabilities	114.7	106.2
Total	**335.9**	**399.6**

Accrued interest relates to customers savings. The item Other non financial liabilities includes accrued subadvisory fees and other accrued expenses payable.

50. Contingent assets and liabilities

Operating lease, rental commitments and IT services

The Company has entered into commercial leases regarding the car fleet. The term of these leases is between 1 and 5 years. The Company and its subsidiaries have rental commitments regarding buildings. These rental commitments have remaining terms of between 1 and 10 years. The Company outsourced the IT infrastructure activities to HP as of 1 January 2009 for a term of five years. The outsourcing scope covers the operational IT infrastructure as well as IT infrastructure projects. Future minimum payments and rentals are as follows:

EUR x million	2010			2009		
	Operating lease	Rental commit-ments	IT services	Operating lease	Rental commit-ments	IT services
Less than one year	1.8	13.8	15.7	2.0	12.9	11.4
Between one and five years	3.2	42.2	31.4	3.1	39.0	34.2
More than five years	-	15.7	-	-	17.2	-
Total	**5.0**	**71.7**	**47.1**	**5.1**	**69.1**	**45.6**

Employee benefits

In 2010 Robeco Nederland B.V. has guaranteed the obligations of Stichting Pensioenfonds Robeco. As from 1 January 2011 the guarantee has changed. Robeco Nederland BV is obliged to pay additional contributions if the funding level of the pension fund is less than 105%. This additional payments are limited to 35% of the pension base. Stichting Pensioenfonds Robeco has the right to request the Company for funding with a maximum of three contributions in a ten year period.

The Company has awarded a number of employees Equity Notes. These Equity Notes constitute a future cash-entitlement, depending on the value and profitability of Robeco Groep N.V. The entitlement is subject to certain vesting requirements. The notional value of the Equity Notes awarded at 31 December 2010 amounted to EUR 6.9 million (31 December 2009: EUR 11.5 million). The total amount consists of the notional value of Equity notes awarded as part of the long-term Incentive Plan as well as the notional value of Equity Notes that result from a mandatory conversion of deferred cash compensation.

The Company stands surety for compliance with the obligations arising from mortgages granted to its employees by MNF Bank. At 31 December 2010, an amount of EUR 0.7 million (31 December 2009: EUR 0.9 million) was outstanding.

Capital commitments

The Company has a commitment to repurchase specific bonds when requested by the bondholders. The Company can unwind these securities with nominal amount of EUR 570.4 million (31 December 2009: EUR 605.1 million) without a loss.

The Company had irrevocable credit facilities related to mortgages, credits and guarantees of EUR 576.5 million at 31 December 2010 (31 December 2009: EUR 563.3 million). These are all secured by customers' assets. Regarding the Company's co-investments in private equity funds, the Company had capital commitments of EUR 66.2 million (31 December 2009: EUR 95.2 million).

Investment in associates

The Company has a call option, subject to certain conditions, to purchase a remaining interest of 40% in Analytic Investment Management Trading N.V, between 31 December 2008 and the end of 2013. The Company exercised the call option during 2010. It is foreseen that the transaction will be effected in 2011, often which the Company will have an interest of 80%.

In relation to Investment in associates and joint ventures, the Company has no further capital commitments or other contingent liabilities, incurred jointly or otherwise.

Pledged assets

EUR x million	Carrying amount		Notional amount	
	2010	2009	**2010**	2009
Financial assets available-for-sale	330.0	269.8	312.8	255.5
Financial assets held-to-maturity	152.5	148.6	150.0	145.0
Total	**482.5**	**418.4**	**462.8**	**400.5**

The assets pledged by the Company are strictly for the purpose of providing collateral for the counterparty for funds entrusted by them to the Company and any interest due over these entrusted funds. The pledged assets can neither be sold nor repledged by the counterparties, unless a default event should occur.

51. Financial risk management objectives and policies

Introduction

The Company applies various indicators for the assessment of financial performance. The use of these indicators is part of the strategic capital allocation process and enables the Company to improve the quality of decision-making. This process entails the use of internal models for individual risk types, a correlation matrix to account for inter-risk type diversification and a process to allocate capital to the various business lines and activities. The economic capital limit is determined by the Company's equity, its risk appetite and the portfolio of activities.

In determining economic capital, the Company distinguishes financial risk types (credit risk, market risk, interest rate risk and liquidity risk) and non-financial risk types (operational risk and business risk). As an asset manager, the Company is not directly exposed to the market, credit and interest rate risk in client portfolios. The character of the asset management activities thus implies significant importance of the non-financial risk types in the overall economic capital amounts. It is recognized that both operational risk and business risk are not of easy steerage in the short run. The risk appetite for the financial risk types is therefore the result of the available capital and the required capital for the non-financial risk types.
The Company does however allocate capital to the financial risk types, notably market risk and credit risk, since banking

activities form an integral part of the Company's activities. This capital allocation is influenced by the requirements for seed capital and co-investments, secondary market support and (dynamic) hedging of structured products issued by Robeco. The provision of seed capital and co-investments serves to build a track record for a fund or trading strategy and/or to achieve alignment of interest between investment manager and the investor. Limits for these activities, both in terms of notional amounts and in terms of risk and risk capital are reviewed on an annual basis.

The objective of the Company's Asset and Liability Management activities is geared towards optimizing interest rate risk results within the risk and other boundaries set by the Asset and Liability Committee. These boundaries and the allocation of capital to credit risk and interest rate risk depend on availability of risk capital and on the opportunities in the markets.

Since the financial crisis broke out, markets, countries and even continents have not found there new equilibrium yet. The instability from an macro-economic as well as political perspective even intensified during the year, putting markets under severe stress. The crisis consultation committee consisting of members of the board of the Robeco Group's various companies, supported by representatives of several departments such as Corporate Compliance and Risk Management continued to be vigilant and discussed potential repercussions for the funds entrusted to the Company.

The numbers presented in the tables within the financial risk management objectives and polices disclosure do not reconcile with the consolidated statement of financial position on an item level. The as held for sale disclosed Banque Robeco's assets within the Consolidated statement of financial position are not presented as assets classified as held for sale in the tables below. Instead they are included in the specific items as reported by Banque Robeco, before application of IFRS 5, to enhance the comparability with prior year's tables.

Credit risk

Credit risk is governed by the Credit Risk Policies, which are approved by the Asset and Liability Committee and the Management Board of the bank, Robeco Direct N.V. Credit risk mainly relates to the Asset and Liability Management activity in this banking entity of the Group, whereby entrusted savings are invested in predominantly investment grade bonds. Additional sources of credit risk are domestic residential mortgages, private loans collateralized by securities, counterparty credit risk in the trading and investment books of the Bank and the Company and the co-investment positions (mainly private equity).

The Company applies the Advanced Internal Rating Based ('IRB-A') approach to calculate regular capital requirements for credit risk. As a Rabobank entity, the Company also reports to Rabobank Group on an IRB-A basis.

An overall limit in terms of Economic Capital applies for credit risk. For most credit exposures, the calculation of capital requirements is based on the use of internal models for Probability of Default, Loss Given Default, Exposure At Default and Maturity. For securitizations Robeco applies the Rating Based Approach capital requirement methodology of the Basel II Securitization Framework. For equity exposures in the banking book, predominantly longer term co-investments, the Simple Risk Weight approach applies. For the immaterial portfolios (loans collateralized by securities, non-retail mortgages and the corporate bonds in the banking portfolio) the Company applies the Standardized Approach.

The overall Economic Capital limit is complemented by a set of controls aiming to prevent concentration risk in the portfolio. Controls relate to the exposure by issuer, issue and by sector. Additionally, the size of portfolios of corporate exposures, mortgages and Asset Backed Securities is contained by a strict limit and control structure. Dealings may only be undertaken in authorized products to secure correct processing through front, mid and back office systems.

The management of Robeco Direct N.V. receives credit risk reports on a weekly basis. The Asset and Liability Committee receives monthly credit risk reports containing a detailed overview of the different types of exposures and the corresponding capital requirements, as well as an analysis of the changes in the credit risk exposures. The report also includes a description of market developments.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position, including derivative financial instruments.

The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

EUR x million	Notes	2010	2009
Non-current assets			
Financial assets			
Available-for-sale	26	2,453.9	2,460.6
Held-to-maturity	27	112.1	248.7
Designated at fair value through profit or loss	28	1,685.1	1,502.5
Loans and advances	29	1,831.8	1,984.1
Derivative financial instruments	36	22.1	16.1
Current assets			
Loans and advances	31	473.8	434.3
Other current financial assets	34	1,233.2	1,389.9
Derivative financial instruments	36	5.7	1.1
Cash and cash equivalents (excluding cash in hand)	37	971.7	1,196.8
Total		**8,789.4**	**9,234.1**
Off-balance sheet items			
Credit-related obligations	50	642.7	658.5
Total maximum credit risk exposure		**9,432.1**	**9,892.6**

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.
The credit-related obligations consist of irrevocable credit facilities related to mortgages, credits and guarantees of EUR 576.5 million at 31 December 2010 (31 December 2009: EUR 563.3 million). These are secured by customers' assets. Regarding the Company's co-investments in private equity funds, the Company has capital commitments of EUR 66.2 million at 31 December 2010 (31 December 2009: EUR 95.3 million).

Risk concentrations of the maximum exposure to credit risk
Concentration of risk is managed by counterparty. The maximum credit exposure to one client or counterparty as of 31 December 2010 was EUR 1,301 million in the category Institutional investors (31 December 2009: EUR 1,006 million).

EUR x million	2010	2010	2009	2009
	EUR	**%**	**EUR**	**%**
Counterparty risk concentrations of the maximum exposure to credit risk				
Central governments and central banks	3,341.9	35.4	4,001.2	40.5
Institutional investors	2,396.9	25.4	2,448.0	24.7
Corporates	522.1	5.5	231.7	2.3
Retail	2,249.0	23.9	2,204.4	22.3
Equity	112.9	1.2	187.0	1.9
Securitizations	809.3	8.6	820.3	8.3
Total maximum credit risk exposure	**9,432.1**	**100.0**	**9,892.6**	**100.0**

Collateral and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Procedures are in place regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

– For securities lending: cash or securities
– For retail lending and private loans: mortgages on residential properties and securities
– For counterparty credit risk arising from derivative transactions, adequate documentation is in place, including daily margining and cash collateral exchange.

