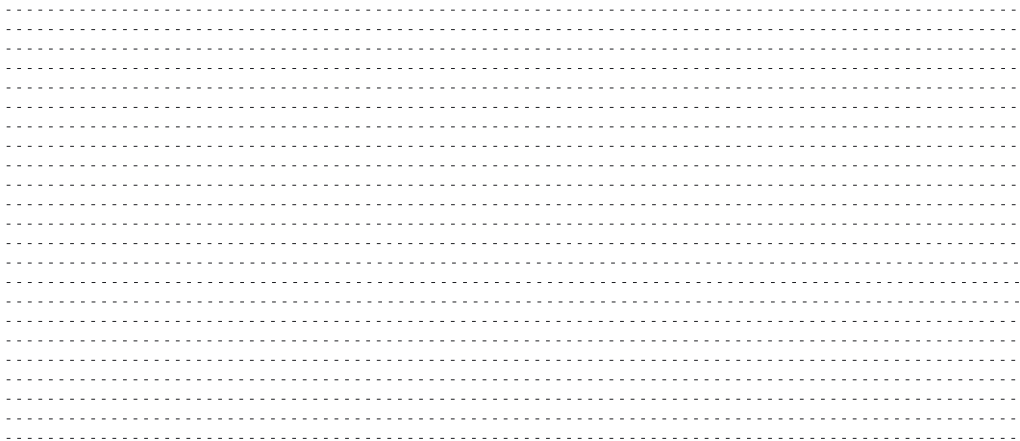


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Annual Report Financial Statements



Robeco Groep N.V. 2007



Consolidated income statement

for the years ended 31 December

EUR x million	Notes	2007	2006
Management and other fees	5	958.3	792.7
Distribution and subadvisory costs	6	- 243.5	- 232.5
Net income from fees		714.8	560.2
Interest income from banking operations	7	354.5	347.5
Interest expense from banking operations	8	- 289.9	- 276.8
Net interest income from banking operations		64.6	70.7
Results of financial instruments from banking operations	9	18.6	5.2
Other income	10	21.6	21.4
Operating income		819.6	657.5
Employee benefits	11	258.6	219.9
Depreciation and amortization expenses	12	34.9	9.0
Impairment losses on non financial assets	13	9.6	-
Other expenses	14	239.9	207.6
Operating expenses		543.0	436.5
Operating profit		276.6	221.0
Finance revenue	15	33.0	45.6
Finance costs	16	- 30.2	- 14.0
Share of profit of associates	21	- 0.5	0.3
Profit before tax		278.9	252.9
Income tax expense	17	78.8	59.5
Profit for the year		200.1	193.4
Attributable to:			
Equity holders of the parent		200.2	193.0
Minority interests	34	- 0.1	0.4
		200.1	193.4

Consolidated balance sheet

at 31 December (before profit appropriation)

EUR x million	Notes	2007	2006
Assets			
Non-current assets			
Property, plant and equipment	18	25.0	22.4
Intangible assets	19	585.0	1.9
Investment in associates	21	0.7	10.7
Financial assets		7,097.3	8,129.2
<i>Available-for-sale</i>	22	3,933.0	3,769.9
<i>Held-to-maturity</i>	23	934.7	1,567.6
<i>Fair value through profit or loss</i>	24	1,127.3	1,458.1
<i>Loans and advances</i>	25	1,102.3	1,333.6
Deferred tax assets	26	255.0	307.4
		7,963.0	8,471.6
Current assets			
Loans and advances	27	269.1	159.5
Current tax receivable	28	67.0	13.6
Financial assets Held for trading	29	944.9	1,154.0
Other receivables	30	399.4	378.6
Derivatives	31	43.7	48.8
Cash and cash equivalents	32	987.2	822.8
		2,711.3	2,577.3
Total assets		10,674.3	11,048.9

EUR x million	Notes	2007	2006
Equity and Liabilities			
Equity attributable to equity holders of the parent	33		
Issued capital		4.5	4.5
Share premium		1,119.5	1,057.0
Reserve net unrealized results		-39.9	1.1
Foreign currency translation reserve		-20.8	-12.7
Other revaluation reserve		73.9	-
Retained earnings		107.5	-96.4
		1,244.7	953.5
Minority interest	34	2.1	7.0
Total equity		1,246.8	960.5
Non-current liabilities			
Subordinated loans	35	37.7	37.7
Other interest-bearing loans and borrowings	36	195.5	213.0
Provisions	37	3.3	1.4
Pension liability and other employee benefits	38	8.5	7.4
Deferred tax liabilities	26	110.1	65.7
Other non-current liabilities	39	71.1	6.3
		426.2	331.5
Current liabilities			
Interest-bearing loans due to customers	40	6,646.5	6,813.9
Interest-bearing loans due to banks	41	1,103.2	1,497.4
Total return swaps	42	504.4	805.1
Other derivatives	31	24.4	59.9
Current tax payable	28	23.8	13.6
Provisions	37	0.6	1.0
Trade and other payables	43	698.4	566.0
		9,001.3	9,756.9
Total liabilities		9,427.5	10,088.4
Total equity and liabilities		10,674.3	11,048.9

Consolidated statement of changes in equity

for the years ended 31 December 2007 and 31 December 2006

EUR x million	Attributable to equity holders of the parent							Minority interest	Total equity
	Issued capital	Share premium	Reserve net unrealized results	Foreign currency translation reserve	Other revaluation reserve	Retained earnings	Total		
At 1 January 2007	4.5	1,057.0	1.1	-12.7	-	-96.4	953.5	7.0	960.5
Net unrealized results on financial assets									
Available-for-sale	-	-	-37.9	-	-	-	-37.9	-	-37.9
Realized gains and losses on financial assets									
Available-for-sale reclassified to the income statement	-	-	-17.0	-	-	-	-17.0	-	-17.0
Tax effect of net result on financial assets									
Available-for-sale	-	-	13.9	-	-	-	13.9	-	13.9
Net result on hedge of net investments	-	-	-	19.5	-	-	19.5	-	19.5
Foreign currency translation	-	-	-	-27.6	-	-	-27.6	-	-27.6
Revaluation intangible assets	-	-	-	-	73.9	9.6	83.5	-	83.5
Other items	-	-	-	-	-	-5.9	-5.9	-	-5.9
Total income and expense for the year									
recognized directly in equity	-	-	-41.0	-8.1	73.9	3.7	28.5	-	28.5
Profit for the year	-	-	-	-	-	200.2	200.2	-0.1	200.1
Total income and expense for the year	-	-	-41.0	-8.1	73.9	203.9	228.7	-0.1	228.6
Capital increase	-	62.5	-	-	-	-	62.5	-	62.5
Movements in third parties assets and liabilities	-	-	-	-	-	-	-	-4.8	-4.8
At 31 December 2007	4.5	1,119.5	-39.9	-20.8	73.9	107.5	1,244.7	2.1	1,246.8
At 1 January 2006	4.5	1,057.0	21.8	-5.3	-	-290.9	787.1	10.1	797.2
Net unrealized results on financial assets									
Available-for-sale	-	-	-28.0	-	-	-	-28.0	-	-28.0
Realized gains and losses on financial assets									
Available-for-sale reclassified to the income statement	-	-	-0.8	-	-	-	-0.8	-	-0.8
Tax effect of net result on financial assets									
Available-for-sale	-	-	8.1	-	-	-	8.1	-	8.1
Net result on hedge of net investments	-	-	-	10.9	-	-	10.9	-	10.9
Foreign currency translation	-	-	-	-17.7	-	-	-17.7	-	-17.7
Other items	-	-	-	-0.6	-	1.5	0.9	-	0.9
Total income and expense for the year									
recognized directly in equity	-	-	-20.7	-7.4	-	1.5	-26.6	-	-26.6
Profit for the year	-	-	-	-	-	193.0	193.0	0.4	193.4
Total income and expense for the year	-	-	-20.7	-7.4	-	194.5	166.4	0.4	166.8
Movements in third parties assets and liabilities	-	-	-	-	-	-	-	-3.5	-3.5
At 31 December 2006	4.5	1,057.0	1.1	-12.7	-	-96.4	953.5	7.0	960.5

Consolidated cash-flow statement

for the years ended 31 December

EUR x million	Notes	2007	2006
Operating activities	47		
Operating profit before tax from continuing operations		276.6	221.0
Profit before tax		276.6	221.0
Adjustments to operating profit:			
Depreciation		34.4	9.0
Result on financial assets		51.6	109.1
Movements in provisions		1.5	-2.1
Other movements from operations:			
Current assets		185.9	310.2
Current liabilities		-707.3	-1,627.0
Income tax paid		-110.1	-44.7
Net cash flows from operating activities		-267.4	-1,024.5
Investing activities	48		
Interest received		32.9	43.4
Goodwill		-353.4	-
Other intangible assets		-258.1	-
Purchase of property, plant and equipment		-12.4	-7.6
Purchase of investment in associates		-0.2	-9.3
Purchase of financial assets Available-for-sale		-1,764.3	-999.6
Purchase of financial assets Held-to-maturity		-20.2	-456.4
Purchase of financial assets Fair value through profit or loss		-97.8	-80.5
Purchase of financial assets Loans and advances		-13.7	-1.3
Proceeds from sale of property, plant and equipment		4.3	0.1
Proceeds from sale of financial assets Available-for-sale		1,517.5	1,080.3
Proceeds from sale of financial assets Held-to-maturity		647.1	908.3
Proceeds from sale of financial assets Fair value through profit or loss		414.0	256.6
Proceeds from sale of financial assets Loans and advances		246.6	77.5
Net cash flows used in investing activities		342.3	811.5
Financing activities	49		
Capital increase		62.5	-
Payment/issue of loans and borrowings		-17.5	-24.8
Revaluation of intangible assets		83.5	-
Interest paid		-26.4	-12.2
Net cash flows from/(used in) financing activities		102.1	-37.0
Net increase in cash and cash equivalents		177.0	-250.0
Net foreign exchange difference		-1.0	1.9
Cash and cash equivalents at 1 January		810.4	1,058.5
Cash and cash equivalents at 31 December		986.4	810.4

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 2007 concern Robeco Groep N.V. and its subsidiaries (together referred to as the 'Company'), as well as the Company's investment in associates and jointly controlled entities.

All shares of Robeco Groep N.V. are owned by Rabobank Nederland.

The financial statements were authorized for issue by the directors on 3 April 2008. The shareholder has a right to amend these 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 the Company, 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 intangible assets which are stated at historical cost less accumulated depreciation or amortization and any accumulated impairment losses.

IFRS developments

Adopted International Financial Reporting Standards

On 1 January 2007, the Company adopted IFRS 7 Financial Instruments: Disclosures. All prior period comparative data

have been restated to reflect current year presentation. The application of this Standard has no impact on the financial instruments classification and valuation itself in the consolidated statements of the Company.

In accordance with the requirements of the amendment to IAS 1 "Presentation of Financial Statements", additional disclosures have been provided on the Company's objectives, policies and processes for managing its capital. The Company's objectives for managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Future IFRS developments


IAS 1 Presentation of Financial Statements

In 2007 the IASB issued the revised IAS 1 "Presentation of Financial Statements". The revisions to IAS 1 represent the first step in the IASB's comprehensive project on reporting financial information. The revised IAS 1 is effective for financial years beginning on or after 1 January 2009. The Company did not elect early adoption of the revised standard. IAS 1 changes will affect the headings of the financial statements. The impact of the revised IAS 1 is minor and only relates to presentation adjustments on the following statements.

- 'balance sheet' will become 'statement of financial position'
- 'income statement' will become 'statement of comprehensive income'
- 'cash flow statement' will become 'statement of cash flows'.

IFRS 8 Operating segments

IFRS 8 Operating segments requires listed entities to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. IFRS 8 introduces new disclosures regarding segments. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This standard has no impact on the classification and measurement of the



Company's assets and liabilities. In 2008, the Company will investigate the impact on the consolidated disclosures on the 2008 financial statements.

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 classification the results are taken to the reserves or the income statement. For interests in investment funds for which the control criteria are met, the Company consolidates the underlying interests in full.

Basis of consolidation

The consolidated financial statements comprise the financial statements of 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 year 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 if the Company has more than 50% of the voting rights. The financial statements of 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 minority interest in the statement of changes 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.

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 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. The Company assesses annually whether there are indications of impairment for goodwill and other identified intangible assets and liabilities. 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.

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 38.

Deferred tax asset

The Company tests annually whether the deferred tax asset related to the fiscal capitalized and amortized goodwill of several acquired entities is still appropriate. To recognize the deferred tax asset in full, the future taxable profit of the foreign 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 USA, the existence of a US based consolidated tax group contributes to the 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 a 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 received management fees. 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 received management fees.

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 have been applied consistently to 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 above, the euro is the Company's functional currency. 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 balance sheet date.