Management monitors the market value of the collateral and requests additional collateral in accordance with the underlying agreement if necessary.

Credit quality per class of financial assets
The credit quality of financial assets is managed by using the Rabobank Risk Rating and in certain cases external credit ratings, which reflect the counterparty's probability of default over a one-year period. High-grade assets have (virtually) no risk, standard-grade assets are adequate to good in terms of credit quality, while sub-standard grade and past due, but not impaired assets are vulnerable to defaults. The tables below show the credit quality by class of asset, based on the rating methodology applied:

EUR x million	Financial assets that are neither past due nor impaired			Individually impaired	Past due but not impaired	Total
At 31 December 2010	High grade	Standard grade	Sub-standard grade			
Non-current assets						
Financial assets						
Available-for-sale	2,276.3	57.1	4.8	36.9	-	2,375.1
Government bonds	*690.8*	*3.7*	-	-	-	*694.5*
Bank bonds	*797.0*	*23.2*	-	-	-	*820.2*
Asset-backed securities	*641.1*	*14.7*	*4.8*	*36.5*	-	*697.1*
Other debt securities	*147.4*	*15.5*	-	*0.4*	-	*163.3*
Held-to-maturity	112.1	-	-	-	-	112.1
Designated at fair value through profit or loss	1,000.3	621.3	0.1	4.5	24.6	1,650.8
Loans and advances	932.8	853.1	35.4	2.8	7.7	1,831.8
Current assets						
Loans and advances	403.9	69.9	-	-	-	473.8
Other current financial assets	1,022.5	172.0	38.7	-	-	1,233.2
Cash and cash equivalents	962.1	9.6	-	-	-	971.7
Total	**6,710.0**	**1,783.0**	**79.0**	**44.2**	**32.3**	**8,648.5**

EUR x million						
At 31 December 2009						
Non-current assets						
Financial assets*						
Available-for-sale	3,195.6	232.7	49.8	15.4	-	3,493.5
Government bonds	*1,557.8*	*21.8*	*45.6*	-	-	*1,625.2*
Bank bonds	*870.4*	*122.7*	-	-	-	*993.1*
Asset-backed securities	*590.2*	*58.9*	*2.5*	*12.8*	-	*664.4*
Other debt securities	*177.2*	*29.3*	*1.7*	*2.6*	-	*210.8*
Held-to-maturity	385.9	15.0	24.9	-	-	425.8
Designated at fair value through profit or loss	951.9	632.2	0.3	-	22.5	1,606.9
Loans and advances	1,334.1	879.7	26.9	-	18.2	2,258.9
Current assets						
Loans and advances	165.7	-	-	-	-	165.7
Cash and cash equivalents	1,195.2	1.6	-	-	-	1,196.8
Total	**7,228.4**	**1,761.2**	**101.9**	**15.4**	**40.7**	**9,147.6**

* In the figures of 2009 the current portion of the non current financial assets is included under the non-current financial assets.

Loan loss allowance

Movements on the loan loss allowance account during the year are as follows:

EUR x million	2010			2009		
	Loans and advances	Designated at fair value through profit or loss	Total	Loans and advances	Designated at fair value through profit or loss	Total
Balance at 1 January	**6.1**	**0.7**	**6.8**	**1.6**	**0.5**	**2.1**
Charge for the year	0.6	0.6	1.2	6.5	0.4	6.9
Amounts written off and other charges	− 5.3	-	− 5.3	− 2.0	− 0.2	− 2.2
Balance at 31 December	**1.4**	**1.3**	**2.7**	**6.1**	**0.7**	**6.8**

Aging analysis of loans past due but not impaired by financial asset class

EUR x million	< 30 days past due	> 31 ≤ 60 days past due	> 61 ≤ 90 days past due	> 90 days past due	Total
At 31 December 2010					
Non-current assets					
Financial assets					
Designated at fair value through profit or loss	*6.8*	*14.8*	*2.8*	*0.2*	*24.6*
Loans and advances	*5.0*	*0.8*	*1.5*	*0.4*	*7.7*
Current assets	-	-	-	-	-
Total	**11.8**	**15.6**	**4.3**	**0.6**	**32.3**
EUR x million					
At 31 December 2009					
Non-current assets					
Financial assets					
Designated at fair value through profit or loss	*4.4*	*11.7*	*3.1*	*3.3*	*22.5*
Loans and advances	*2.1*	*1.6*	*0.3*	*14.2*	*18.2*
Current assets	-	-	-	-	-
Total	**6.5**	**13.3**	**3.4**	**17.5**	**40.7**

Of the total amount of gross loans to customers that were past due but not impaired, the fair value of collateral that the Company held at 31 December 2010 was EUR 40.0 million (2009:EUR 45.2 million). See 'Collateral and other credit enhancements' for the details of types of collateral held.

Interest rate risk

Interest rate risk is governed by the Interest Rate Risk Policies, which are approved by the Asset and Liability Committee and the Management Board of Robeco Direct N.V. Interest rate risk relates to the Asset and Liability activities within the Company. The sensitivity of trading book positions to changes in interest rates is measured, monitored and controlled as an integral part of market risk. Interest rate risk in the banking book is part of the Pillar II capital adequacy assessment.

Interest rate risk is measured through the Value at Risk of equity, on a mark-to-market (fair value) basis. Value at Risk is calculated using historical simulation; seven years' price history, a 99% one-tailed confidence level and a 1-month holding period for all investments books except trading books. The Value at Risk at 31 December 2010, at a 99% confidence level and 1-month holding period amounts EUR 4.3 million (year end 31 December 2009: EUR 5.6 million) versus a limit of EUR 15 million, excluding the trading positions that are included in the Market Risk Value at Risk.

Given the positions in the investment books, the Value at Risk calculations provide senior management with insight into a potential loss threshold (EUR 4.3 million at year-end) and the (inverse) probability (1%) that this threshold is exceeded due to extreme interest rate movements in the holding period. The main benefit of the historical simulation approach is that it does not rely on statistical assumptions regarding the price/interest rate changes. The main disadvantage is the relative importance of the definition of the sample period and the implicit assumption that the 7 years of history are representative for the next holding period. Therefore, from a risk management perspective, the Value at Risk calculations are complemented by several trading controls. Delta vectors are calculated representing the absolute change in the market value of equity following from a 1 bp shock in a single maturity (time bucket) of the yield curve. Level Control is a control on the overall level of deltas. Curvature Control is in place to detect positions that have an extreme barbell character. Barbell positions tend to be duration-neutral. Finally, steepness control restricts an unequal distribution of positive and negative deltas over the time buckets.

Additional risk measures applied by the Company are: Income at Risk, Earnings at Risk and Equity at Risk:

- Income at Risk is a short-term indicator defined as a possible decline in interest income during the next 12 months if interest rates change by a maximum size compared to the interest income if interest rates stay constant. The statement of financial position is assumed to be stable. Income at Risk is calculated by running 3 scenarios (stable, up, down) and by determining the worst interest income downswing.
- Earnings at Risk measure an estimate of change in earnings when interest rates change. Earnings at Risk is calculated during the first and second 12-month period after the reporting date, based on scenarios of gradual shifts away from the yield curve, over the course of 12 months, to a value 200 bps above and below the baseline projection.
- Equity at Risk is a measure of long-term interest rate risk. It expresses the sensitivity of the market value of equity to interest rate fluctuations and is defined as the relative (%) change of the market value of equity resulting from a parallel shift of the relevant yield curves of 100 bps. For regulatory reporting, shifts of 200 bps are used.

The management of Robeco Direct N.V. receives interest rate risk reports on a weekly basis. The Asset and Liability Committee receives monthly interest rate risk reports containing an extensive analysis of the interest rate risk exposures and their changes. The report includes a description of market developments, an explanation of changes in the value of the different risk measures, a description of cash flow developments and activities related to portfolio maintenance. It also contains an outlook for the next period.

The tables below summarize the Company's exposure to interest rate risk. Included in the table are the Company's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates. The carrying amounts of derivative financial assets which are principally used to reduce the Company's exposure to interest rate movements are included in 'Other derivates'. The off-balance sheet gap represents the net notional amounts of all interest-rate sensitive derivative financial instruments.

Expected repricing and maturity dates do not differ significantly from the contractual dates, except for the maturity of EUR 538.8 million (2009: EUR 503.4 million) of 'Loans and advances' and EUR 7,588.9 million (2009: EUR 7,560.9 million) of 'Due to customers and banks' up to one month, of which 81.0% (2009: 73.6%) represents balances on current accounts considered by the Company as a relatively stable core source of funding of its operations.

EUR x million	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Non-interest-bearing	Total
At 31 December 2010							
Non-current assets							
Financial assets							
Available-for-sale	428.9	402.1	29.8	1,444.3	62.8	86.0	2,453.9
Held-to-maturity	-	-	-	112.1	-	-	112.1
Designated at fair value through profit or loss	25.4	71.0	99.7	847.6	602.2	39.2	1,685.1
Loans and advances	630.1	171.2	22.8	685.5	318.7	3.5	1,831.8
Derivative financial instruments	3.4	5.6	9.2	2.8	1.1	-	22.1
Current assets							
Loans and advances	96.6	187.6	122.9	30.6	-	36.1	473.8
Financial assets held for trading	-	3.4	41.8	146.7	36.8	534.0	762.7
Other current financial assets	114.0	385.8	733.4	-	-	-	1,233.2
Other receivables	-	-	-	-	-	325.0	325.0
Derivative financial instruments	5.5	-	0.2	-	-	-	5.7
Cash and cash equivalents	971.7	-	-	-	-	-	971.7
Total assets	**2,275.6**	**1,226.7**	**1,059.8**	**3,269.6**	**1,021.6**	**1,023.8**	**9,877.1**