Non-monetary items measured at historical cost are translated using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items measured at fair value 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 are treated as assets and liabilities of the foreign operation and are translated using the spot rate prevailing at the balance sheet 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 balance sheet 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 equity in the foreign currency translation reserve. Exchange rate differences for non-monetary items classified as Fair value through profit or loss are taken to the income statement.

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

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 average 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 average assets under management of the investments, including investment performance and net subscriptions or redemptions. 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

The interest income from banking operations consists of the interest income generated by banking activities on both the mortgages portfolio and the investment portfolio. 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

The interest expense from banking operations mainly relates to the expenses incurred on entrusted funds from customers and banks as well as interest expenses on swaps.

4.6 Results of financial instruments from banking operations

The results of 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 and gains and losses on Held-for-trading 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 revenue and costs

Finance revenue and finance costs relate to non banking activities only.

Finance revenue comprises interest income and realized and unrealized gains and losses on the financial assets classified as Fair value through profit or loss, realized gains and losses on financial assets Available-for-sale and dividends following investments in seed capital or co-investments. Interest income related to cash and short-term deposits is also included in finance revenue.

Finance costs comprise interest payable on subordinated loans and interest-bearing loans.

4.9 Minority interests

Minority 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.

4.10 Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any recognized accumulated impairment losses. The carrying values 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.

Property, plant and equipment

Category	Useful economic life (years)	Depreciation rate
Land	-	Not depreciated
Property (excluding land)	40	2.5%
Leasehold improvements	5	20.0%
Vehicles	5	20.0%
Computer equipment	5	20.0%
Office equipment	5	20.0%

The useful economic life of computer equipment was changed to 5 years in 2007 (up to and including 2006: 3 years).

4.11 Intangible assets

Intangibles consist of goodwill and certain other intangible assets. The intangible assets are tested for impairment annually and immediately if there are indications for an impairment. Other intangible assets are tested for impairment when there are indications suggesting that the carrying amounts may not be recoverable.

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 purchased capitalized software, capitalized development costs of internally generated software, customer relations and sustainability databases. 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 development costs directly related to the intangible asset are measured during the development of internally generated software. These costs are capitalized at cost only when this increases the future economic benefits of the assets. All other expenditure for internally generated software is expensed as incurred. Amortization starts when the asset is available for use. The amortization is calculated using the straight-line method over the expected useful economic life of the intangible assets, not exceeding a period of three years. The amortization and impairments are included in the item 'Depreciation and amortization expenses' in the income statement.

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	5-17
Databases	7
Purchased software	4

4.12 Acquisitions of group companies

Measurement of the fair value of the assets and liabilities of the business combinations and identification of goodwill, the purchase price allocation, was supported by an independent valuator. The results of the purchase price allocation of SAM Group Holding AG and Transtrend B.V. have been recognized in financial statements 2007.

The purchase price allocation of Canara Robeco Asset Management Company Ltd. was not finalized in 2007. It is expected that the impact of the result of the purchase price allocation on profit or loss will be limited on the currently presented balance sheet classification of goodwill and equity. The excess purchase price for the acquisition has been tentatively reported as goodwill.

The identified intangible assets meet the recognition criteria of IAS 38 and IFRS 3 standards and are amortized through the income statement between 5 to 15 years as from the acquisition date. The intangible assets are reviewed for impairment on an annual basis.

The amounts recognized at the acquisition dates have been disclosed in note 20 Acquisitions of Group companies.

4.13 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 value of the associate.

The results of the purchase price allocation of the 40% interest of Analytic Investment Management Trading N.V.

in 2006 was not completed at the date the 2006 financial statements were authorised for issue in 2007. Accordingly, result from the purchase price allocation are properly accounted for in the 2007 financial statements.

4.14 Impairment testing of non financial assets

In accordance with IAS 36, Impairment of Assets the Company performs an annual goodwill impairment test. As no intangibles with an indefinite life have been identified within the Company, the tests are limited to goodwill. In scope is the goodwill of the acquired group companies Transtrend B.V. and SAM Group Holding AG. The goodwill relating to the acquisition of a 49% interest in Canara-Robeco Asset Management Company Ltd. has not been tested as the purchase price allocation was not finalized in 2007. For impairment testing purposes, the goodwill of Transtrend B.V. and SAM Group Holding AG has been allocated to the cash-generating unit Robeco Alternative Investments, which is also a reportable segment.

The calculation of value in use for the cash-generating unit Robeco Alternative Investments is most sensitive to the following assumptions:

- Investment performances of the underlying investment engines
- Cash flows invested by clients in the underlying investment funds
- Discount rates
- Growth rate used to extrapolate cash flows beyond the five-year period

Investment performance – the forecasted investment performances of the underlying investment engines varies between 0% and 13%, depending on the type of products managed and the markets invested in.

Cash flows of clients – the cash flows of clients highly correlate to a large extent with the market appetite for investment management in general and the success and/or (out)performance of the products offered in particular. Based on the budgeted cash flows for 2008, cash flows for subsequent years are extrapolated.

Discount rates – Discount rates reflect management's estimate of the risks specific to each unit. This is the cost of equity used when performing the purchase prices

allocation. In determining appropriate discount rates for each unit, regard has been given to the yield on a Dutch 20-year risk free government bond at the beginning of the year, adjusted for a market risk premium and taking into account a specific levered beta per unit.

Long term average growth rate – Rates are based on the judgements and estimates made by senior management as no reliable public information was available for the specific underlying business.

With regard to the assessment of value in use of the cash-generating unit Robeco Alternative Investments, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. An impairment loss is recognised when the carrying amount exceeds the recoverable amount.

4.15 Financial assets Available-for-sale

Financial assets Available-for-sale are non derivative financial instruments not classified as (a) loans and advances, (b) held-to-maturity, (c) financial assets 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 consist of money market paper, other debt instruments and equity instruments.

Financial assets Available-for-sale are carried at fair value. Unrealized gains or losses on financial assets Available-for-sale are reported in equity, 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 equity 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 equity 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 are recognized as Results of financial instruments from banking operations. Interest earned on financial assets Available-for-sale not related to banking operations is recognized under Finance revenue.

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 transferred from equity to the income statement. For fixed income financial assets 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, the reversal of impairment losses is not recognized through the income statement but through shareholders' equity.

4.16 Financial assets Held-to-maturity

When management has both the intention and the ability to hold them to maturity, securities with fixed or determinable payments 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 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 value of the asset does not exceed its amortized cost at the reversal date.

4.17 Financial assets designated at Fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that have been specifically designated as 'at Fair value through profit or loss'. The assets are recorded on a trading date basis. The financial assets Held for trading, with exception of the derivatives, are classified under Financial assets Held for trading.

Non-trading financial assets at fair value through profit or loss

The Company has chosen to designate financial instruments other than those that are acquired for the purpose of selling in the near future as Financial assets at Fair value through profit or loss. These financial assets are initially recognized at fair value.

Financial assets classified in this category are designated by management 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 or Interest expense from banking operations. When re-measurement occurs, dividends received on financial assets and all other realized and unrealized gains and losses on re-calculation of these financial instruments at fair value are included in Results of

financial instruments from banking operations. Assets are measured at fair value with all changes taken to the income statement in order to avoid a mismatch between the value of the assets and the corresponding other derivatives and due to customers under the current liabilities.

The fair value of financial assets that are actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the balance sheet 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.

4.18 Financial assets Loans and advances

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 on 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 when the loans and advances are derecognized or impaired, as well as through the amortization process. 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.

4.19 Impairment of financial assets

The Company assesses at each balance sheet 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 occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has 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 reorganisation 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 or amortized cost impairment is assessed if there is objective evidence that an impairment loss 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 cash flows discounted at the financial asset's original effective interest rate. The carrying amount is reduced through equity and the amount of the loss is recognized in the income statement.

If, in a subsequent period, the amount of the impairment loss relating to a debt instrument carried at amortised cost or at Available-for-sale decreases due to an event occurring after the impairment was originally recognized, the previously recognized impairment loss is reversed through profit and loss.

In the case of equity investments classified as Available-for-sale, objective evidence for impairment would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, measured as the difference between the acquisition cost and the current fair value, the loss is removed from equity and recognised in the income statement.

Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

4.20 Share-based payments

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

which they are granted. The fair value is determined by a formula disclosed in more detail in note 38.

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.

4.21 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 directly in equity, in which case it is recognized in equity.

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 the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation 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, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised 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 utilised.

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 balance sheet 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 authority is included as part of receivables or payables in the balance sheet.

4.22 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 balance sheet item under Current assets.

Interest earned or incurred and dividends received on these assets are reported as finance revenue. All other realized and unrealized gains and losses on re-measurement of these financial instruments at fair value are also included in finance revenue.

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 trading date.

4.23 Other receivables

Other receivables are valued at face value. Accounts receivable included are recognized and carried at the original invoice amount less an allowance for uncollectible amounts.

4.24 Derivatives

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 contracts and interest rate swaps to hedge its risk associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which the derivative contract was entered into and are subsequently remeasured. Fair values are obtained from quoted market prices, dealer price quotations, discounted cash flow models and option-pricing models. Derivative financial instruments are included under current assets if the fair value is positive and under current liabilities if the fair value is negative.

The recognition of the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. From 2005 onwards the Company designated certain derivatives 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 equity. 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 derivatives 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 of 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 Finance revenue or Finance costs.

4.25 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. 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 cash-flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

4.26 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 balance sheet 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 balance sheet date are not retroactively reflected in the financial statements of the period just ended.

Minority interests are presented in the consolidated balance sheet as part of total equity, separately from the Company's equity.

4.27 Other interest-bearing loans and borrowings

Interest-bearing loans and borrowings are 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.

4.28 Provisions

A provision is recognized in the balance sheet 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.

4.29 Pension liability and other long-term employee benefits

Pensions

The liability recognized in the balance sheet in respect of the defined benefit pension plan is the value of the defined benefit obligation at the balance sheet 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.

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.

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 a target percentage of fixed annual income. The target percentage for this varies according to the seniority of the position concerned. Depending on the seniority of the position concerned, the variable income is vested in the income statement immediately after granting or is partially postponed over the next two years.

The Company also has a staff option scheme for its employees in the Netherlands as well as a management option scheme. Options are granted on funds managed by the Company. The costs of these option schemes are borne in full by the Company and have no impact on the annual performance of the funds. The costs are recognized 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. The underlying value of the options granted is related to the fixed income of the employees. The percentages for the management option scheme vary according to the seniority of the position. The staff option scheme uses a fixed percentage of fixed income for all employees.

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.

4.30 Total return swaps

The Company entered into structured transactions on behalf of clients, which result in total return swaps and certain financial instruments on the Company's balance sheet. Total return swaps are financial instruments whose value is derived from an underlying instrument or product. Through total return swaps the market risk and the economic returns from the underlying financial instrument are transferred to clients. Total return swaps are recognized at fair value at balance sheet date. The gains or losses arising from changes in fair value and the economic returns on underlying financial instruments are recognized under Finance revenue or Finance costs.



5. Management and other fees

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

EUR x million	2007	2006
Management fees	898.2	744.1
Other fees	60.1	48.6
Total	958.3	792.7

Segment information

The Company's equity and debt securities are not publicly traded and the Company is not in the process of issuing equity or debt securities in public securities markets and therefore falls outside the scope of IAS 14 "Segment Reporting". The following information about revenues is included to comply with Section 380 of Book 2 of the Dutch Civil Code.

EUR x million	2007		2006	
Total revenue by region				
Netherlands	395.9	41%	323.1	41%
Rest of Europe	241.3	25%	198.0	25%
United States	320.8	34%	271.6	34%
Other	0.3	0%	-	-
Total revenue	958.3	100%	792.7	100%

EUR x billion	2007		2006	
Asset under management by region				
Netherlands	75.8	52%	79.6	56%
Rest of Europe	16.7	11%	13.9	10%
United States	50.5	35%	48.2	34%
Other	2.8	2%	-	-
Total	145.8	100%	141.7	100%

6. Distribution and subadvisory costs

The costs can be broken down as follows:

EUR x million	2007	2006
Distribution and trailer fees	139.1	141.7
Subadvisory costs	104.4	90.8
Total	243.5	232.5

7. Interest income from banking operations

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

EUR x million	2007	2006
Financial assets Available-for-sale	140.1	121.6
Financial assets Held-to-maturity	43.6	58.9
Financial assets at Fair value through profit or loss	32.7	50.2
Loans and advances	72.2	73.3
Cash and balances with central banks	6.1	4.4
Due from other banks	40.4	24.6
Other	19.4	14.5
Total	354.5	347.5

8. Interest expense from banking operations

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

EUR x million	2007	2006
Due to customers	211.4	188.7
Due to other banks	52.6	48.5
Other	25.9	39.6
Total	289.9	276.8

9. Results of financial instruments from banking operations

Results on financial instruments related to banking operations are as follows:

EUR x million	2007	2006
Realized gains and losses on Available-for-sale portfolio	15.3	0.7
Gains and losses on the Fair value through profit or loss portfolio	3.3	4.5
Total	18.6	5.2

10. Other income

EUR x million	2007	2006
Service charges to third parties	6.7	14.6
Distribution income from external parties	4.9	3.4
Other	10.0	3.4
Total	21.6	21.4

11. Employee benefits

Employee benefits can be broken down as follows:

EUR x million	2007	2006
Wages and salaries	210.3	176.4
Social security costs	17.0	14.0
Pension costs	15.8	14.7
Other staff costs	15.5	14.8
Total	258.6	219.9

The Company also sponsors a number of defined contribution plans. The contributions to these plans recognized as pension expense for the years ended 31 December 2007 and 31 December 2006 were EUR 9.3 million and EUR 9.5 million, respectively.