EUR x million	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Non-interest-bearing	Total
At 31 December 2010							
Non-current liabilities							
Subordinated loans	-	37.7	-	-	-	-	37.7
Other interest-bearing loans and borrowings	-	-	-	-	215.0	-	215.0
Total return swaps	-	-	-	-	-	208.1	208.1
Other derivative financial instruments	89.0	9.4	27.2	-	1.0	18.5	145.1
Other non-current liabilities	-	-	-	-	-	8.3	8.3
Current liabilities							
Interest-bearing loans due to customers	6,478.5	31.2	1.0	12.3	15.1	23.5	6,561.6
Interest-bearing loans due to banks	1,106.2	-	-	-	-	6.1	1,112.3
Total return swaps	-	-	-	-	-	48.2	48.2
Other derivative financial instruments	-	-	0.4	-	-	-	0.4
Financial liabilities at fair value	-	-	-	-	-	269.6	269.6
Financial liabilities at amortized cost	-	-	-	-	2.1	-	2.1
Other non financial liabilities	-	-	-	-	-	335.9	335.9
Total liabilities	**7,673.7**	**78.3**	**28.6**	**12.3**	**233.2**	**918.2**	**8,944.3**
On-balance sheet interest sensitivity gap	**– 5,398.1**	**1,148.4**	**1,031.2**	**3.257.3**	**788.4**	**105.6**	**932.8**
Off-balance sheet interest sensitivity gap	**– 12.1**	**– 2.7**	**– 139.6**	**– 1,406.5**	**– 999.1**	**-**	
Total interest sensitivity gap	**– 5,410.2**	**1,145.7**	**891.6**	**1,850.8**	**– 210.7**	**105.6**	

EUR x million	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Non-interest-bearing	Total
At 31 December 2009							
Non-current assets							
Financial assets*	**1,178.1**	**1,123.0**	**841.9**	**3,190.1**	**1,445.2**	**76.1**	**7,854.4**
Available-for-sale	484.9	745.4	514.5	1,694.0	61.9	53.8	3,554.5
Held-to-maturity	53.5	-	123.6	248.7	-	-	425.8
Designated at fair value through profit or loss	5.6	17.9	111.6	562.4	903.4	20.5	1,621.4
Loans and advances	634.1	359.7	92.2	685.0	479.9	1.8	2,252.7
Derivative financial instruments	0.1	0.7	8.7	4.6	2.0	-	16.1
Current assets							
Loans and advances	52.0	0.5	33.7	-	-	79.5	165.7
Financial assets held for trading	-	-	0.6	151.0	75.9	531.4	758.9
Other receivables	16.0	0.1	-	-	-	278.0	294.1
Derivative financial instruments	-	0.1	-	-	-	1.0	1.1
Cash and cash equivalents	1,171.0	25.0	-	-	-	0.8	1,196.8
Total assets	**2,417.2**	**1,149.4**	**884.9**	**3,345.7**	**1,523.1**	**966.8**	**10,287.1**

EUR x million	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Non-interest-bearing	Total
At 31 December 2009							
Non-current liabilities							
Subordinated loans	-	37.7	-	-	-	-	37.7
Other interest-bearing loans and borrowings	-	-	-	-	199.3	-	199.3
Total return swaps	-	-	-	-	-	243.4	243.4
Other derivative financial instruments	81.6	11.8	17.8	-	-	22.9	134.1
Other non-current liabilities	-	-	-	-	-	1.3	1.3
Current liabilities							
Interest-bearing loans due to customers	6,834.5	268.1	10.6	1.1	25.8	3.4	7,143.5
Interest-bearing loans due to banks	1,018.1	-	-	-	-	43.8	1,061.9
Other derivative financial instruments	0.4	0.3	0.1	-	-	1.2	2.0
Financial liabilities at fair value	-	-	-	-	-	364.9	364.9
Financial liabilities at amortized cost	-	-	-	-	2.2	-	2.2
Other non financial liabilities	7.0	-	-	-	-	392.6	399.6
Total liabilities	**7,941.6**	**317.9**	**28.5**	**1.1**	**227.3**	**1,073.5**	**9,589.9**
On-balance sheet interest sensitivity gap	**– 5,524.4**	**831.5**	**856.4**	**3,344.6**	**1,295.8**	**– 106.7**	**697.2**
Off-balance sheet interest sensitivity gap	**– 5.1**	**-**	**– 25.0**	**– 977.9**	**– 1,116.3**	**-**	
Total interest sensitivity gap	**– 5,529.5**	**831.5**	**831.4**	**2,366.7**	**179.5**	**– 106.7**	

* In the figures of 2009 the current portion of the non current financial assets is included under the non-current financial assets.

The following liability items are part of the IAS 39 category Other liabilities: Subordinated loans, Other interest-bearing loans and borrowings, Other non-current liabilities, Interest-bearing loans due to customers and Interest-bearing loans due to banks. The Total return swaps and Other derivative financial instruments are part of the IAS 39 category Held for trading.

Liquidity risk

Liquidity risk relates to the banking activities within the Company. The Company is exposed to daily calls on its available cash resources from overnight deposits, maturing deposits and other financial instruments, non-maturity retail saving accounts, guarantees and commitments and from margin and other calls on cash settled derivative financial instruments. The Company does not maintain cash resources to meet all these needs as experience shows that withdrawal of funds (mainly retail savings) usually goes smoothly and a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Asset and Liability Committee monitors the liquidity position of the asset and liability activities on a monthly basis.

The Asset and Liability activities of the Company can best be described as a liability driven banking operation. Entrusted funds come predominantly from savings from retail clients, whereby statistical research and behavioural observation based savings are matched by corresponding investments. As part of the ongoing efforts to improve the risk management framework, management, in close cooperation with Group Risk Management and Group Finance has further enhanced its liquidity risk infrastructure enabling management to swiftly respond to potential liquidity opportunities and risks.

The Asset and Liability Committee receives a monthly liquidity risk report in which daily, weekly and monthly liquidity indicators are shown for normal and stressed circumstances. The report contains assessments on potential clients behaviour and the most recent insights on the marketability of financial assets held. The analysis made is in supplement to the liquidity reports as prepared for regulatory purposes.

The table on the next page summarizes the maturity profile of the Company's financial assets and liabilities as at 31 December. Trading derivatives are shown at fair value in a separate column. All derivatives used for hedging purposes are shown by maturity, based on their contractual undiscounted repayment obligations.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date the Company could be required to pay and the table does not reflect the expected cash flows indicated by the Company's deposit retention history. Mortgage portfolios are included on the basis of their weighted average lives.

In the tables on the next page equity securities are classified as no maturity, unless they regard participations in special purpose companies, established for the issuance of bonds. In those cases the maturity of the equity equals that of the issued bonds. Financial instruments held for trading (other than equities) are classified based on the maturity dates of these instruments.
Future interest receivables have been included in the line item Other receivables and future interest payables in the line item Other non financial liabilities.

EUR x million	On demand	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	No maturity date	Total
At 31 December 2010								
Financial assets								
Non-current assets								
Available-for-sale	-	-	-	-	2,225.5	165.5	78.7	2,469.7
Held-to-maturity	-	-	-	-	109.5	-	-	109.5
Designated at fair value through profit or loss	-	-	-	-	651.8	908.3	34.2	1,594.3
Loans and advances	-	-	-	-	696.0	1,129.5	5.0	1,830.5
Derivative financial instruments	-	1.9	4.5	1.6	18.6	3.0	-	29.6
Current assets								
Loans and advances	-	109.5	79.4	281.8	-	-	3.8	474.5
Financial assets held for trading	-	-	2.4	47.8	130.6	34.5	533.9	749.2
Other current financial assets	-	59.0	315.7	856.4	-	-	-	1,231.1
Other receivables	42.8	103.3	89.9	200.8	562.5	172.7	10.4	1,182.4
Derivative financial instruments	-	2.8	2.7	0.2	-	-	-	5.7
Cash and cash equivalents	944.2	27.5	-	-	-	-	-	971.7
Total undiscounted financial assets	**987.0**	**304.0**	**494.6**	**1,388.6**	**4,394.5**	**2,413.5**	**666.0**	**10,648.2**
Total undiscounted non derivative financial assets	***987.0***	***299.3***	***487.4***	***1,386.8***	***4,375.9***	***2,410.5***	***666.0***	***10,612.9***
Financial liabilities								
Non-current liabilities								
Subordinated loans	-	-	-	-	-	37.7	-	37.7
Other interest-bearing loans and borrowings	-	-	-	-	-	215.0	-	215.0
Total return swaps	-	-	-	-	148.7	59.4	-	208.1
Other derivative financial instruments	-	0.5	1.3	14.7	61.0	115.4	-	192.9
Other non-current liabilities	-	-	-	-	8.3	-	-	8.3
Current liabilities								
Interest-bearing loans due to customers	5,132.3	1,369.3	31.0	0.3	-	28.7	-	6,561.6
Interest-bearing loans due to banks	6.7	1,105.6	-	-	-	-	-	1,112.3
Total return swaps	-	-	5.1	43.1	-	-	-	48.2
Other derivative financial instruments	-	-	-	0.4	-	-	-	0.4
Financial liabilities at fair value	-	10.3	26.4	22.3	61.0	156.3	-	276.3
Financial liabilities at amortized cost	-	-	-	-	-	1.9	-	1.9
Other non financial liabilities	10.2	156.6	94.6	68.0	-	-	0.6	330.0
Total undiscounted financial liabilities	**5,149.2**	**2,642.3**	**158.4**	**148.8**	**279.0**	**614.4**	**0.6**	**8,992.7**
Total undiscounted non derivative financial liabilities	***5,149.2***	***2,641.8***	***152.0***	***90.6***	***69.3***	***439.6***	***0.6***	***8,543.1***
Commitments and guarantees	642.7	-	-	-	-	-	-	642.7
Net undiscounted financial assets/ liabilities	**– 4,804.9**	**– 2,338.3**	**336.2**	**1,239.8**	**4,115.5**	**1,799.1**	**665.4**	**1,012.8**

EUR x million	On demand	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	No maturity date	Total
At 31 December 2009								
Financial assets								
Non-current assets*	**-**	**275.4**	**306.2**	**1,071.4**	**4,005.2**	**2,226.3**	**54.7**	**7,939.2**
Available-for-sale	-	137.4	257.2	696.9	2,437.7	157.7	40.3	3,727.2
Held-to-maturity	-	53.5	-	122.8	244.5	-	-	420.8
Designated at fair value through profit or loss	-	-	10.0	106.5	518.5	889.7	14.4	1,539.1
Loans and advances	-	84.5	39.0	145.2	804.5	1,178.9	-	2,252.1
Derivative financial instruments	-	0.2	-	9.6	15.8	9.8	-	35.4
Current assets								
Loans and advances	1.6	78.6	18.9	34.0	27.7	-	4.9	165.7
Financial assets held for trading	-	-	-	0.4	151.5	71.1	530.4	753.4
Other current financial assets								
Other receivables	23.0	96.4	85.6	196.6	545.7	206.5	2.5	1,156.3
Derivative financial instruments	0.4	0.7	-	-	-	-	-	1.1
Cash and cash equivalents	1,047.6	124.2	25.0	-	-	-	-	1,196.8
Total undiscounted financial assets	**1,072.6**	**575.5**	**435.7**	**1,312.0**	**4,745.9**	**2,513.7**	**592.5**	**11,247.9**
Total undiscounted non derivative financial assets	***1,072.2***	***574.6***	***435.7***	***1,302.4***	***4,730.1***	***2,503.9***	***592.5***	***11,211.4***
Financial liabilities								
Non-current liabilities								
Subordinated loans	-	-	-	-	-	37.7	-	37.7
Other interest-bearing loans and borrowings	-	-	-	-	-	199.3	-	199.3
Total return swaps	-	-	-	-	147.2	96.1	-	243.4
Other derivative financial instruments	-	0.1	2.6	33.0	72.4	107.8	-	217.1
Other non-current liabilities	-	1.3	-	-	1.3	-	-	1.3
Current liabilities								
Interest-bearing loans due to customers	4,917.5	1,846.3	342.1	10.6	1.0	26.0	-	7,143.5
Interest-bearing loans due to banks	9.3	1,052.6	-	-	-	-	-	1,061.9
Other derivative financial instruments	0.1	1.0	-	0.9	-	-	-	2.0
Financial liabilities at fair value	-	-	67.2	153.6	163.8	-	6.2	390.8
Financial liabilities at amortized cost	-	-	-	-	2.2	-	-	2.2
Other non financial liabilities	17.5	214.6	110.9	42.8	11.8	3.0	0.5	401.1
Total undiscounted financial liabilities	**4,944.4**	**3,115.9**	**522.8**	**240.9**	**399.7**	**469.9**	**6.7**	**9,700.3**
Total undiscounted non derivative financial liabilities	***4,944.3***	***3,113.6***	***520.2***	***207.0***	***327.3***	***362.1***	***6.7***	***9,481.2***
Commitments and guarantees	658.5	-	-	-	-	-	-	658.5
Net undiscounted financial assets/ liabilities	**– 4,530.3**	**– 2,540.4**	**– 87.1**	**1,071.1**	**4,346.2**	**2,043.8**	**585.8**	**889.1**

* In the figures of 2009 the current portion of the non current financial assets is included under the non-current financial assets.

The total amounts presented before do not reconcile with the consolidated statement of financial position, due to recognition of the undiscounted cash flows.

The Company maintains a portfolio of highly marketable and diverse assets, a major part of which are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. In addition, the Company maintains a statutory deposit with the Dutch Central Bank equal to 2% of customer deposits. Also a relatively large cash amount is currently held at banks. In accordance with the Company's policy the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

Currency risk

The Company is exposed to the impact of fluctuations in the prevailing foreign currency rates on its financial position and cash flows. The Management Board sets limits on the level of exposure by currency and in total which are monitored on a daily basis (trading financial assets and liabilities) or on a monthly basis for non-trading currency exposures as part of managing translation risks as detailed in note 36 Derivative financial instruments. There were no significant exposures in foreign currencies at reporting date.

Market risk

Market risk is governed by the Market Risk Policies that are approved by the Asset and Liability Committee. The purpose of these policies is to protect the capital of the Company and to allow market risk exposures without duly compromising the group's or bank's capital or the stability of its earnings. The Company's use of market risk capacity is primarily oriented towards the facilitation of seeding requests (to build track records or to provide initial or temporary capital), secondary market support and the hedging of structured products issued by the Group. Market risk is calculated using the Value at Risk engines in Rabobank International's Global Market Risk infrastructure. In line with the Rabobank's methodology for trading portfolios, the Company's Value at Risk figure is calculated using the historical simulation method with a sample period of twelve months of unweighted daily data (approx. 260 daily scenarios for the risk factors). For each instrument, the individual risk factors are defined and taken into account. The historical scenarios with the market risk factors are obtained from different suppliers and stored in a historical market database. Data are evaluated and diagnosed for data outliers on a daily basis. New regulations with regards to market risk management have been announced and will be implemented before the end of 2011.

The Value at Risk of a trading portfolio is the maximum loss in the trading portfolio over a given holding period, at a particular confidence level, assuming that positions cannot be adjusted during the holding period. At a confidence level of 97.5%, for example, the daily VaR figure represents the threshold for the potential trading loss that will not be exceeded in 195 out of 200 trading days. The main objective of the VaR calculation is to provide senior management with insight into this loss threshold and the probability (5 out of 200 days) of exceeding this threshold. To attain this objective, the Value at Risk methodology is able to represent risk in equivalent units across products traded, permitting consolidation, and effective comparison of risk factors across the various trading activities.

Several Value at Risk figures are calculated: a VaR at a 97.5% confidence interval, and a 1-day close-out period for limit-setting and daily monitoring purposes. To demonstrate model integrity, a 1-day 99% Value at Risk is back-tested against hypothetical and actual gains and losses, on a daily basis.

The main benefit of the historical simulation approach is that it does not rely on statistical assumptions (such as what is known as a normal distribution for the daily returns of trading portfolio assets). The main disadvantage is the relative importance of the definition of the sample period and the implicit assumption that the 260 historical scenarios are representative for the next holding period. Therefore, Value at Risk calculations are complemented by trading controls and operational restrictions, designed to control b ehaviour in trading areas and risk factors directly. Trading controls aim to prevent concentrations of exposures in risk factors and serve to influence the portfolio structure. Besides, under the latest market risk limit and control structure, two new limits have been introduced (former trading controls); the concentration limit framework and the notional delta limits per activity. Note that limits are

EUR x million	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets				
Financial assets available-for-sale	2,453.9	2,453.9	3,554.5	3,554.5
Financial assets held-to-maturity	112.1	114.3	425.8	431.4
Financial assets designated at fair value through profit or loss	1,685.1	1,685.1	1,621.4	1,621.4
Financial assets loans and advances	1,831.8	1,854.0	2,252.7	2,264.8
Derivative financial instruments	22.1	22.1	16.1	16.1
Current assets				
Loans and advances	473.8	473.6	165.7	165.7
Financial assets held for trading	762.7	762.7	758.9	758.9
Other current financial assets	1,233.2	1,234.0	1,389.9	1,389.9
Other receivables	325.0	325.0	294.1	294.1
Derivative financial instruments	5.7	5.7	1.1	1.1
Cash and cash equivalents	971.7	971.7	1,196.8	1,196.8

EUR x million	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities				
Subordinated loans	37.7	37.7	37.7	37.7
Other interest-bearing loans and borrowings	215.0	225.5	199.3	196.6
Employee benefit liability	34.8	34.8	15.4	15.4
Total return swaps	208.1	208.1	243.4	243.4
Other derivative financial instruments	145.1	145.1	134.1	134.1
Other non-current liabilities	8.3	8.3	1.3	1.3
Current liabilities				
Interest-bearing loans due to customers	6,561.6	6,558.2	7,143.5	7,144.8
Interest-bearing loans due to banks	1,112.3	1,112.3	1,061.9	1,061.9
Total return swaps	48.2	48.2	-	-
Other derivatives financial instruments	0.4	0.4	2.0	2.0
Financial liabilities at fair value	269.6	269.6	364.9	364.9
Financial liabilities at amortized cost	2.1	1.1	2.2	2.2

more important in terms of the excess/change procedure than trading controls. Dealings may only be undertaken in authorized products to secure correct processing through front, mid and back office systems.

Limits and trading controls are monitored for excesses on a daily basis. Changes in limits and trading controls and excesses require approval from the Head of Global Risk Management, the Asset and Liability Committee or risk committees at a Rabobank Group level, depending on the scope or severity.

The Asset and Liability Committee discusses monthly market risk reports. These reports contain a market risk monitor, focusing on the development of Value at Risk and back-test results for the actual and hypothetical gains and losses. Additionally, the report contains requests for limit and trading control changes, as well as a summary of excesses over the reporting period. In addition to the above a monthly seeding and co-investment report is discussed in the Asset and Liability Committee.

The Value at Risk at 31 December 2010, at a 97.5% one-tailed confidence level and a 1-day holding period amounts to EUR –0.8 million (31 December 2009: EUR –0.9 million) versus a limit of EUR –2.0 million (31 December 2009: EUR –2.0 million).

Fair values of financial assets and liabilities

The table to the left represents the fair value of financial instruments, including those not reflected in the financial statements at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For financial instruments carried at fair value, market prices or rates are used to determine the fair value where an active market exists (such as a recognized stock exchange), as it is the best evidence of the fair value of a financial instrument. If therefore no active market price or rate is available, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions existing at the reporting dates.

The values derived from applying these techniques are significantly affected by the choice of valuation model used and the underlying assumptions made concerning factors such as the amounts and timing of future cash flows, discount rates, volatility and credit risk.

For the valuation of options in structured products, a (standard) option valuation model is used in combination with a 'Volatility observing Rule'and allows for a differentiation of volatilities for different option maturities. The initial Volatility Rule methodology is set by the Valuation Committee.

The following methods and assumptions have been applied in determining the fair values of the financial instruments presented in the table above, both for financial instruments carried at fair value, and those carried at cost (for which fair values are provided as a comparison):

1. Trading financial assets and liabilities, financial assets designated at fair value and derivative financial instruments are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, the fair value is estimated from appropriate discounted cash-flow models and option valuation models;
2. Financial assets classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, the fair value is estimated from appropriate discounted cash-flow models and option valuation models;
3. The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the reporting date, i.e. their carrying amounts at this date;
4. The carrying amount of cash and cash equivalent assets and other assets maturing within 12 months is assumed to approximate their fair values. This assumption is applied to cash and cash equivalent assets and the short-term elements of all other financial assets and liabilities;
5. The fair value of variable rate financial assets is based on the carrying amount until maturity. Changes in the credit quality of loans within the portfolio are not taken into account in determining the fair value. The impact of credit risk is recognized separately by the use of an allowance account which is determined by an individually assessment of the loans whether objective evidence of impairment exists. The fair value of the loans is reduced by this allowance account;
6. The fair value of fixed rate loans and mortgages carried at amortized cost is estimated by using discounted cash flow calculations based upon current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining fair value. The impact of credit risk is recognized separately by the use of an allowance account which is determined by an individually assessment of the loans whether objective evidence of impairment exists. The fair value of the loans is reduced by this allowance account.