On average, the Company had a workforce of 1,651 employees in 2007 (1,466 employees in 2006). The distribution of employees by region is as follows:

Average number of employees (FTE's)	2007	2006
Netherlands	1,008	923
Rest of Europe	225	152
United States	403	391
Other	15	-
Total	1,651	1,466

The increase of employees in Rest of Europe (73 FTE's) is for 71% related to acquisitions.

12. Depreciation and amortization expenses

EUR x million	2007	2006
Property, plant and equipment	6.6	7.3
Intangible assets	28.3	1.7
Total	34.9	9.0

Reference is made to the separate movements shown in note 18 on Property, plant and equipment and in note 19 on Intangible assets.

13. Impairment losses on non-financial assets

Disappointing developments during 2007 with Analytic Investment Management Trading NV in terms of new client monies and performances gave cause to an impairment review of the associate. Based on a value in use calculation

using cash flow projections from financial forecasts covering a five-year period, and comparing the value in use with the net asset value including goodwill purchased at the time of the acquisition, an amount of EUR 9.6 million has been impaired. The amount is recognized through the income statement.

14. Other expenses

Other expenses can be broken down as follows:

EUR x million	2007	2006
Temporary staff	50.5	47.5
Marketing	37.3	33.8
Housing and furniture	30.1	23.8
Information technology	28.5	23.1
Advisory fees	25.1	26.4
Fund related costs	21.5	14.8
Travel and accommodation expenses	8.9	6.2
Market data	8.0	7.2
Recruitment and courses	6.5	6.5
Other	23.5	18.3
Total	239.9	207.6

15. Finance revenue

Finance revenue can be broken down as follows:

EUR x million	2007	2006
Interest income	1.7	11.1
Interest income Available-for-sale portfolio	1.0	0.9
Interest income	2.7	12.0
Gains and losses on the Fair value through profit or loss-portfolio	97.1	105.9
Gains and losses on total return swaps	-86.9	-82.7
Gains and losses on other derivatives	7.0	0.7
Results on foreign currency contracts	21.0	15.9
Exchange rate differences	-7.9	-6.2
Income from seed capital	30.3	33.6
Total	33.0	45.6

A major part of the finance revenue 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 within the financial assets Fair value through profit or loss. Another category of seed capital are the

investments of a permanent nature made by the Company in order to realize attractive investment returns. These co-investments are included in the Available-for-sale portfolio. As the gains and losses on total return swaps are strongly related to the Fair value through profit or loss portfolio they are both presented under Finance revenue. These derivative instruments are designated as economic hedges but do not qualify for hedge accounting.

16. Finance costs

Finance costs can be broken down as follows:

EUR x million	2007	2006
Interest expense on interest-bearing loans	28.4	12.7
Interest expense on subordinated loans	1.8	1.3
Total	30.2	14.0

All interest-bearing loans granted to Harbor Capital Advisors, Inc. and Robeco USA, Inc. in 2001, 2002 and 2003 were redeemed in 2007. As a result of the payment of the previous loans a penalty interest was paid of total EUR 15 million. The Rabobank granted a new loan to Robeco US Holding Inc. in 2007.

17. Income tax expense

Income tax recognized in the income statement can be broken down as follows:

Current income tax expense		
EUR x million	2007	2006
Current year	85.1	67.2
Prior-year adjustment	0.8	-3.6
Total	85.9	63.6
Deferred income tax expense		
EUR x million		
Relating to origination and reversal of temporary differences	-7.1	-4.1
Total	78.8	59.5

The corporate income tax rate decreased from 29.6% in 2006 to 25.5% in 2007.

The reconciliation between tax expense and accounting profit for the years ended 31 December 2007 and 2006 is as follows:

EUR x million	2007	2006
Accounting profit before tax	278.9	252.9
Tax at statutory tax rate	71.1	74.9
Effect of tax rate reduction	-	-7.9
Adjustments related to tax assessments previous years	0.8	-7.7
Effect of higher tax rates in foreign operations	9.7	6.8
Impairment	2.5	-
Foreign tax threshold	-6.7	-6.9
Other	1.4	0.3
Income tax expense reported in income statement	78.8	59.5
Effective tax rate	28.2%	23.0%



The foreign tax threshold of EUR -6.7 million (2006: EUR -6.9 million) relates to ruling facilities with foreign tax authorities. The statutory tax rate in The Netherlands for 2007 is 25.5%. The tax rates in the US are between 38.6% and 44.8% (federal, local and state taxes). The combined corporate tax rate in Luxembourg is 29.85%. This rate comprises of 22% corporate income tax and a 5% surcharge over the corporate tax rate for the employment fund (total 23.1%) and 6.75% municipal business tax. Due to the positive contribution to the result of the Company the effective tax rate in 2007 was higher then the effective tax rate of 2006.

18. Property, plant and equipment

Movements in property, plant and equipment are as follows:

EUR x million	Land and buildings	Equipment	Total
Cost at 1 January 2007, net of accumulated depreciation and impairment			
	1.4	21.0	22.4
Additions	-	6.6	6.6
Additions Acquisitions	3.1	2.7	5.8
Disposals	-	-3.2	-3.2
Disposals Acquisitions	-0.6	-0.5	-1.1
Depreciation charge for the year	-0.1	-6.5	-6.6
Foreign exchange differences	-0.1	1.2	1.1
Net carrying amount at 31 December 2007	3.7	21.3	25.0
At 1 January 2007			
Cost	1.4	53.1	54.5
Accumulated depreciation and impairment	-	-32.1	-32.1
	1.4	21.0	22.4
At 31 December 2007			
Cost	4.4	57.3	61.7
Accumulated depreciation and impairment	-0.7	-36.0	-36.7
	3.7	21.3	25.0
Cost at 1 January 2006, net of accumulated depreciation and impairment			
	1.6	23.4	25.0
Additions	-	6.6	6.6
Additions acquisitions	-	-	-
Disposals	-	-0.1	-0.1
Disposals acquisitions	-	-	-
Depreciation charge for the year	-	-7.3	-7.3
Foreign exchange differences	-0.2	-1.6	-1.8
Net carrying amount at 31 December 2006	1.4	21.0	22.4
At 1 January 2006			
Cost	1.6	59.5	61.1
Accumulated depreciation and impairment	-	-36.1	-36.1
	1.6	23.4	25.0
At 31 December 2006			
Cost	1.4	53.1	54.5
Accumulated depreciation and impairment	-	-32.1	-32.1
	1.4	21.0	22.4

19. Intangible assets

Movements in the intangible assets are as follows:

EUR x million	Goodwill	Other intangible assets	Total
Cost at 1 January 2007, net of accumulated depreciation and impairment	-	1.9	1.9
Additions	46.2	1.4	47.6
Acquisitions of subsidiaries	307.2	256.6	563.8
Amortization	-	-28.3	-28.3
Exchange adjustment	-	0.0	0.0
Net carrying amount at 31 December 2007	353.4	231.6	585.0
At 1 January 2007			
Cost	-	18.8	18.8
Accumulated amortization and impairment	-	-16.9	-16.9
	-	1.9	1.9
At 31 December 2007			
Cost	353.4	275.3	628.7
Accumulated depreciation and impairment	-	-43.7	-43.7
	353.4	231.6	585.0

EUR x million	Goodwill	Other intangible assets	Total
Cost at 1 January 2006, net of accumulated amortization and impairment	-	2.7	2.7
Additions	-	1.0	1.0
Acquisitions of subsidiaries	-	-	-
Amortization	-	-1.7	-1.7
Exchange adjustment	-	-0.1	-0.1
Net carrying amount at 31 December 2006	-	1.9	1.9
At 1 January 2006			
Cost	-	20.2	20.2
Accumulated amortization and impairment	-	-17.5	-17.5
	-	2.7	2.7
At 31 December 2006			
Cost	-	18.8	18.8
Accumulated depreciation and impairment	-	-16.9	-16.9
	-	1.9	1.9

No internally generated software is currently recognized as an intangible asset.

Acquisition during the year

Other intangible assets include intangible assets acquired through subsidiaries and a joint venture to the Company.

The goodwill of EUR 353.4 million comprises the fair value of expected synergies arising from the acquired entities SAM Group Holding AG, Canara Robeco Asset Management Company Ltd. and Transtrend B.V.

The total carrying amount of the cash-generating unit Robeco Alternative Investments amounts to EUR 484 million, of which EUR 287 million concerns 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 five-year period. The pre-tax discount rates applied to cash flow projections varied between 14.9% and 23.3%. Cash flows beyond the five-year period are

extrapolated using long term average growth rates between 2% and 10%, in line with the expected long-term average growth rates for the underlying businesses.

The Company tested the goodwill as well as the identified intangible assets for impairment. During 2007 the intangible assets were not impaired.

20. Acquisitions of Group companies

The Company acquired the remaining 51% of the shares in Transtrend B.V. with effect from 1 March 2007. The financial statements of Transtrend B.V. were consolidated on a 49% proportional basis in 2006 and in 2007 until 1 March 2007 in the financial statements of the Company. With effect from 1 March 2007, Transtrend B.V. has been fully consolidated.

The Fair value of the identified assets and liabilities of the acquired entities in 2007 at the acquisition date are:

EUR x million	Fair value recognized on acquisitions	Previous carrying value
Non-current assets		
Property, plant and equipment	1.2	1.2
Intangible assets	239.5	0.0
Financial assets	0.2	0.2
	240.9	1.4
Current assets		
Cash and cash equivalents	12.3	12.3
Other assets	4.5	4.5
	16.8	16.8
Equity		
Other revaluation reserve	83.5	-
	83.5	-
Non current liabilities		
Deferred tax liabilities	61.4	0.3
	61.4	0.3
Current liabilities		
Trade and other payables	6.3	6.3
Other	10.7	2.7
	17.0	9.0
Equity minority interests	-	-
Net assets	95.8	8.9
Goodwill arising on acquisition	277.6	
Total consideration including costs of acquisition	373.4	

From the date of the acquisition in 2007 acquired interests excluding the initial 49% stake in Transtrend B.V., contributed EUR 44.8 million to the net profit of the Company. If the combinations had taken place at the beginning of the year the total contributions to revenue would have been EUR 160.5 million and to net profit EUR 93.4 million. The purchase price allocation for Transtrend B.V. affects the valuation of the 49% interest, acquired in 2002, as 100% of the assets and liabilities are revalued. The net positive revaluation of the interests in the entities before acquisition date amounts to EUR 83.5 million and is presented in equity under Other revaluation reserve. The fair value adjustment of the non-current assets relates to the identification and recognizing of the intangible assets customer relations and asset management relationships for a total amount of EUR 229.2 million. For software an amount of EUR 10.3 million has been identified and classified as an intangible asset. For the recognized fair value identification of the intangible assets a deferred tax liability has been recognized for an amount of EUR 61.4 million. The Company also acquired a 64% interest in SAM

Group Holding AG at 22 February 2007 and an irrevocable obligation to purchase the remaining interest on 30 April 2010. As of the acquisition date, SAM Group Holding AG has been controlled by the Company and is included in the financial statements as a subsidiary with effect from 22 February 2007. The 36% minority interest is presented in the financial statements as a liability at fair value. On 26 September 2007 the Company acquired a 49% interest in Canbank Investment Management Services Ltd and, together with Canara Bank of India, it set up a joint asset management venture in India, named Canara Robeco Asset Management Company Ltd. The partnership will develop Canara Bank's existing asset management arm, Canbank Mutual Fund. As a consequence Canara Robeco Asset Management Company Ltd. is classified as a joint-venture under IFRS and its financial information is consolidated on a 49% proportional basis. The fair value of the identified assets and liabilities of the acquired entities in 2007 at the acquisition dates of SAM Group Holding AG at 100% and Canara Robeco Asset management Company Ltd. at 49% are:

EUR x million	Fair value recognized on acquisitions	Previous carrying value
Non-current assets		
Property, plant and equipment	2.9	1.4
Intangible assets	17.4	-
Financial assets	5.5	2.9
	25.8	4.3
Current assets		
Cash and cash equivalents	4.7	5.2
Other assets	7.7	5.1
	12.4	10.3
Equity	-	-
Non current liabilities		
Deferred tax liabilities	4.7	-
	4.7	-
Current liabilities		
Trade and other payables	5.2	4.9
Other	1.6	-
	6.8	4.9
Net assets	26.7	9.7
Goodwill arising on acquisition	26.8	
Total consideration including costs of acquisition	53.5	

From the date of acquisition the group companies in 2007 acquired contributed EUR 5.3 million to the net profit of the Group. If the acquisitions had taken place at the beginning of the year the total contributions to the net fee income would have been EUR 30.9 million and to the net profit EUR 6.6 million.