The table below presents the valuation methods used to determine the fair values of financial instruments carried at fair value:

EUR x million	Quoted market prices in active markets **Level 1**	Valuation techniques- market observable inputs **Level 2**	Valuation techniques – non-market observable inputs **Level 3**	**Total**
31 December 2010				
Financial assets				
Financial assets Available-for-sale				
Government bonds	1,345.9	-	-	1,345.9
Bank bonds	1,030.3	-	-	1,030.3
Asset-backed securities	96.7	662.7	49.9	809.3
Other debt securities	219.3	-	1.8	221.1
Equity securities	13.6	1.8	63.3	78.7
	2,705.8	**664.5**	**115.0**	**3,485.3**
Financial assets designated at fair value through profit or loss				
Mortgages	-	662.9	-	662.9
Government bonds	441.7	-	-	441.7
Bank bonds	444.9	-	-	444.9
Other debt securities	168.6	24.5	-	193.1
Equity securities	21.1	13.1	-	34.2
	1,076.3	**700.5**	**-**	**1,776.8**
Financial assets held for trading				
Other debt securities	25.6	203.2	-	228.8
Equity securities	84.7	287.7	161.5	533.9
	110.3	**490.9**	**161.5**	**762.7**
Derivative financial instruments				
Funded total return swaps	-	0.7	-	0.7
Forward currency contracts	-	5.5	-	5.5
Interest rate swaps	-	18.3	-	18.3
Swaptions	-	1.0	-	1.0
Equity swaps	-	2.3	-	2.3
	-	**27.8**	**-**	**27.8**
Financial liabilities				
Total return swaps	**-**	**256.3**	**-**	**256.3**
Other derivative financial instruments				
Forward currency contracts	-	0.0	-	0.0
Interest rate swaps	-	125.5	-	125.5
Equity swaps	-	18.5	-	18.5
Credit default swaps	-	0.5	-	0.5
Swaptions	-	1.0	-	1.0
	-	**145.5**	**-**	**145.5**
Financial liabilities at fair value	**-**	**172.4**	**97.2**	**269.6**

EUR x million	Quoted market prices Level 1	Valuation techniques- market observable inputs Level 2	Valuation techniques – non-market observable inputs Level 3	Total
31 December 2009				
Financial assets				
Financial assets Available-for-sale				
Government bonds	1,625.3	-	-	1,625.3
Bank bonds	993.1	-	-	993.1
Asset-backed securities	201.2	426.6	36.6	664.4
Other debt securities	203.7	2.8	4.3	210.8
Equity securities	8.6	0.9	51.4	60.9
	3,031.9	**430.3**	**92.3**	**3,554.5**
Financial assets designated at fair value through profit or loss				
Mortgages	-	663.0	-	663.0
Government bonds	439.5	-	-	439.5
Bank bonds	367.2	4.8	-	372.0
Other debt securities	131.8	-	-	131.8
Equity securities	15.1	-	-	15.1
	953.6	**667.8**	**-**	**1,621.4**
Financial assets held for trading				
Other debt securities	24.7	202.8	-	227.5
Equity securities	105.1	299.6	126.7	531.4
	129.8	**502.4**	**126.7**	**758.9**
Derivative financial instruments				
Funded total return swaps	-	4.0	-	4.0
Forward currency contracts	-	0.1	-	0.1
Interest rate swaps	-	8.6	-	8.6
Swaptions	-	0.8	-	0.8
Equity swaps	-	2.6	-	2.6
Credit default swaps	-	0.1	-	0.1
Other	-	1.0	-	1.0
	-	**17.2**	**-**	**17.2**
Financial liabilities				
Total return swaps	**-**	**243.4**	**-**	**243.4**
Held for trading	**6.2**	**-**	**-**	**6.2**
Other derivative financial instruments				
Forward currency contracts	-	0.7	-	0.7
Interest rate swaps	-	112.0	-	112.0
Equity swaps	-	21.0	-	21.0
Credit default swaps	-	1.9	-	1.9
Other	-	0.5	-	0.5
	-	**136.1**	**-**	**136.1**
Financial liabilities at fair value	**-**	**264.3**	**94.4**	**358.7**

The following table shows transfers between level 1 and level 2 of the fair value hierarchy for financial assets and liabilities recorded at fair value:

EUR x million	**2010**	2009
Transfers from level 1 to level 2		
Financial assets Available-for-sale		
Asset-backed securities	173.9	426.6
Other debt securities	-	2.8
Transfers from level 2 to level 1		
Financial assets held for trading		
Equity securities	8.0	-
Financial liabilities held for trading		
Equity securities	-	6.2

The abovementioned financial assets are transferred from level 1 to level 2 due to their values being obtained applying valuation techniques with market-observable inputs as the asset-backed securities were not actively traded during the year in which they were transferred.

Certain asset-backed securities transferred from level 1 to level 3 as they ceased to be actively traded and their valuation incorporated non-market-observable inputs (carrying amounts 2010: EUR 3.9 million; 2009: EUR 53.7 million). Moreover, certain asset-backed securities (carrying amount 2010: EUR 23.3 million) and equity securities (carrying amount 2009: EUR 62.2 million) transferred from level 2 to level 3 because the effect of non-market observable inputs on prices calculated by the applied valuation models increased from minor to significant. Other asset-backed securities (carrying amount 2010: EUR 20.5 million) transferred from level 3 to level 2, as the effect of non-market observable inputs on prices calculated by valuation models decreased to minor.

For level-3 financial instruments held for trading, the Company adjusted the latest valuations to reduce the time lag between the moment of valuation and the availability of information at reporting dates by assessing additional required information from underlying independent fund managers. The fair value sensitivity of l evel-3 instruments mainly consists of held-for-trading and co-investments securities . The sensitivity analysis results in a fair value variance of about 5.9% representing an unhedged income of EUR 4.9 million in the first quarter of 2011.

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value:

EUR x million	At 1 January 2010	Total gains/ losses recorded in income statement	Total gains/ losses recorded in other comprehensive income	Purchases	Sales	Transfers to level 2	Transfers from level 1 and level 2	At 31 December 2010
Financial assets								
Financial assets available-for-sale								
Asset-backed securities	36.6	– 1.8	11.3	-	– 2.9	– 20.5	27.2	49.9
Other debt securities	4.3	– 2.2	– 0.3	-	-	-	-	1.8
Equity securities	51.4	-	10.1	3.6	– 1.8	-	-	63.3
	92.3	**– 4.0**	**21.1**	**3.6**	**– 4.7**	**– 20.5**	**27.2**	**115.0**
Financial assets held for trading								
Equity securities	126.7	17.7	-	31.0	– 13.9	-	-	161.5
Total level 3 financial assets	**219.0**	**13.7**	**21.1**	**34.6**	**– 18.6**	**– 20.5**	**27.2**	**276.5**
Financial liabilities								
Total level 3 financial liabilities	-	-	-	-	-	-	-	-
Total net level 3 financial assets / liabilities	**219.0**	**13.7**	**21.1**	**34.6**	**– 18.6**	**– 20.5**	**27.2**	**276.5**

Gains or losses on level 3 financial instruments

Gains or losses on level 3 financial instruments included in the income statement for the years 2010 and 2009 comprise:

EUR x million	2010 Realized gains/losses	2010 Unrealized gains/losses	2010 Total	2009 Realized gains/losses	2009 Unrealized gains/losses	2009 Total
Impairment losses	– 10.3	-	– 10.3	– 4.5	-	– 4.5
Impairment losses reversal	6.3	-	6.3	-	-	-
Results on financial instruments available-for-sale	-	-	-	– 3.4	-	– 3.4
Results on financial instruments held for trading	-	17.7	17.7	-	– 1.4	– 1.4
Total gains or (losses) recognized in profit or loss	**– 4.0**	**17.7**	**13.7**	**– 7.9**	**– 1.4**	**– 9.3**

During the year, certain financial instruments (equity securities) were transferred from level 2 to level 3 of the fair value hierarchy. The carrying amount of the total assets transferred was EUR 23.3 million (2009: 62.6 million). The reason for transferring these equity securities from level 2 to level 3 is that the effect of non-market-observable inputs on prices calculated by the applied valuation models was deemed to have increased from minor to significant.

52. Related party disclosure

The following subsidiaries are currently included in the consolidated financial statements of Robeco Groep N.V.