The purchase price allocation of Canara Robeco Asset Management Company Ltd. was not finalized in 2007 and the excess purchase price of the acquisition has been reported as goodwill. First analysis showed that the impact of the result of the purchase price allocation will be limited on the currently presented balance sheet classification of goodwill and equity. For SAM Group Holding AG the fair value adjustment due to purchase price allocation of the non-current assets is related to the identification and recognition of the intangible assets customer relations and databank of EUR 17.4 million.

The net asset IFRS adjustments made by SAM Group Holding AG are EUR 2.1 million and mainly related to carried interest receivable of private equity activities and the pension benefit plan liability.

A deferred tax liability has been recognized for an amount of EUR 4.7 million through purchase price allocation and IFRS adjustments.

For the interests acquired in 2007 in Transtrend B.V., SAM Group Holding AG and Canara Robeco Asset Management Company Ltd. the Company paid a total of EUR 413.2 million.

21. Investment in associates

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 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 is identical to that of the Company, i.e. 31 December.

In 2007, the Company acquired a 10% interest in the share capital of VCM Fund Management LLP. VCM Fund Management LLP will act as the investment manager of VCM Segregated Portfolio Company ('SPC') and as a sub-advisor.

In 2007, the entity SET Venture Partners, powered by Chrysalix and Robeco B.V. has been set up. This associate 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%.

In 2007, the Company increased its 50% interest in the share capital of Cumulent B.V. to 100%. From the date the full control of Cumulent B.V. was obtained, its financial information has been accounted for by integral consolidation and it has been accounted for as a subsidiary.

In 2007 the 25% interest in Bridgevest B.V. was sold.

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

EUR x million	2007	2006
Share of associate's balance sheet:		
Current assets	0.3	12.5
Non-current assets	0.7	0.1
Current liabilities	-0.2	-1.6
Non-current liabilities	-0.1	-
Net assets	0.7	11.0
Carrying amount of investments	0.7	10.7
Share of associate's revenue and profit:		
Revenue	0.3	0.9
Profit	-0.5	0.3

Investment in a joint venture

The Institute for Research and Investment Services B.V. (IRIS) is a joint venture between Rabobank Nederland and the Company.

In 2007, together with Canara bank of India, the Company set up a joint asset management venture in India, named Canara Robeco Asset Management Company Ltd. As a consequence Canara Robeco Asset Management Company Ltd. is classified as a joint-venture under IFRS and its financial information are consolidated on a 49% proportional basis.

The table below shows the 49% share of the joint venture that is included in the consolidation of the Company.

EUR x million	2007	2006
Share of Joint Venture's balance sheet:		
Current assets	5.5	1.7
Non-current assets	4.6	-
Current liabilities	-4.3	-1.7
Non-current liabilities	-0.5	-
Net assets	5.3	0.0
Share of Joint Venture's revenue and profit:		
Revenue	3.4	7.5
Profit	0.1	-

22. Financial assets Available-for-sale

EUR x million	2007			2006		
	Listed	Unlisted	Total	Listed	Unlisted	Total
Government bonds	1,861.0	-	1,861.0	2,194.8	-	2,194.8
Other debt securities	2,001.6	14.6	2,016.2	1,467.2	14.8	1,482.0
Equity securities	-	55.8	55.8	34.8	58.3	93.1
Total	3,862.6	70.4	3,933.0	3,696.8	73.1	3,769.9

23. Financial assets Held-to-maturity

EUR x million	2007			2006		
	Listed	Unlisted	Total	Listed	Unlisted	Total
Government bonds	820.6	-	820.6	1,186.7	-	1,186.7
Other debt securities	114.1	-	114.1	380.9	-	380.9
Total	934.7	-	934.7	1,567.6	-	1,567.6

24. 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	2007			2006		
	Listed	Unlisted	Total	Listed	Unlisted	Total
Mortgages	-	413.2	413.2	-	420.8	420.8
Government bonds	221.5	-	221.5	168.2	-	168.2
Equity securities	38.8	-	38.8	51.1	0.3	51.4
Purchased loans	-	32.0	32.0	-	50.4	50.4
Other debt securities	421.8	-	421.8	767.3	-	767.3
Total	682.1	445.2	1,127.3	986.6	471.5	1,458.1

In October 2003 a package consisting of a mortgage portfolio, accompanying saving deposits and interest rate swaps was bought. The package has been designated as part of the Fair value portfolio, following the 'fair value option'. The Company was able to use the option because, from management perspective, the package is viewed as one, non-dividable, package. As a result the package is recognized at fair value and there is no accounting mismatch. The fair value of this particular package at the purchase date and year-end dates was as follows:

EUR x million	Fair value
31-12-2006	384.1
31-12-2007	387.5

The total nominal value of the package was equal to the total fair value on all of the above dates. As a result there have been no results on revaluations. The nominal value of the mortgages amounts to EUR 404.9 million (2006: EUR 400.6 million).

Included in financial assets at fair value through profit or loss (designated at initial recognition) is a portfolio of fixed-rate purchased loans which is economically hedged by swaps. The hedges do not satisfy the criteria for hedge accounting and the loans are recorded at fair value to avoid an accounting mismatch. The maximum credit exposure of the loans and mortgages amounts to EUR 445.2 million (2006: EUR 471.2 million). The change in fair value of the purchased loans and mortgages attributable to changes in credit risk amounts to a gain of EUR 0.1 million (2006: a loss of EUR 0.2 million).

25. Financial assets Loans and advances

EUR x million	2007	2006
Loans originated from Robeco:		
Private sector loans and advances to customers		
Mortgages	1,069.6	1,127.8
Overdrafts	1.5	182.8
Other	31.2	23.0
Total	1,102.3	1,333.6

The company holds collateral relating to private sector loans and advances to customers. The collateral consists of cash, securities and properties. The received cash collateral is included in the balance sheet under item Cash and cash equivalents.

There is no accrued interest on impaired loans at 31 December 2007 (2006: EUR 0.0 million).

26. Deferred tax assets and liabilities

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

EUR x million	Consolidated balance sheet		Consolidated income statement	
	2007	2006	2007	2006
Deferred tax asset				
Goodwill	240.4	292.1	-	-0.6
Net operating losses	6.8	6.9	1.5	-2.5
Pensions	1.3	0.8	-	-
Others	6.5	7.6	-1.7	-1.4
Total deferred tax assets	255.0	307.4	-0.2	-4.5
Deferred tax liability				
Temporary differences between tax and financial reporting of Held-to-maturity portfolio	1.5	2.7	-	-
Revaluation of interest-rate swap to fair value	0.3	-4.6	-	-
Revaluations of financial assets Fair value through profit or loss portfolio	0.0	3.8	-	-
Unrealized results Available-for-sale portfolio	6.5	6.8	-	0.4
Revaluation of foreign subsidiaries	42.5	57.0	-	-
Fair value adjustments of assets and liabilities acquired in acquisitions	58.4	-	-6.8	-
Other	0.9	-	-0.1	-
Total deferred tax liability	110.1	65.7	-6.9	0.4
Deferred income tax income			-7.1	-4.1
Deferred tax assets net	144.9	241.7		

The Company paid goodwill for the acquired entities in the United States in previous years. The related goodwill was deducted from equity immediately. As the write-off 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.

As of January 2006 the Company has a separate US based legal entity by means of a holding company for Harbor Capital Advisors Inc., Robeco USA Inc. and Robeco Institutional Asset Management US Inc. Because of the consolidated tax group, the future tax benefits, related to the goodwill amortization can for the main part be realized within the consolidated tax group.

The movements in the deferred tax asset are as follows:

EUR x million	2007	2006
Balance at 1 January	307.4	354.3
Release to current tax	-16.3	-19.5
Currency exchange difference	-32.4	-32.4
Taken to profit and loss in respect of new temporary differences	-1.5	4.2
Taken to profit and loss in respect of tax rate changes	-0.2	-0.1
Transferred to equity in in respect of tax rate changes	-6.5	-
Acquisitions	2.5	-
Other	2.0	0.9
Balance at 31 December	255.0	307.4

The movements in the deferred tax liabilities are as follows:

EUR x million	2007	2006
Balance at 1 January	65.7	75.6
Change value financial assets Available-for-sale	-13.9	4.0
Release to current tax	-0.5	-5.9
Taken to profit and loss in respect of tax rate changes	-	-8.0
Fair value adjustment of assets and liabilities acquired in acquisitions	65.2	-
Amortization intangible assets	-6.8	-
Other	0.4	-
Balance at 31 December	110.1	65.7

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of Robeco Gestions S.A. for an amount of EUR 33.2 million (2006: EUR 26.9 million).

The recognition of deferred taxes is based on management judgment on the extent to which the taxable profits are expected to arise in the near future. The unrecognized tax losses do not expire.

Maturity of deferred tax asset and liabilities:

EUR x million	2007	2006
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	209.8	288.2
Deferred tax asset to be recovered within 12 months	45.2	19.2
Total deferred tax assets	255.0	307.4

Deferred tax liabilities

Deferred tax liabilities to be realized after more than 12 months	95.6	51.2
Deferred tax liabilities to be realized within 12 months	14.5	14.5
Total deferred tax liabilities	110.1	65.7

27. Loans and advances

Total loans and advances can be broken down as follows:

EUR x million	2007	2006
Placements with other banks	45.0	54.6
Receivables securities transactions	131.9	26.4
Credits collateralized by securities	14.6	14.6
Private sector loans and overdrafts	77.5	63.7
Other	0.1	0.2
Total	269.1	159.5

Placements with other banks comprise deposits not withdrawable on demand with terms between three months and one year.

28. Current tax receivable and payable

The current tax receivable consists of corporate income tax of EUR 67.0 million (2006: EUR 13.6 million). The current tax payable consists of corporate income tax of EUR 23.8

million (2006: EUR 13.6 million). There is no offset of income tax receivable and payable due to the different tax jurisdictions in which the Company is located.

29. 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	2007			2006		
	Listed	Unlisted	Total	Listed	Unlisted	Total
Short-term						
government paper	14.0	-	14.0	-	-	-
Other debt securities	163.6	1.3	164.9	232.3	-	232.3
Equity securities	168.3	596.2	764.5	82.0	836.7	918.7
Other financial assets						
Held for trading	-	1.5	1.5	-	3.0	3.0
Total	345.9	599.0	944.9	314.3	839.7	1,154.0

Financial assets Held for trading include EUR 504.4 million (2006: EUR 755.7 million), that is held to back the total return swaps (presented as current liability) entered into with Rabobank in order to meet specific investment objectives of note holders who bear the investment risk arising from financial assets Held for trading.

30. Other receivables

The other receivables can be broken down as follows:

EUR x million	2007	2006
Accounts receivable and accrued income	233.1	257.4
Prepayments	2.9	1.9
Other	163.4	119.3
Total	399.4	378.6

The item accounts receivable and accrued income includes debtors and items yet to be received, such as accrued interest and management fees. The item Other include an amount of EUR 33.8 million (2006: EUR 57.1 million) for structuring fees recognized upfront.

31. Derivatives

The Company hedges the foreign currency-conversion risk of net investments in foreign entities using forward

currency contracts. At 31 December 2007 forward contracts with a notional of EUR 176.9 million (2006: EUR 173.1 million) and a fair value of EUR 176.9 million (2006: EUR 173.1 million) were designated as net investment hedges. This resulted in currency gains for the financial year under review of EUR 19.5 million (2006: EUR 10.9 million gain) that were taken to equity. In 2007 and 2006 no amounts were withdrawn from equity and no amounts were recognized as ineffective portion in the income statement.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the balance sheet, 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's underlying asset, reference rate or index and forms the basis for measuring the value of the derivative. It provides an indication of the volume of the Company's business transactions but does not provide any measure of risk. Some derivatives are standardized in terms of their notional amounts and settlement dates, and these are designed to be bought or sold in active markets (exchange traded).