Name	Country of incorporation	% equity interest 2010	2009
Banque Robeco S.A.	France	100	100
Canara Robeco Asset Management Company Ltd.**	India	49	49
Corestone Investment Managers A.G.	Switzerland	100	100
Harbor Capital Advisors Inc.	United States	100	100
Harbor Funds Distributors Inc.	United States	100	100
Harbor Services Group Inc.	United States	100	100
KenTyde B.V.	Netherlands	81.2	81.2
Robeco A.G.	Switzerland	100	-
Robeco Bestuurder Bewaarder B.V.	Netherlands	100	100
Robeco Direct N.V.	Netherlands	100	100
Robeco Fund Management B.V.	Netherlands	100	100
Robeco General Partner European II B.V.	Netherlands	100	100
Robeco General Partner Funds B.V.	Netherlands	100	100
Robeco General Partner Global II B.V.	Netherlands	100	100
Robeco General Partner Sustainable B.V.	Netherlands	100	100
Robeco Gestions S.A.	France	100	100
Robeco Hong Kong Ltd.	Hong Kong	100	100
Robeco India Holding B.V.	Netherlands	100	100
Robeco Institutional Asset Management B.V.	Netherlands	100	100
Robeco Institutional Asset Management US Inc.	United States	100	100
Robeco International Holding B.V.	Netherlands	100	100
Robeco Investment Management (UK) Ltd. *	United Kingdom	-	100
Robeco Investment Management Inc.	United States	100	100
Robeco Luxembourg S.A.	Luxembourg	100	100
Robeco Manager BSR B.V.	Netherlands	100	100
Robeco Manager Clean Tech II B.V.	Netherlands	100	100
Robeco Manager European III B.V.	Netherlands	100	100
Robeco Manager Global III B.V.	Netherlands	100	100
Robeco Manager Responsible II B.V.	Netherlands	100	100
Robeco Nederland B.V.	Netherlands	100	100
Robeco Schweiz A.G.***	Switzerland	-	100
Robeco Securities Lending B.V.	Netherlands	100	100
Robeco Securities LLC	United States	100	100
Robeco Taiwan Ltd.	Taiwan	100	100
Robeco Teda (Tianjin) Investment Management Co. Ltd **	China	51	51
Robeco Trust Company	United States	100	100
Robeco US Holding Inc.	United States	100	100
Ro-Boetie S.A.S	France	100	100
SAM Group Holding A.G.	Switzerland	100	100
SAM Indexes GmbH	Switzerland	100	100
SAM Private Equity A.G. (former SAM Development A.G.)	Switzerland	100	100
SAM Research A.G.	Switzerland	100	100
SAM Sustainable Asset Management A.G.	Switzerland	100	100
Stichting Deelnemingen Robeco Groep	Netherlands	-	-
Stichting Sociaal Fonds Robeco	Netherlands	-	-
Sustainable Asset Management Australia Pty Ltd.****	Australia	-	100
Sustainable Asset Management USA Inc.	United States	100	100
Transtrend B.V.	Netherlands	100	100

The following funds, temporary controlled by the Company due to seed capital activities, are currently included in the consolidated financial statements of Robeco Groep N.V.

Name	Country of incorporation	% equity interest 2010	2009
Rabo Opbouwhypotheek & ToekomstRekening	Netherlands	-	100
Robeco 130/30 Emerging Markets Equities	Luxembourg	-	69.7
Robeco 130/30 European Equities	Luxembourg	-	64
Robeco European Dividend Extension	Luxembourg	-	88.1
Robeco Indian Equities	Luxembourg	97.3	-
Robeco Multi Alternatives	France	-	66.1
Robeco-Sage Long/Short Equity Fund, Ltd.	United States	100	-
SAM Sustainable Multi-Theme	Switzerland	89.5	99.9
VCM Emerging Managers Fund	Luxembourg	-	99

In addition to these subsidiaries, the following related parties can be identified:

- The Rabobank group; consisting of the parent entity of Robeco Groep N.V.; Rabobank Nederland, as well as entities under the common control of the Company.
- Robeco, Rolinco and Rorento funds
- Stichting Pensioenfonds Robeco
- The associate Analytic Investment Management Trading N.V.
- The associate SET Venture Partners, powered by Chrysalix and Robeco B.V.

In 2009 also the following related party was identified:

- Institute for Research and Investment Services B.V. (IRIS) joint venture with Rabobank Nederland (liquidated in 2010)

* This entity was liquidated in 2010.
** Jointly controlled.
*** Robeco (Schweiz) A.G. has been merged with SAM Sustainable Asset Management A.G.
**** This entity has been sold in 2010.

The table below shows the total income and expenses as well as positions in the statement of financial position which are the result of transactions with the aforementioned related parties for the relevant year.

	Total related parties	
EUR x million	**2010**	2009
Income statement regarding related parties		
Operating income	– 7.3	– 13.5
Operating expenses	11.2	9.7
Operating result	**– 18.5**	**– 23.2**
Finance income / costs	– 10.0	– 6.6
Results on financial instruments held for trading	– 73.6	179.1
Share of profit of associates	0.1	-
Result before tax	**– 102.0**	**149.3**

	Total related parties	
EUR x million	**2010**	2009
Statement of financial position regarding related parties		
Assets		
Non-current assets	691.5	309.7
Current assets	675.0	877.3
Total assets	**1,366.5**	**1,187.0**

	Total related parties	
EUR x million	**2010**	2009
Equity and liabilities		
Total equity	**1,604.8**	**1,366.7**
Non-current liabilities	548.1	531.8
Current liabilities	1,574.0	1,218.1
Total liabilities	**2,122.1**	**1,749.9**
Total equity and liabilities	**3,726.9**	**3,116.6**

Transactions with related parties regarding management fees received from the funds as well as maintenance fees paid are included in operating income. In addition, interest results are realized on transactions with Rabobank. Operating expenses consist mainly of expenses paid to the Stichting Pensioenfonds Robeco relating to long-term employee benefits. Finance costs and income relate to the interest paid to Rabobank regarding among other, the subordinated loans as well as interest received and results realized on investments not part of the banking operations. Results on financial instruments relates to results on derivative financial instruments with Rabobank.

The assets shown consist mainly of investments, derivative financial instruments and cash and short term deposits for which the Company has relationships with Rabobank. The liabilities relate to the equity and loans supplied by Rabobank as well as among others a total return swap for which Rabobank is the counterparty.

Terms and conditions

The sales to and purchases from related parties are made at arm's length market prices. Outstanding receivables or payables at year–end are unsecured and interest free, with settlement being in cash. The Company has not formed a provision for doubtful debts relating to amounts owed by related parties (2009: nil), because the risks involved are not considered material enough to do so. This assessment is made each year by examining the financial position of the related party and the market in which the party operates.

Remuneration of key management personnel

Both the Management Board and the Supervisory Board are acknowledged as key management personnel due to having authority and responsibility for planning, directing and controlling activities of the Company.

Salaries and benefits of EUR 3.5 million (2009: EUR 3.6 million) were awarded to current and former members of the Management Board. Included in salaries and benefits are pension contributions of EUR 0.5 million (2009: EUR 0.4 million) as well as performance-related bonuses of EUR 1.1 million (2009: EUR 0.9 million). Besides the salaries and benefits a severance payment of EUR 1.4 million (2009: EUR 1.1 million) was made to former key management.

Remuneration of the Management Board in 2010 and 2009:

	Base salary		Performance related bonuses [1]				Long term employee benefits				Total	
			Cash bonus current year		Deferred bonus previous years		Pension costs		Other [2]			
EUR x thousand	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
R.M.S.M. Munsters [3]	490	162	225	120	60	-	140	39	48	13	963	334
L.M.T. Boeren	328	324	195	90	336	99	84	81	40	40	983	634
H.W.D.G. Borrie [4]	328	81	160	-	-	-	96	18	35	9	619	108
H.A.A. Rademaker [5]	301	-	150	-	-	-	85	-	32	-	568	-
Former members [6]	270	1,438	-	267	-	351	79	298	52	155	401	2,509
Total	**1,717**	**2,005**	**730**	**477**	**396**	**450**	**484**	**436**	**207**	**217**	**3,534**	**3,585**

1 Performance related bonuses relate to other long term employee benefits (see accounting policy 4.31).
2 Includes social-security costs, social allowances and holiday allowance.
3 As from 1 September 2009
4 As from 12 October 2009
5 As from 1 February 2010
6 Former Management Board members: G.A. Möller, S. van Eijkern, F.L. Kusse ,C.T.L. Korthout, J.N.A. Laurens

For the Management Board members the Company endorsed the new Dutch Banking Code standard during 2010. Furthermore, for the variable remunerations the deferral scheme for the Management Board members is changed which resulted in a four-year payment period. In the Report of the Supervisory Board, the Chapter of the Remuneration Report, the changes related to the remuneration and the effects of the new standard are described.

Option rights consist of the right to buy shares in the funds over a period of five years, the value of the shares being not less than the opening price on the first trading day following the grant date. As of 2010 no longer option rights are granted to personnel. The theoretical value of the granted currently outstanding option rights for the Management Board amounts to EUR 18,000 (2009: EUR 174,000). The theoretical value of all currently outstanding option rights granted to personnel amounts to EUR 4.4 million (2009: EUR 4.4 million).

The Company has a Long-term Incentive Plan in place for key employees within the Company. This plan consists of an Equity Notes Plan. In 2011 the plan will be replaced by a new Long-term Incentive Plan. As from 2010 no longer Long-term Incentive Plan rewards are granted to the members of the Management Board. The purpose of the Long-term Incentive Plan is to reward and retain key employees of the Company by providing a share of the value of Robeco Groep N.V. The stake consists of units representing a cash value directly related to the Robeco Groep N.V. valuation based on profit for the year from continuing operations.

Equity Notes will produce a cash yield of 5% of the basic value (the award date value for Equity Notes) per annum until the vesting date. Equity Notes will under no circumstances confer any vested contingent or conditional rights to or any interest in income or assets of any Group Company, but will merely represent an unfunded, unsecured notional credit to a participant’s account under the plan, for purposes of facilitating the calculation of any value which may become due to a participant upon vesting at a later date.

The number of outstanding Equity Notes of current Management Board members amounts to 1,657 at the end of 2010 (end 2009: 2,157 outstanding number of Equity Notes). The outstanding number of Equity Notes granted consists of Equity Notes awarded as part of the long-term incentive program as well as Equity Notes that result from a mandatory conversion of deferred cash compensation. There are no mortgages granted to members of the Management Board.

Remuneration of current and former members of the Supervisory Board:

Members of the Supervisory Board

EUR x thousand	**2010**	2009
D.P.M. Verbeek	104	76
A. Bruggink	53	38
W.H. Buiter [1]	-	22
J.C. Ten Cate [2]	22	49
S. Eisma [3]	20	-
G. Izeboud	57	49
D.J.M.G. Baron van Slingelandt [4]	-	10
P.J.A. van Schijndel	48	36
Ph. Lambert	57	49
Total	**361**	**329**

1 As from 1 April 2009 until 31 December 2009 Member of the Supervisory Board.
2 Until 30 June 2010 Member of the Supervisory Board.
3 As from 1 9 August 2010 Member of the Supervisory Board.
4 Until 1 May 2009 Member of the Supervisory Board.

The remuneration of the members of the Supervisory Board as presented does not include remuneration for the Supervisory Board activities in Robeco funds.
Total remuneration costs are included in employee benefits expense. The remuneration of the Management Board is set by the Supervisory Board on the recommendation of the Nomination, Remuneration & Corporate Governance Committee. The total remuneration package is compared with external market conditions every two years and adjusted accordingly, if necessary.

Notes to
the consolidated statement of cash flows

53. Cash flows from operating activities

An adjustment is made to the operating result for the depreciation of property, plant and equipment and the amortization of intangible assets. The results on financial assets are related to the gains and losses from financial assets available-for-sale, designated at fair value through profit and loss and held for trading.

54. Cash flows from investing activities

Interest received relates to the amounts received on the current accounts of the Company. The interest received from banking operations is included in the operating result.

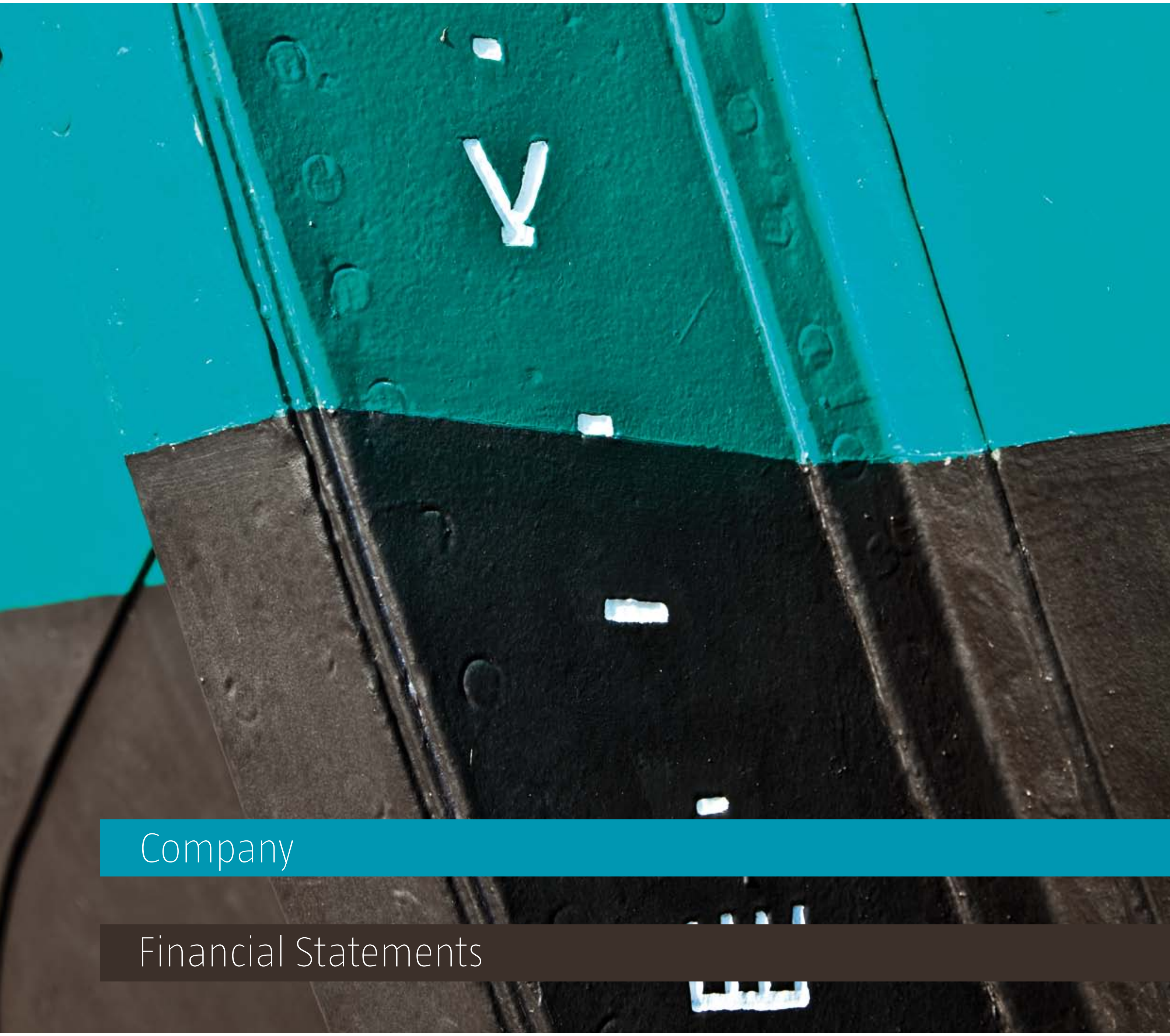
Purchases and sales of property, plant and equipment and financial fixed assets are based on the consolidated purchase and selling prices. Deferred payments on the purchases and sales are reported as movements in working capital (short-term payments) or under long-term liabilities for the payment obligations due after more than one year.

The intangible assets are related to capitalized software.

In general the movement in the purchase and proceeds of financial assets are a direct consequence of the regular banking activities within the Company.

55. Cash flows from financing activities

Interest paid relates to the amounts paid on the current accounts and the long-term liabilities of the Company. The interest paid from banking operations is included in the operating result.



Company

Financial Statements

Company
income statement

for the year ended 31 December

EUR x million	Notes		2010		2009
Income statement					
Operating income			-		-
Non-operating income					
Interest income		*1.0*		*1.7*	
Interest expense		– 0.3		– 0.1	
Result before tax			**0.7**		**1.6**
Tax			– 0.3		– 1.4
Income from investments in group and associated companies after tax	57		180.8		– 13.5
Result for the year			**181.2**		**– 13.3**

Company
statement of comprehensive income

for the year ended 31 December

EUR x million	Notes	2010	2009
Result for the year		**181.2**	**– 13.3**
Other comprehensive income			
Net unrealized results on financial assets available-for-sale		64.4	83.5
Realized gains and losses on financial assets available-for-sale reclassified to the income statement on disposal		– 4.4	2.5
Impairment of financial assets available-for-sale		– 2.9	28.6
Income tax effect		– 14.3	– 29.5
		42.8	**85.1**
Net result on hedge of net investments		– 39.5	5.1
		– 39.5	**5.1**
Exchange differences on translation of foreign operations		41.0	– 8.6
Deferred tax asset valuation regarding profitability		13.3	-
Other items		– 0.7	– 0.1
Other comprehensive income for the year, net of tax		**56.9**	**81.5**
Total comprehensive income for the year, net of tax		**238.1**	**68.2**

Company
statement of financial position

at 31 December (before appropriation of result)

EUR x million	Notes		2010		2009
Assets					
Non-current assets					
Investments in subsidiaries and associates	58	1,396.9		1,181.7	
Total non-current assets			**1,396.9**		**1,181.7**
Deferred tax assets			**-**		**-**
Current assets					
Accounts receivable		52.2		7.0	
Subsidiaries and associates		*52.1*		*6.9*	
Other receivables		*0.1*		*0.1*	
Cash and cash equivalents	59	203.0		256.3	
Total current assets			**255.2**		**263.3**
Total assets			**1,652.1**		**1,445.0**
Equity and liabilities					
Shareholders' equity					
Issued capital		4.5		4.5	
Share premium		1,119.5		1,119.5	
Available-for-sale reserve		– 32.6		– 75.4	
Foreign currency translation reserve		– 8.3		– 9.8	
Other revaluation reserve		41.1		51.9	
Retained earnings		480.6		276.0	
Total shareholders' equity	60		**1,604.8**		**1,366.7**
Non-current liabilities					
Provisions	61		**9.2**		**18.7**
Current liabilities					
Subsidiaries and associates	62	1.6		35.8	
Other liabilities		36.5		23.8	
Total current liabilities			**38.1**		**59.6**
Total liabilities			**47.3**		**78.3**
Total equity and liabilities			**1,652.1**		**1,445.0**

Notes to
the company financial statements

56. General accounting policies

The accounting policies used in the corporate financial statements are based on Part 9 of Book 2 of the Dutch Civil Code. The valuation of the items is identical to the valuation used in the consolidated financial statements.

57. Income from investment in subsidiaries and associates after tax

EUR x million	**2010**	2009
Robeco Institutional Asset Management B.V.	42.9	3.2
Robeco International Holding B.V.	58.1	22.5
Robeco Direct N.V.	30.6	− 34.1
Robeco Nederland B.V.	49.2	− 5.1
Total share of result of subsidiaries and associates at 31 December	**180.8**	**− 13.5**

58. Investment in subsidiaries and associates

Movements in Investment in group and associated companies were as follows in 2009 and 2010:

EUR x million	**2010**	2009
Value of subsidiaries and associates at 1 Januari	1,181.7	1,073.6
Revaluation of subsidiaries	34.4	71.6
Net result for the financial year	180.8	− 13.5
Capital increase	-	50.0
Investment in subsidiaries and associates at 31 December	**1,396.9**	**1,181.7**

The Company filed a statement under Section 403 (1)(f) of Book 2 of the Dutch Civil Code for the period starting 1 January 2010 and ending 31 December 2010 with the Trade Registry for the following companies:

Robeco Direct N.V.
Robeco International Holding B.V.
Robeco Nederland B.V.
Robeco India Holding B.V.

59. Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and an investment in a money market fund.

60. Shareholders' equity

EUR x million	Attributable to equity holders of the parent						
	Issued share capital	Share premium	Available-for-sale reserve	Foreign currency translation reserve	Other revaluation reserve	Retained earnings	Total
At 1 January 2010	**4.5**	**1,119.5**	**– 75.4**	**– 9.8**	**51.9**	**276.0**	**1,366.7**
Result for the year	-	-	-	-	-	181.2	181.2
Other comprehensive income	-	-	42.8	1.5	-	12.6	56.9
Total comprehensive income	**-**	**-**	**42.8**	**1.5**	**-**	**193.8**	**238.1**
Amortization of intangible assets	-	-	-	-	– 10.8	10.8	-
At 31 December 2010	**4.5**	**1,119.5**	**– 32.6**	**– 8.3**	**41.1**	**480.6**	**1,604.8**

EUR x million	Attributable to equity holders of the parent						
	Issued share capital	Share premium	Available-for-sale reserve	Foreign currency translation reserve	Other revaluation reserve	Retained earnings	Total
At 1 January 2009	**4.5**	**1,119.5**	**– 160.5**	**– 6.3**	**62.0**	**279.3**	**1,298.5**
Result for the year	-	-	-	-	-	– 13.3	– 13.3
Other comprehensive income	-	-	85.1	– 3.5	-	– 0.1	81.5
Total comprehensive income	**-**	**-**	**85.1**	**– 3.5**	**-**	**– 13.4**	**68.2**
Amortization of intangible assets	-	-	-	-	– 10.1	10.1	-
At 31 December 2009	**4.5**	**1,119.5**	**– 75.4**	**– 9.8**	**51.9**	**276.0**	**1,366.7**

Issued share capital

The authorized share capital amounts to EUR 22,689,015 (2008: EUR 22,689,015) consisting of 22,689,015 shares with a nominal value of EUR 1 each, of which EUR 4,537,803 is paid in full.