Others are packaged specifically for individual customers and are not publicly 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. This measure is the industry standard for the calculation of current credit exposure. Negative fair value is the cost incurred by the Company in replacing all the Company's transactions with a commitment if the Company were to default. The total positive and negative fair values are included separately in the balance sheet. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The total contract or notional amount of derivative financial instruments held, the degree to which these instruments are favorable or not favorable, and hence the total fair value of the derivative financial assets and liabilities can sometimes 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	2007			2006		
	Contract/Notional Amount	Fair values Assets Liabilities		Contract/Notional Amount	Fair values Assets Liabilities	
Derivatives held for hedge accounting						
Net Investment Hedge						
Forward currency	179.6	-	-	173.1	-	-
Derivatives not held for hedge accounting						
Forward currency	168.5	1.3	1.1	286.0	1.1	0.1
Interest rate swaps	1,315.8	-1.3	23.3	1,676.3	4.9	58.2
Index futures	-	2.3	-	36.2	-	1.2
Swaptions	112.2	-	-	100.2	-	-
Funding swaps	30.4	30.4	-	41.4	42.8	-
Credit default swaps	11.0	11.0	-	51.4	-	0.4
	1,637.9	43.7	24.4	2,191.5	48.8	59.9
Total recognized derivative assets/liabilities	1,817.5	43.7	24.4	2,364.6	48.8	59.9

The derivatives include an interest rate swap that is designated as an element of a package for which the Company has chosen to use the "fair value option". These instruments are disclosed in financial assets at Fair value through profit or loss.

32. Cash and cash equivalents

Cash and cash equivalents can be broken down as follows:

EUR x million	2007	2006
Cash at banks	566.9	552.9
Short-term deposits	250.9	170.3
Balances at central banks	169.4	99.5
Cash in hand	-	0.1
Cash and cash equivalents	987.2	822.8
Bank overdrafts	- 0.8	- 12.4
Cash and short-term deposits in the cash-flow statement	986.4	810.4

An amount of EUR 165.1 million (2006: EUR 97.1 million) is held to satisfy regulatory liquidity requirements of the Dutch Central Bank and is therefore restricted.

33. Equity attributable to equity holders of the parent

Movements in equity attributable to equity holders of the parent are as follows:

EUR x million	Attributable to equity holders of the parent							Minority interest	Total equity
	Issued capital	Share premium	Reserve net unrealized results	Foreign currency translation reserve	Other revaluation reserve	Retained earnings	Total		
At 1 January 2007	4.5	1,057.0	1.1	-12.7	-	-96.4	953.5	7.0	960.5
Net unrealized results on financial assets									
Available-for-sale	-	-	-37.9	-	-	-	-37.9	-	-37.9
Realized gains and losses on financial assets									
Available-for-sale reclassified to the income statement	-	-	-17.0	-	-	-	-17.0	-	-17.0
Tax effect of net result on financial assets									
Available-for-sale	-	-	13.9	-	-	-	13.9	-	13.9
Net result on hedge of net investments	-	-	-	19.5	-	-	19.5	-	19.5
Foreign currency translation	-	-	-	-27.6	-	-	-27.6	-	-27.6
Revaluation intangible assets	-	-	-	-	73.9	9.6	83.5	-	83.5
Other items	-	-	-	-	-	-5.9	-5.9	-	-5.9
Total income and expense for the year									
recognized directly in equity	-	-	-41.0	-8.1	73.9	3.7	28.5	-	28.5
Profit for the year	-	-	-	-	-	200.2	200.2	-0.1	200.1
Total income and expense for the year	-	-	-41.0	-8.1	73.9	203.9	228.7	-0.1	228.6
Capital increase	-	62.5	-	-	-	-	62.5	-	62.5
Movements in third party assets and liabilities	-	-	-	-	-	-	-	-4.8	-4.8
At 31 December 2007	4.5	1,119.5	-39.9	-20.8	73.9	107.5	1,244.7	2.1	1,246.8
At 1 January 2006	4.5	1,057.0	21.8	-5.3	-	-290.9	787.1	10.1	797.2
Net unrealized results on financial assets									
Available-for-sale	-	-	-28.0	-	-	-	-28.0	-	-28.0
Realized gains and losses on financial assets									
Available-for-sale reclassified to the income statement	-	-	-0.8	-	-	-	-0.8	-	-0.8
Tax effect of net result on financial assets									
Available-for-sale	-	-	8.1	-	-	-	8.1	-	8.1
Net result on hedge of net investments	-	-	-	10.9	-	-	10.9	-	10.9
Foreign currency translation	-	-	-	-17.7	-	-	-17.7	-	-17.7
Other items	-	-	-	-0.6	-	1.5	0.9	-	0.9
Total income and expense for the year									
recognized directly in equity	-	-	-20.7	-7.4	-	1.5	-26.6	-	-26.6
Profit for the year	-	-	-	-	-	193.0	193.0	0.4	193.4
Total income and expense for the year	-	-	-20.7	-7.4	-	194.5	166.4	0.4	166.8
Movements in third party assets and liabilities	-	-	-	-	-	-	-	-3.5	-3.5
At 31 December 2006	4.5	1,057.0	1.1	-12.7	-	-96.4	953.5	7.0	960.5

The authorized share capital amounts to EUR 22,689,015 (2006: 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 shareholders meetings.

34. Minority interests

This item relates to the 5% minority interest in equity of Robeco CGF Robeco US Midcap Equities, a 1% minority interest in Robeco Structured Finance Fund listed Private Equity, 2% VCM Emerging Managers Fund and a 7% minority interest in WPG Event-Driven Multi Strategy Overseas L.P.

In 2006, this item related to the 1% minority interest in equity of Robeco CGF Robeco US Midcap Equities, a 17% minority interest in WPG Distressed Special Situations Overseas, 5% Robeco Sage International II Ltd and a 7% minority interest in WPG Event-Driven Multi Strategy Overseas L.P.

Movements in this item are as follows:

EUR x million	2007	2006
Balance at 1 January	7.0	10.1
Net profit or loss for the financial year	- 0.1	0.4
Change of assets and liabilities third parties	- 4.8	- 3.5
Balance at 31 December	2.1	7.0

35. Subordinated loans

Two loans totaling EUR 37.7 million (2006: 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 are as follows:

EUR x million	Average Interest rate (Euribor + 40bp)		
	EUR	2007	2006
Rabobank Nederland	26.3	4.50%	3.23%
Rabobank Nederland	11.4	4.58%	3.32%

36. Other interest-bearing loans and borrowings

The total interest-bearing loans and other borrowings amount to EUR 195.5 million (2006: EUR 213.0 million). To finance acquisitions, Rabobank Nederland has granted loans to Robeco Groep N.V. companies. 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	2007	2006
Harbor Capital Advisors, Inc.	2001	6.36%	15 Yrs	USD	-	100.0
Robeco USA, Inc.	2002	4.94%	15 Yrs	USD	-	34.6
Robeco USA, Inc.	2002	5.77%	15 Yrs	USD	-	13.1
Robeco USA, Inc.	2003	5.36%	10 Yrs	USD	-	113.0
Robeco USA, Inc.	2003	5.13%	15 Yrs	USD	-	17.5
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	-
Robeco US Holding, Inc.	2007	4.82%	11 Yrs	USD	278.2	-

All loans granted to Harbor Capital Advisors, Inc. and Robeco USA, Inc. in 2001, 2002 and 2003 were redeemed in 2007. Robeco US Holding Inc. received a loan of USD 278.2 million in 2007.

37. Provisions

The components of provisions are as follows:

EUR x million	2007	2006
Onerous contracts	0.6	1.0
Legal, tax and social provisions	3.3	1.4
Total	3.9	2.4

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	Onerous contracts		Legal and social	
	2007	2006	2007	2006
Balance at 1 January	1.0	2.4	1.4	2.1
Additions	0.6	-	2.9	-
Charged	-1.0	-1.4	-1.0	-0.7
Balance at 31 December	0.6	1.0	3.3	1.4

Maturity dates of provisions at 31 December 2007:

EUR x million	Onerous contracts		Legal and social	
	Up to 1 year	1-5 years	More than 5 years	Total
Onerous contracts	-	0.6	-	0.6
Legal, tax social provisions	0.6	2.7	-	3.3
Total	0.6	3.3	-	3.9

38. Pension liability and other employee Benefits

EUR x million	2007	2006
Pension liability	1.4	3.3
Other employee benefits	7.1	4.1
Balance at 31 December	8.5	7.4

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 70,654 (2006: EUR 69,066). A defined contribution plan is applied for salaries exceeding that amount.

The amounts recognized as a pension liability in the balance sheet are determined as follows:

EUR x million	2007	2006
Defined benefit obligation	194.1	203.9
Fair value of plan assets	-203.3	-182.6
Funded status of plan	-9.2	21.3
Unrecognized actuarial gains and losses	10.6	-18.0
Net liability on the balance sheet	1.4	3.3

The movement in the liability recognized in the balance sheet is as follows:

EUR x million	2007	2006
Balance at 1 January	3.3	6.8
Defined benefit plans acquired companies	0.7	-
Total company expense	7.0	8.8
Actual employer contributions	-9.6	-12.3
Balance at 31 December	1.4	3.3

The movement in the defined benefit obligation is as follows:

EUR x million	2007	2006
Balance at 1 January	203.9	196.7
Defined benefit plans acquired companies	4.0	0.0
Net service cost	9.3	9.5
Interest cost	9.2	8.4
Benefits paid	-5.6	-4.7
Participant contributions	0.1	-
Actuarial gain and losses	-26.8	-6.0
Balance at 31 December	194.1	203.9

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

EUR x million	2007	2006
Balance at 1 January	182.6	165.9
Defined benefit plans acquired companies	3.3	0.0
Expected return on plan assets	11.6	10.1
Actual employer contributions	9.6	12.3
Participant contributions	0.1	0.0
Benefits paid	- 5.6	- 4.7
Actuarial gain and losses	1.7	- 1.2
Other	-	0.2
Balance at 31 December	203.3	182.6

The amounts recognized in the income statement are as follows:

EUR x million	2007	2006
Net service costs	9.3	9.5
Interest expense	9.2	8.4
Expected return on plan assets	- 11.5	- 10.1
Actuarial gains and losses	-	1.0
Total pension expense	7.0	8.8

All costs are recognized as employee benefit expenses.

The principal actuarial assumptions used are as follows:

EUR x million	2007	2006
Discount rate	5.30% at 31-12-'07	4.50% at 31-12-'06
Expected return on plan assets	6.00% at 31-12-'07	6.00% at 31-12-'06
Inflation	2.00% per annum	2.00% per annum
General salary increase	2.50% per annum	2.50% per annum
Future pension increase	2.00% per annum	2.00% per annum
Career salary progression		
AGE:		
25-30	7.38-6.77% per annum	7.01%-7.01% per annum
31-35	6.85-4.92% per annum	6.18%-6.18% per annum
36-39	5.07-2.84% per annum	4.77%-4.77% per annum
40-44	4.13-2.98% per annum	3.42%-3.42% per annum
45-49	2.75-2.12% per annum	1.85%-1.85% per annum
>50	1.83-1.83% per annum	1.35%-1.35% per annum
Increase in social security offset	2.0% per annum	2.5% per annum
Increase in accrued pensions of active participants	2.0% per annum	2.0% per annum
Increase in pensions in payment and vested benefits of deferred pensioners	2.0% per annum	2.0% per annum
Mortality rates	According to mortality tables, age setback of one year	According to mortality tables, age setback of one year
Disability rates (male-female)		
AGE:		
25-29	0.00%-0.01%	0.00% -0.01%
30-34	0.04%-0.15%	0.05%-0.15%
35-39	0.04%-0.15%	0.05%-0.15%
40-44	0.04%-0.04%	0.04%-0.04%
45-49	0.04%-0.04%	0.04%-0.04%
50-54	0.08%-0.08%	0.08%-0.08%
55-59	0.08%-0.08%	0.08%-0.08%
60-64	0.03%-0.01%	0.04%-0.01%
Withdrawal rates (man – woman)		
AGE:		
25-39	5.7%-4.0%	5.6%-4.3%
40-44	0.8%-0.3%	1.0%-0.4%
45-49	0.4%-0.3%	0.5%-0.3%
50-54	0.2%-0.2%	0.2%-0.2%
55-65	0.6%-0.1%	0.6%-0.1%

For the pension plan the actual allocation of the plan assets is as follows:

	Percentage of the plan assets 2007	Percentage of the plan assets 2006
Equity securities	44.0%	46.4%
Debt securities	56.0%	53.6%
Total	100.0%	100.0%

Share-based payments

One of the subsidiaries of the Company has share-based payment arrangements to employees and members of the Board of Directors of the subsidiary. For this purpose a maximum of 225,000 start shares can be created from authorized share capital of the subsidiary. The rights of employee shareholders will vest over a period of three years in equal portions. In 2007 75,000 start shares were allotted to employees. The allotments of the start shares are made by the Board of Directors of the subsidiary countersigned by the Company. The allotment was in full at the Closing Date.