Shareholders are entitled to receive dividends when declared and are entitled to vote on a one-vote-per share basis at the Company's shareholder meetings.

Share premium

The share premium was set at the time of the sale of the shares at a price above the par value.

Available for sale reserve

The available-for-sale reserve concerns the fair value changes on the available-for-sale investments.

Foreign currency translation reserve

The foreign currency translation reserve includes the exchange rate differences arising from the translation of the financial statements of foreign subsidiaries. It also includes the effect of hedging the net investments in the foreign subsidiaries.

Retained earnings

Movements result from the increase of the result for the year and an adjustment to the deferred tax assets regarding US State and local taxes.

Other revaluation reserve

The other revaluation reserve is used to record the amortization of intangible assets.

61. Provisions

The deferred tax liability relates to the temporary differences between the carrying amounts of assets and liabilities of the foreign companies acquired in previous years and the amounts used for tax purposes. The deferred tax liability will be released in the coming years.

Movements in provisions are as follows:

EUR x million	2010	2009
Balance at 1 January	18.7	28.1
Released to the current tax payable	− 9.5	− 9.4
Balance at 31 December	**9.2**	**18.7**

62. Subsidiaries and associates

The Company has current accounts with several subsidiaries. These balances are interest-bearing.

63. Personnel

The Company does not employ any personnel. The Management Board is employed by its subsidiary Robeco Nederland B.V.

64. Other

As the Company's income statement for 2010 is included in the consolidated financial statements, a summary income statement is sufficient to comply with the provisions of Section 402 of Book 2 of the Dutch Civil Code. For more detailed information, please refer to the section Basis of consolidation drawn up for the consolidated statement of financial position and income statement of Robeco Groep N.V.

Other information

Articles of Association rules governing appropriation of result

Under Article 22 of the Articles of Association, the result available for distribution shall be at the disposal of the General Meeting of Shareholders.

Appropriation of result

It is proposed to distribute EUR 175 million of the total profit of EUR 181.2 million as a dividend.

Rotterdam, 11 April 2011

The Management Board **The Supervisory Board**

Independent Auditor's Report

To the Shareholder, the Supervisory Board and the Management Board of Robeco Groep N.V.

Report on the financial statements

We have audited the accompanying financial statements 2010 of Robeco Groep N.V., Rotterdam (as set out on pages 62 to 129). The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2010, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2010 the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code . Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Robeco Groep N.V. as at December 31, 2010 its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Robeco Groep N.V. as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report , to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

The Hague, 11 April 2011
Ernst & Young Accountants LLP
Signed by Joost Hendriks

Key figures
2006 - 2010

Consolidated income statement

EUR x million	**2010**	2009	2008	2007	2006
Operating income	763.6	512.2	888.9	819.6	657.5
Operating expenses	− 482.3	− 528.0	− 618.7	− 543.0	− 436.5
Operating result	**281.3**	**− 15.8**	**270.2**	**276.6**	**221.0**
Non-operating income	− 24.7	13.8	− 40.8	2.3	31.9
Result before tax	**256.6**	**− 2.0**	**229.4**	**278.9**	**252.9**
Tax	− 75.3	− 9.0	− 58.2	− 78.8	− 59.5
Non-controlling interest	− 0.1	− 2.3	3.3	0.1	− 0.4
Net result shareholders	**181.2**	**− 13.3**	**174.5**	**200.2**	**193.0**

Consolidated statement of financial position

EUR x million	**2010**	2009	2008	2007	2006
Banking operations	8,423	9,047	8,612	8,203	8,899
Asset management operations	2,258	2,040	2,651	2,471	2,150
Total assets	**10,681**	**11,087**	**11,263**	**10,674**	**11,049**
Group capital	1,606	1,383	1,319	1,247	961
- of which equity	1,605	1,367	1,299	1,245	954
Banking operations	8,037	8,717	8,544	7,973	8,633
Asset management operations	1,038	987	1,400	1,454	1,455
Total liabilities	**10,681**	**11,087**	**11,263**	**10,674**	**11,049**

Summary assets under management (AuM)

EUR x billion	**2010**	2009	2008	2007	2006
AuM as of 1 January	134.9	110.7	145.8	141.7	131.6
Investment result	19.6	19.2	− 29.1	3.0	5.0
Regular net cash flow	− 3.4	7.5	0.6	− 0.3	5.8
Non-regular net cash flow	− 0.6	− 2.0	− 2.1	-	-
Distributions [1]	− 0.5	− 0.5	− 0.5	− 0.5	− 0.7
Acquisitions	− 0.4	-	− 4.0	1.9	-
AuM at 31 December	**149.6**	**134.9**	**110.7**	**145.8**	**141.7**

[1] Distributions consist of dividends and interest paid.

Average number of employees

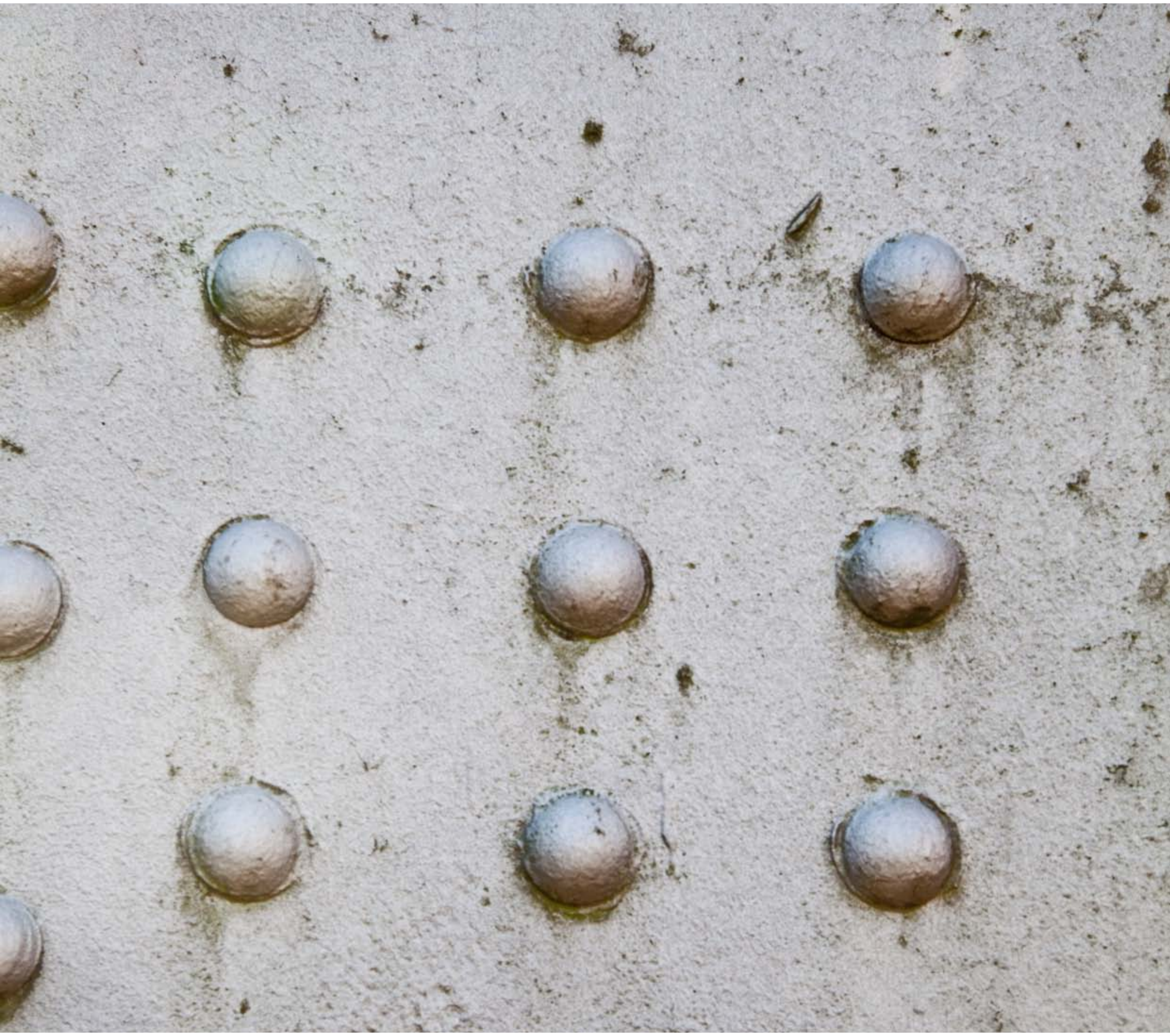
FTEs	**2010**	2009	2008	2007	2006
Netherlands	909	952	1,040	1,008	923
Rest of Europe	251	250	240	225	152
United States	261	265	293	403	391
Other	107	100	81	15	-
Total number of employees	**1,528**	**1,567**	**1,654**	**1,651**	**1,466**

Ratios

	2010	2009	2008	2007	2006
Cost/income ratio (%)	63.2	103.1	69.6	66.3	66.4
Income per employee (EUR x 1,000)	500	327	537	496	449
Net return on shareholders' equity (%)	11.3	− 0.1	13.4	18.2	22.2

Foreign currencies

One Euro (EUR)		**Foreign exchange rates (at year-end)**		**Foreign exchange rates (average)**	
		2010	2009	**2010**	2009
US-dollar	USD	1.3386	1.4410	1.3287	1.3922
British pound	GBP	0.8624	0.8896	0.8595	0.8941
Swiss franc	CHF	1.2523	1.4840	1.3758	1.5058
Japanese yen	JPY	108.8900	133.1205	116.1575	130.0174
Indian ruppee	INR	59.8421	67.0406	60.7253	67.3867
Hong Kong dollar	HKD	10.4056	11.1736	10.3229	10.7918



Disclaimer

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II

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