In addition to the start shares the subsidiary can create a maximum of 456,917 shares for allotment to employees as bonus shares. The rights of employee shareholders will vest over a period of three years, not necessarily in equal portions. The rights of employee shareholders to whom bonus shares were allotted will vest immediately and might be sold to the Company at any time. In total 152,193 bonus shares were allotted in 2007.

The Company pays the nominal value of both the start shares and the bonus shares.

The fair value of the above mentioned arrangements is determined by 75% of the cumulative EBIT (Earnings before interest and tax) for the four business year quarters immediately preceding the option's effective date plus 25% of the cumulative EBIT for the business year quarters immediately preceding said four business quarters. The EBIT is established by the subsidiary and has to be mutually agreed upon by the Company and the Employee Shareholder Representative of the subsidiary.

The Company presented a liability of a total carrying amount of EUR 4.8 million at the end of 2007. The total

expense related to share-based payments recognized for the period is reported under Employee benefits.

39. Other non-current liabilities

Of the Other non-current liabilities of EUR 71.1 million, an amount of EUR 66.3 million (2006: nil) relates to an obligation to acquire the remaining interest in a subsidiary, the purchase of bonus shares and discounted dividends. An amount of EUR 4.8 million (2006: EUR 6.3 million) relates to other non-current liabilities.

40. Interest-bearing loans due to customers

EUR x million	2007	2006
Saving deposits available on demand	4,592.4	4,740.6
Time deposits	1,514.8	1,463.7
Current accounts / settlement accounts	538.0	609.2
Liability securities transaction	1.3	0.4
Total	6,646.5	6,813.9

The saving deposits available on demand refer to the saving accounts of private customers. The current accounts and settlement accounts consist of the saving accounts of non-private customers. Time deposits are deposits provided by a few of the funds managed by the Company.

41. Interest-bearing loans due to banks

EUR x million	2007	2006
Call money / balances available on demand	983.7	1,478.3
Liability securities transactions	81.3	15.7
Time deposits	38.2	3.4
Total	1,103.2	1,497.4

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

42. Total return swaps

The value of the funded total return swaps, of which EUR 504.4 million (2006: EUR 805.1 million) was entered into with Rabobank, depends on the value of the underlying investments 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 are as follows:

	2007			2006		
	Contract/Notional Amount	Fair values Assets Liabilities		Contract/Notional Amount	Fair values Assets Liabilities	
EUR x million						
Derivatives not qualifying for hedge accounting						
Funded total return swaps	504.4	-	504.4	805.1	-	805.1

43. Trade and other payables

EUR x million	2007	2006
Accrued interest	207.4	179.2
Issued securities	165.7	94.1
Creditors	156.2	156.7
Other	169.1	136.0
Total	698.4	566.0

Accrued interest relates to customers savings. The item Other includes obligations related to option rights granted to employees in the Netherlands, as well as the management option scheme.

44. Contingent liabilities

Operating lease and rental commitments

The Company has entered into commercial leases regarding the car fleet. These leases have an average life of between 1 and 5 years.

The Company and its subsidiaries have rental commitments regarding buildings. These rental commitments have remaining terms of between 5 and 20 years.

Future minimum lease payments and rentals are as follows:

	2007		2006	
	Operating lease	Rental commitments	Operating lease	Rental commitments
EUR x million				
Within one year	2.6	12.8	3.3	12.1
After one year but not more than five years	3.5	45.5	5.0	45.8
More than five years	0.2	48.8	-	61.1
Total	6.3	107.1	8.3	119.0

Employee benefits

Robeco Nederland B.V. guarantees the obligations of Stichting Pensioenfonds Robeco. This includes a commitment to realize a funding level of at least 100% of the obligation. This minimum funding requirement was met at 31 December 2007 and 31 December 2006.

The Company has awarded a number of employees Equity Notes. These Equity Notes constitute a future cash-entitlement, related to 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 per 31 December 2007 amounts to EUR 20.6 million (2006: EUR 16.6 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 2007, an amount of EUR 1.0 million (2006: EUR 1.2 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 1,068 million (2006: EUR 1,625 million) without a loss.

The Company has irrevocable credit facilities related to mortgages, credits and guarantees of EUR 620.7 million at 31 December 2007 (2006: EUR 491.0 million). Most of the unused portion of irrevocable credit facilities is secured by customers' assets.

Investment in associates

The Company has a call option, subject to certain conditions, to purchase a remaining interest of 40% of Analytic Investment Management Trading N.V, acquired 23 August 2006, between 31 December 2008 and the end of 2013. The seller has a put option, subject to certain conditions, for a 40% interest in Analytic Investment Management Trading N.V. between 31 December 2013 and 31 January 2014. Until the call or put option is exercised, the seller is entitled to additional receipts

related to realized performance fees of Analytic Investment Management Trading N.V.

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

	Carrying amount		Notional amount	
EUR x million	2007	2006	2007	2006
Financial assets Available-for-sale	155.3	155.6	155.0	155.0
Financial assets Held-to-maturity	-	235.5	-	230.7
Financial assets Fair value through profit or loss	9.2	9.5	9.1	9.1
Total	164.5	400.6	164.1	394.8

The assets pledged by the Company are strictly for the purpose of providing collateral for the counterparty.

45. Financial risk management objectives and policies.**Introduction**

The Company applies various indicators for the assessment of financial performance, amongst others Risk Adjusted Return on Capital. The use of RAROC is part of the strategic capital allocation process which has been developed over the last few years and will be further refined as part of the ongoing effort 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 units and activities. Economic capital is determined by the Company's risk appetite, available capital and portfolio of activities.

In determining economic capital, the Company distinguishes between financial risk types (credit risk, market risk and interest rate 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 (for which a detailed framework is in place) and business risk (for which a more advanced bottom-up model is currently being developed) 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.

Allocation of capital to the financial risk types, notably market risk and credit risk, 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.

Risk Governance

The Group Risk & Compliance Committee is the responsible committee within the Company that focuses on risk. The Group Risk & Compliance Committee is responsible for ensuring that there is comprehensive and consistent risk oversight throughout the different business units and entities within the Group. Risk oversight is a combination of compliance, internal audit and risk management functions. The Group Risk & Compliance Committee evaluates and ratifies group-wide policies relating to compliance, internal audit and risk management issues. The Committee is chaired by the CEO and meetings are held on a quarterly basis.

On behalf of the Group Risk & Compliance Committee, the Asset and Liability Committee has been delegated responsibility for limit setting and monitoring of financial risk types (credit risk, interest rate risk and market risk). The Asset and Liability Committee advises the Group Risk & Compliance Committee on how to determine the Company's

overall risk appetite. The Asset and Liability Committee monitors regulatory capital, economic capital and RAROC figures at Group and business unit levels for internal steering and to assure that the entities under regulatory supervision comply with the capital and solvency requirements. Monthly a report is produced for the Dutch Central Bank (DNB) in which the liquidity is calculated (both weekly and monthly). As per December 31, 2007 the Company complies with the liquidity and capital requirements of the supervising authorities. The Committee is chaired by the CFO and meetings are held on a monthly basis.

On behalf of the Asset and Liability Committee, the Valuation Committee has been delegated responsibility for establishing the accounting and risk classifications and the valuation of illiquid instruments in the trading and investment books of the Company. More specifically, the Valuation Committee approves IFRS classifications, trading book/investment book classifications and the use of specific models and parameters to determine economic and regulatory capital. The Committee is chaired by the Head of Group Control and convenes on a monthly basis.

Local Risk Management Committees are responsible for monitoring the quality and comprehensiveness of risk oversight within a business unit or entity. The Committee ensures that clear procedures are established and implemented with regard to risk appetite and escalation. The Committee is also responsible for the evaluation of the activities required to measure, monitor and control risk. Local Risk Management Committees escalate to the Group Risk & Compliance Committee. Local Risk Management Committees are, in principle, chaired by the managing director of the business unit or entity. Meetings are held on a monthly or bi-monthly basis, depending on the size and complexity of the business unit or entity.

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 predominantly invested in highly liquid investment-grade bonds. Additional sources of credit risk are the mortgage business, private loans collateralised 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 tranches of CDOs issued by the Company).

The Company has significantly revised its credit risk monitoring process in 2007. Robeco Direct N.V. applied for the use of 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. Economic Capital is based on Basel II capital requirements (Pillar I, minimum capital requirements). 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, the Simple Risk Weight approach applies. Robeco will develop internal models for Value at Risk calculation for these type of exposures in due time. For the immaterial portfolios (loans collateralised 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 and Asset Backed Securities is limited. Dealings may only be undertaken in authorised 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 balance sheet, including derivatives. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

EUR x million	Notes	2007	2006
Non-current assets			
Financial assets			
Available-for-sale	22	3,933.0	3,769.9
Held-to-maturity	23	934.7	1,567.6
Fair value through profit or loss	24	1,127.3	1,458.1
Loans and advances	25	1,102.3	1,333.6
Current assets			
Loans and advances	27	269.1	159.5
Derivatives	31	43.7	48.8
Cash and cash equivalents (excluding cash on hand)	32	987.2	822.7
Total		8,397.3	9,160.2
Off-balance sheet items			
Cash and cash equivalents (excluding cash on hand)	44	620.7	491.0
Total maximum credit risk exposure		9,018.0	9,651.2

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.

Risk concentrations of the maximum exposure to credit risk

Concentration of risk is managed by counterparty. The maximum credit exposure to any client or counterparty as of 31 December 2007 was EUR 801 million in the category Institutional investors (2006: EUR 613 million within the category Central governments and central banks).

	2007		2006	
EUR x million	EUR	%	EUR	%
Counterparty risk concentrations of the maximum exposure to credit risk				
Central governments and central banks	3,283.1	36.4	4,129.1	42.7
Institutional investors	2,084.2	23.1	1,851.3	19.2
Corporates	543.5	6.0	585.5	6.1
Retail	1,950.9	21.7	1,938.2	20.1
Equity	155.7	1.7	590.0	6.1
Securitizations	1,000.6	11.1	557.1	5.8
Total maximum credit risk exposure	9,018.0	100.0	9,651.2	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. Guidelines are implemented 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: mortgages on residential properties
- For credits: securities

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 mostly internal and in certain cases external credit ratings. The table below shows the credit quality by class of asset, based on the applied rating methodology.

EUR x million	Financial assets that are neither past due nor impaired			Past due or individually impaired	Total
	High grade	Standard grade	Sub- standard grade		
At 31 december 2007					
Non-current assets					
Financial assets					
Available-for-sale	3,541.7	320.9	11.7	-	3,874.3
Held-to-maturity	934.7	-	-	-	934.7
Fair value through profit or loss	721.9	356.3	0.3	10.4	1,088.9
Loans and advances	266.0	720.6	8.6	107.1	1,102.3
Current assets					
Loans and advances	269.0	0.1	-	-	269.1
Cash and cash equivalents	976.3	10.9	-	-	987.2
Total	6,709.6	1,408.8	20.6	117.5	8,256.5
At 31 december 2006					
Non-current assets					
Financial assets					
Available-for-sale	3,431.6	230.5	22.7	-	3,684.8
Held-to-maturity	1,567.6	-	-	-	1,567.6
Fair value through profit or loss	938.6	442.8	13.6	12.0	1,407.0
Loans and advances	881.8	221.4	-	230.4	1,333.6
Current assets					
Loans and advances	159.2	0.2	-	-	159.4
Cash and cash equivalents	800.7	22.0	-	-	822.7
Total	7,779.5	916.9	36.3	242.4	8,975.1

The Company applied a new model for rating of loans and advances linked tot the Basel II requirements in 2007. This resulted in a change of class from high grade to standard grade. See note 45 Financial risk management objectives and policies, section Credit risk.

Aging analysis of past due but not impaired loans per class of financial assets

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 2007					
Non-current assets					
Financial assets					
Available-for-sale	-	-	-	-	-
Held-to-maturity	-	-	-	-	-
Fair value through profit or loss	7.8	1.5	0.5	0.6	10.4
Loans and advances	92.1	6.4	1.1	7.5	107.1
Current assets					
Loans and advances	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
Total	99.9	7.9	1.6	8.1	117.5

EUR x million

At 31 december 2006

Non-current assets

Financial assets

Available-for-sale	-	-	-	-	-
Held-to-maturity	-	-	-	-	-
Fair value through profit or loss	9.7	1.0	0.6	0.7	12.0
Loans and advances	143.9	37.0	34.1	15.4	230.4

Current assets

Loans and advances	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
Total	153.6	38.0	34.7	16.1	242.4

Of the total amount of gross past due but not impaired loans and advances to customers, the fair value of collateral that the Company held as at 31 December 2007 was EUR 129.2 million (2006: EUR 359.6 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. The Value at Risk at year end, at a 99% confidence level and 1-month holding period amounts EUR 3.4 million (year end 2006: EUR 2.2 million) versus a limit of EUR 15 million, excluding the trading positions that are included in the market risk Value at Risk.

Value at Risk calculations are complemented by stress testing and several trading controls. Delta vectors are calculated representing the absolute change in the market value of equity following from a 1-bps 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 limits an unequal distribution of positive and negative deltas over the time buckets.

The Company implemented additional risk metrics for interest rate risk in 2007:

- 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 balance sheet 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 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 reprising 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 derivatives'. The off-balance sheet gap represents the net notional amounts of all interest-rate sensitive derivative financial instruments.

Expected reprising and maturity dates do not differ significantly from the contract dates, except for the maturity of EUR 413.6 million (2006: EUR 425.0 million) of 'Loans and advances' and EUR 6,673.0 million (2006: EUR 6,816.0 million) of 'Due to customers and banks' up to one month, of which 66.7% (2006: 70%) 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 2007							
Non-current assets							
Financial assets	1,339.9	803.5	1,137.7	2,759.5	955.3	101.4	7,097.3
Available-for-sale	616.8	735.7	379.7	2,055.4	86.7	58.7	3,933.0
Held-to-maturity	150.0	40.0	542.9	197.1	4.7	-	934.7
Fair value through profit or loss	5.1	27.8	206.5	256.6	593.5	37.8	1,127.3
Loans and advances	568.0	-	8.6	250.4	270.4	4.9	1,102.3
Current assets							
Loans and advances	45.4	-	45.0	-	-	178.7	269.1
Financial assets Held for trading	4.9	-	32.0	52.9	83.5	771.6	944.9
Other receivables	33.0	0.8	-	-	-	365.6	399.4
Derivatives	31.2	-	-	-	-	12.5	43.7
Cash and cash equivalents	908.9	69.0	-	-	-	9.3	987.2
Total assets	2,363.3	873.3	1,214.7	2,812.4	1,038.8	1,439.1	9,741.6
At 31 December 2007							
Non-current liabilities							
Subordinated loans	-	37.7	-	-	-	-	37.7
Other interest-bearing loans and borrowings	-	-	-	-	195.2	0.3	195.5
Pension liability and other employee benefits	-	-	-	-	-	8.5	8.5
Other non-current liabilities	-	-	-	-	-	71.1	71.1
Current liabilities							
Interest-bearing loans due to customers	5,466.8	741.0	407.9	1.1	18.1	11.6	6,646.5
Interest-bearing loans due to banks	1,021.9	-	-	-	-	81.3	1,103.2
Total return swaps	-	-	-	-	-	504.4	504.4
Other derivatives	6.6	7.4	-	-	-	10.4	24.4
Trade and other payables	8.3	45.9	-	-	-	644.2	698.4
Total liabilities	6,503.6	832.0	407.9	1.1	213.3	1,331.8	9,289.7
On-balance sheet interest sensitivity gap	- 4,140.3	41.3	806.8	2,811.3	825.5	107.3	
Off-balance sheet interest sensitivity gap	- 5.1	- 52.0	- 169.0	- 484.9	- 598.0	- 6.8	
Total interest sensitivity gap	- 4,145.4	- 10.7	637.8	2,326.4	227.5	100.5	

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 2006							
Non-current assets							
Financial assets	995.1	958.9	1,397.9	3,732.5	900.7	144.1	8,129.2
Available-for-sale	219.1	669.7	814.3	1,895.9	78.0	92.9	3,769.9
Held-to-maturity	-	180.5	470.7	886.9	29.5	-	1,567.6
Fair value through profit or loss	16.6	74.8	94.8	604.7	616.4	50.8	1,458.1
Loans and advances	759.4	33.9	18.1	345.0	176.8	0.4	1,333.6
Current assets							
Loans and advances	99.7	-	-	-	-	59.8	159.5
Financial assets Held for trading	-	-	42.9	52.5	136.9	921.7	1,554.0
Other receivables	56.7	38.3	77.1	-	-	206.5	378.6
Derivatives	42.9	0.2	-	-	-	5.7	48.8
Cash and cash equivalents	726.7	94.0	-	-	-	2.1	822.8
Total assets	1,921.1	1,091.4	1,517.9	3,785.0	1,037.6	1,339.9	10,692.9
At 31 December 2006							
Non-current liabilities							
Subordinated loans	-	37.7	-	-	-	-	37.7
Other interest-bearing loans and borrowings	-	-	-	-	212.8	0.2	213.0
Pension liability and other employee benefits	-	-	-	-	-	7.4	7.4
Other non-current liabilities	-	-	-	-	-	6.3	6.3
Current liabilities							
Interest-bearing loans due to customers	5,801.5	952.5	30.1	1.3	15.7	12.8	6,813.9
Interest-bearing loans due to banks	1,478.3	-	3.4	-	-	15.7	1,497.4
Total return swaps	-	-	-	-	-	805.1	805.1
Other derivatives	22.4	34.2	-	-	-	3.3	59.9
Trade and other payables	41.6	2.6	4.9	-	-	516.9	566.0
Total liabilities	7,343.8	1,027.0	38.4	1.3	228.5	1,367.7	10,006.7
On-balance sheet interest sensitivity gap	- 5,422.7	64.4	1,479.5	3,783.7	809.1	27.8	
Off-balance sheet interest sensitivity gap	- 15.9	- 6.1	- 103.2	- 752.6	- 798.5	-	
Total interest sensitivity gap	5,438.6	58.3	1,376.3	3,031.1	10.6	27.8	

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 the Other derivatives are part of the IAS 39 category Held for trading.

Liquidity risk

The Company is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw downs, guarantees and from margin and other calls on cash settled derivatives. The Company does not maintain cash resources to meet all these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with

a high level of certainty. The Group Risk & Compliance Committee sets limits on the minimum proportion of maturing funds available to meet such calls and to the marketability of the assets that should be in place to cover withdrawals at unexpected levels of demand. The table below categorizes the liabilities of the Company into relevant groupings based on the remaining period at balance sheet date to the contractual maturity date.

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 2007								
Non-current liabilities								
Subordinated loans	-	-	-	-	-	37.7	-	37.7
Other interest-bearing loans and borrowings	-	-	-	-	7.9	194.8	0.3	203.0
Pension liability and other employee benefits	-	-	-	-	0.8	7.1	0.6	8.5
Other non-current liabilities	-	-	-	0.1	71.0	-	-	71.1
Current liabilities								
Interest-bearing loans due to customers	5,112.2	366.2	741.0	407.9	-	19.2	-	6,646.5
Interest-bearing loans due to banks	1,021.9	81.3	-	-	-	-	-	1,103.2
Total return swaps	-	-	-	6.6	107.8	390.0	-	504.4
Other derivatives	-	0.1	3.3	2.9	15.4	2.7	-	24.4
Trade and other payables	48.6	218.1	190.0	32.1	37.7	6.8	165.1	698.4
Total liabilities	6,182.7	665.7	934.3	449.6	240.6	658.3	166.0	9,297.2
At 31 December 2006								
Total liabilities	6,973.2	743.5	996.8	81.9	163.5	743.2	304.7	10,006.8

The total amounts presented above do not reconcile with the consolidated balance sheet, due to recognition of the undiscounted cash flows of the principal amount and at future interest payments. Liabilities in the trading-portfolio are not analyzed on the contractual maturity date because trading liabilities are typically held on a short-term basis.

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.

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) and the hedging of structured products issued by the Group.

The Value at Risk of a portfolio is the maximum loss in the portfolio over a given holding period, at a particular

confidence level, assuming that positions cannot be adjusted during the holding period. The Value at Risk methodology represents risk in equivalent units across products traded, permitting consolidation, and effective comparison of risk factors across the various trading activities.

Value at Risk is calculated using historical simulation, one year price history, 97.5% one-tailed confidence level and 1-day holding period. Additional types of Value at Risk (99% one-tailed confidence level, a 10-day holding period) are calculated for regulatory purposes.

Value at Risk calculations are complemented by trading controls, operational restrictions, designed to control behaviour 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. Dealings may only be undertaken in authorised 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 receives 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.

The Value at Risk at 31 December 2007, at a 97.5% confidence level and a 1-day holding period amounts to EUR -0.9 million (31 December 2006: EUR - 0.9 million) versus a limit of EUR - 2.3 million.

Market risk is calculated using the Value at Risk engines in Rabobank International's Global Market Risk infrastructure. Value at Risk is calculated using historical simulation with a sample period of twelve months of unweighted daily data. For each equity instrument, interest rate and foreign

exchange rate, individual risk factors are defined. The history of market risk factors is obtained from different suppliers and is stored in a historical database. Data are evaluated and diagnosed for data outliers on a daily basis.

Three Value at Risk types are calculated: a 97.5% confidence interval, a 1 day close-out period for limit-setting and daily monitoring purposes, a 99% confidence interval, a 1 day close-out period to demonstrate model integrity to the national supervisor and a 99% confidence interval, a 10 day close-out period to determine regulatory capital (note that for the Company, regulatory capital for market risk is currently calculated using the Standard Approach).

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 prescribe a specific distribution of price shocks through time. The main disadvantage is the relative importance of the definition of the sample period. To complement Value at Risk calculations, Rabobank has an extensive stress program in place. The Company is in the process of joining in this program.

Fair values of financial assets and liabilities

The table below 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.

EUR x million	2007		2006	
	Carrying amount	Fair value	Carrying amount	Fair value
At 31 December				
Non-current assets				
Financial assets Available-for-sale	3,933.0	3,933.0	3,769.9	3,769.9
Financial assets Held-to-maturity	934.7	930.7	1,567.6	1,562.4
Financial assets fair value through profit or loss	1,127.3	1,127.3	1,458.1	1,458.1
Financial assets loans and advances	1,102.3	1,140.8	1,333.6	1,359.3
Current assets				
Loans and advances	269.1	269.1	159.5	159.5
Trade and other receivables	1,344.3	1,344.3	1,532.6	1,532.6
Derivatives	43.6	43.7	48.8	48.8
Cash and cash equivalents	987.2	987.2	822.8	822.8

EUR x million	2007		2006	
	Carrying amount	Fair value	Carrying amount	Fair value
At 31 December				
Non-current liabilities				
Subordinated loans	37.7	37.7	37.7	37.7
Interest-bearing loans and borrowings	195.5	195.5	213.0	217.7
Pension liability and other employee benefits	8.5	8.5	7.4	7.4
Other non-current liabilities	71.1	71.1	6.3	6.3
Current liabilities				
Interest-bearing loans due to customers	6,646.5	6,646.5	6,813.9	6,813.9
Interest-bearing loans due to banks	1,103.2	1,103.2	1,497.4	1,497.4
Total return swaps	504.4	504.4	805.1	805.1
Other derivatives	24.4	24.4	59.9	59.9
Trade and other payables	698.4	698.4	566.0	566.0

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. However, market prices are not available for a significant number of the financial assets and liabilities held by the Company. 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 balance sheet 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.

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 derivatives are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or other recognized valuation techniques. Fair value is equal to the carrying amounts of these items;
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, then fair values are estimated on the basis of pricing models or other recognized valuation techniques;
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 balance sheet date, i.e. their carrying values 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 assumed to be approximated by their carrying amounts

and, in the case of mortgages, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognized separately by deducting the amount of the impairment from both carrying and fair value values;

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 gross fair value, as the impact of credit risk is recognized separately by deducting the amount of the impairment from both carrying and fair value values.

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

Valuation methodology

EUR x million		2007		2006	
		Fair value	%	Fair value	%
Quoted market prices	Assets				
	Financial assets Available-for-sale	3,862.6	98%	3,704.2	98%
	Non-trading financial assets at Fair value through profit or loss	679.7	62%	350.1	24%
	Financial assets Held for trading	68.8	7%	82.1	7%
Valuation techniques - market observable inputs	Assets				
	Financial assets Available-for-sale	58.4	1%	51.1	1%
	Non-trading financial assets at Fair value through profit or loss	421.5	38%	1,108.0	76%
	Financial assets Held for trading	876.1	93%	1,072.0	93%
	Derivatives	43.7	100%	48.8	100%
	Liabilities				
	Total return swaps	504.4	100%	805.1	100%
Other derivatives	24.4	100%	59.9	100%	
Valuation techniques – non-market observable inputs	Assets				
Financial assets Available-for-sale	12.0	1%	14.8	1%	

46. Related party disclosure

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

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

- 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.
- The Institute for Research and Investment Services B.V. (IRIS) joint venture with Rabobank Nederland
- The Robeco, Rolinco and Rorento funds
- The Stichting Pensioenfond Robeco
- The associate Analytic Investment Management Trading N.V.

* These entities are funds temporarily controlled by the Company due to seed capital activities.

** These entities were legally merged effective January 1, 2007 into Robeco Investment Management Inc., named Robeco USA Inc before the merger.

*** These entities are wholly owned by SAM Group Holding A.G.

Name	Country of incorporation	% equity interest	
		2007	2006
Banque Robeco S.A.	France	99.9	99.9
Boston Partners Asset Management LLC**	United States	-	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
Ro Boetie S.A.S	France	99.9	99.9
Robeco - Sage Associates LLC**	United States	-	100
Robeco - Sage Capital Management LLC**	United States	-	100
Robeco Direct N.V.	Netherlands	100	100
Robeco Diversified Trading sub fund *	Luxembourg	-	100
Robeco Fund Management B.V.	Netherlands	100	100
Robeco General Partner European II B.V.	Netherlands	100	100
Robeco General Partner Global II B.V.	Netherlands	100	100
Robeco General Partner Sustainable US Funds B.V.	Netherlands	100	100
Robeco Gestions S.A.	France	100	100
SAM Group Holding A.G.	Switzerland	64	-
SAM Sustainable Asset Management A.G.***	Switzerland	64	-
SAM Research A.G.***	Switzerland	64	-
SAM Indexes GmbH ***	Switzerland	64	-
Sustainable Asset Management USA Inc.***	United States	64	-
Sustainable Asset Management Australia Pty Ltd.***	Australia	64	-
SAM Development A.G.***	Switzerland	64	-
SAM Investment Consulting N.V.***	Netherlands Antilles	64	-
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 Consulting B.V.	Netherlands	100	100
Robeco Luxembourg S.A.	Luxembourg	99.9	99.9
Robeco Nederland B.V.	Netherlands	100	100
Robeco Schweiz A.G.	Switzerland	100	100
Robeco Securities Lending B.V.	Netherlands	100	100
Robeco Securities LLC	United States	100	100
SET Venture Partners, powered by Chrysalix and Robeco B.V.	Netherlands	100	-
Robeco US Holding Inc.	United States	100	100
Robeco Investment Management Inc.**	United States	100	100
Robeco USA LLC**	United States	-	100
Robeco Investment Management (UK) Ltd.	United Kingdom	100	100
Stichting Deelnemingen Robeco Groep	Netherlands	-	-
Stichting Sociaal Fonds Robeco	Netherlands	-	-
Transtrend B.V.	Netherlands	100	49
Robeco General Partner Funds B.V.	Netherlands	100	100
Robeco General Partner Private Equity Fund III Program LLC	United States	100	-
Robeco General Partner Sustainable B.V.	Netherlands	100	100
Robeco Manager Master Clean Tech II B.V.	Netherlands	100	100
Robeco Bestuurder Bewaarder B.V.	Netherlands	100	100
Robeco Manager Feeders Clean Tech II B.V.	Netherlands	100	100
Robeco Manager Feeders European III B.V.	Netherlands	100	-
Robeco Manager Master European II B.V.	Netherlands	100	-
Robeco Manager Master Global III B.V.	Netherlands	100	-
Robeco Manager Feeders Global III B.V.	Netherlands	100	-
Robeco Manager BSR B.V.	Netherlands	100	-
Robeco Hong Kong Ltd.	Hong Kong	100	-
Robeco India Holding B.V.	Netherlands	100	-
Canara Robeco Asset Management Company Ltd.	India	49	-
Corestone Investment Managers AG	Switzerland	100	-
CGF Robeco US Midcap Equities *	Luxembourg	95	99
Robeco Structured Finance Fund Listed Private Equity*	Luxembourg	99	-
WPG Event-Driven Multi Strategy Overseas L.P. *	United States	93	93
VCM Emerging Managers Fund*	Luxembourg	98	-
Cumulent B.V.	Netherlands	100	50

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

EUR x million	Total related parties	
	2007	2006
Income statement regarding related parties		
Operating income	74.3	70.3
Operating expenses	- 13.7	16.3
Operating profit	88.0	54.0
Finance revenue / costs	- 76.1	- 58.8
Share of profit of associates	-	0.1
Profit before tax	11.9	- 4.7

EUR x million	Total related parties	
	2007	2006
Balance sheet regarding related parties		
Assets		
Non-current assets	322.6	264.5
Current assets	846.9	462.6
Total assets	1,169.5	727.1

EUR x million	Total related parties	
	2007	2006
Equity and liabilities		
Total equity	1,044.6	750.6
Non-current liabilities	232.4	253.8
Current liabilities	1,150.2	1,240.4
Total liabilities	1,382.6	1,494.2
Total equity and liabilities	2,427.2	2,244.8

The transactions with related parties relate to the management fees received from the funds as well as maintenance fees paid. In addition, interest results are realized on transactions with Rabobank. Operating expenses consist mainly of expenses paid to the Stichting Pensioenfond Robeco relating to long-term employee benefits. Finance costs and revenues 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.

The assets shown consist mainly of investments, derivatives 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 (2005: 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 5.0 million (2006: EUR 4.6 million) were awarded to current members of the Management Board. Included in salaries and benefits are pension contributions of EUR 0.5 million (2006: EUR 0.4 million) as well as profit-related bonuses of EUR 2.1 million (2006: EUR 2.2 million).

Remuneration of the individual members of the Management Board in 2007 and 2006:

EUR x thousand	Long term employee benefits							
	Base salary		Performance related bonus ¹		Pension costs		Other ²	
	2007	2006	2007	2006	2007	2006	2007	2006
G.A. Möller	602	602	414	348	123	128	59	61
L.M.T. Boeren	301	278	345	368	74	75	37	38
S. van Eijkern	301	278	559	721	74	68	37	38
C.T.L. Korthout	301	278	352	420	75	70	37	38
F.L. Kusse ³	293	-	126	-	76	-	22	-
N.F. Molenaar	301	278	339	387	78	71	37	38

¹ Includes variable bonus income.

² Includes social-security costs, social allowances and holiday allowance.

³ As from 2 February 2007.

The option rights referred to above 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. The total theoretical value of the option rights granted in 2006 to the Management Board members amounted to EUR 0.03 million (2006: EUR 0.03 million).

The theoretical value of all outstanding option rights granted to personnel amounts to EUR 13.4 million (2006: EUR 18.7 million) of which the Management Board amounts to EUR 2.3 million (2006: 2.6 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. The purpose of the 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 Equity Notes representing a cash value directly related to the Robeco Groep N.V. valuation based on profit for the year from continuing operations.

At 31 December 2007 and 2006 the following option rights were outstanding:

	2007	2006
	Number of underlying shares	Number of underlying shares
Robeco N.V.	33,276	39,267
Rolinco N.V.	39,452	52,739
Rorento N.V.	-	2,840
Robeco European Equities (EUR) D-shares	24,718	25,662
Robeco North American Equities (EUR) D-Shares	19,802	20,316
Robeco Emerging Markets Equities (EUR) D-shares	11,897	15,266
Robeco MultiManager Asia Pacific Equities (EUR) D-shares	12,648	13,198

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 Equity Notes granted and their number outstanding in 2007 and 2006 were as follows:

	2007	Number of	2007	2007	2007	Number of	2006	2006	Number of
	outstanding equity	notes 1-jan	Granted	Equity notes	outstanding equity	notes 31-dec	equity notes	equity notes	outstanding
			equity notes	sold			granted		equity notes
G.A. Möller	3,287	1,032	-	4,319	1,620	3,287			
L.M.T. Boeren	2,016	677	- 335	2,358	1,063	2,016			
S. van Eijkern	5,338	1,453	- 1,278	5,513	2,302	5,338			
C.T.L. Korthout	2,282	687	- 602	2,368	1,054	2,282			
F.L. Kusse	-	687	-	687	-	-			
N.F. Molenaar	2,244	583	-	2,827	1,108	2,244			

The 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.

Mortgages granted to members of the Management Board have interest rates, ranging between 2.9% and 4.0% (2006: between 4.0% and 4.2%). The mortgages and loans granted to members of the Management Board are granted in the normal course of business, subject to terms applicable to all employees.

Remuneration of current and former members of the Supervisory Board:

EUR x thousand		
Members of the Supervisory Board	2007	2006
P.C. van den Hoek	86	95
J.C. Ten Cate	49	50
G. Izeboud	49	50
D.J.M.G. Baron van Slingelandt	32	33
P.J.A. van Schijndel ¹	49	29
D.P.M. Verbeek	38	33
Ph. Lambert	49	43

In 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 costs. 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.

¹ Remuneration covered seven months in 2006.



Notes to the consolidated cash flow statement

47. Cash flows from operating activities

An adjustment is made to the operating profit for the depreciation of property, plant and equipment and the amortization of the intangible assets. The results of financial assets are related to the amortization and results of the financial assets.

48. 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 profit.

Purchases and sales of property, plant and equipment and financial fixed assets are based on the consolidated purchase and sale 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 goodwill and the intangible assets are related to the excess purchase price of the subsidiaries acquired in 2007.

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

49. 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 profit.

The revaluation of intangible assets is the net result of the fair value adjustment on the intangible assets of the subsidiaries acquired in 2007.

The movement in loans and borrowings relates to the effect of exchange rate movements on the USD-loans.

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

Report on the consolidated financial statements

We have audited the consolidated financial statements 2007 (as set out on pages 89 through 145) which are part of the financial statements of Robeco Groep N.V., Rotterdam, which comprise the consolidated balance sheet as at 31 December 2007, the consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Management Board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Robeco Groep N.V. as at 31 December 2007, and of 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 Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the Management Board report is consistent with the consolidated financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

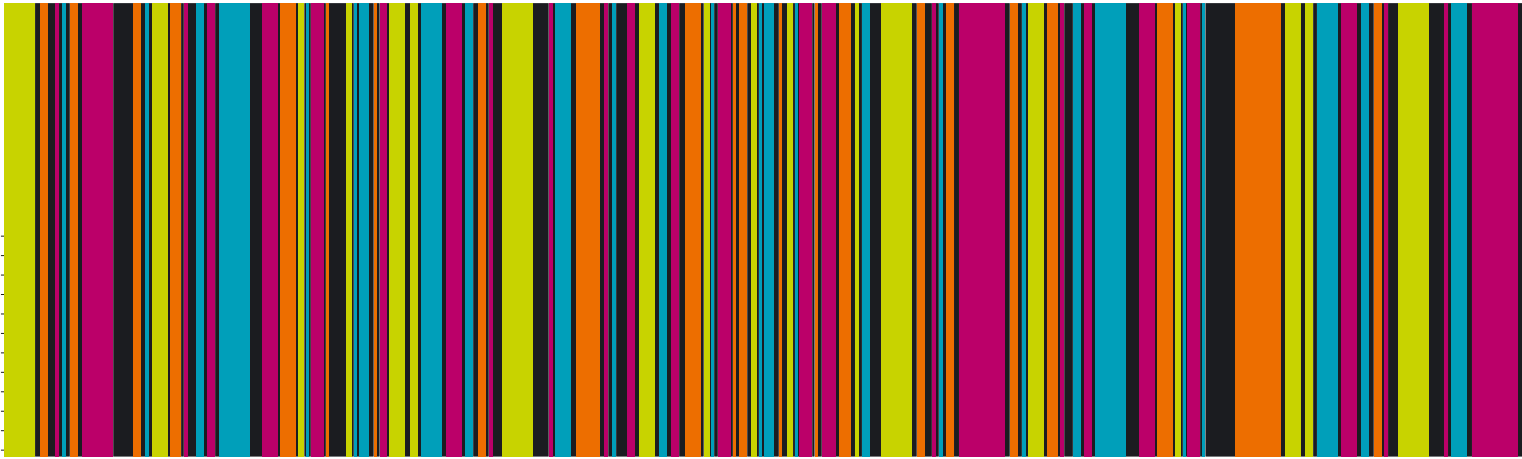
The Hague, 3 April 2008

for Ernst & Young Accountants

signed by Joost Hendriks



Company
Financial Statements



Robeco Groep N.V. 2007

Company income statement

for the years ended 31 December

EUR x million	Notes	2007	2006
Income statement			
Operating income		0.5	-
Non-operating income		- 30.9	- 23.1
<i>Interest income</i>	7.8		3.5
<i>Interest expense</i>	- 38.7		- 26.6
Result before tax		- 30.4	- 23.1
Tax		7.8	17.9
Income from investments in group and associated companies after tax	51	222.8	198.2
Net result after tax		200.2	193.0

Company balance sheet

at 31 December (before profit appropriation)

EUR x million	Notes	2007	2006
Assets			
Fixed assets			
Investments in subsidiaries and associates	52	1,194.8	1,813.2
Total fixed assets		1,194.8	1,813.2
Current assets			
Accounts receivable		66.8	15.6
<i>Subsidiaries and associates</i>		2.6	3.7
<i>Current tax receivable</i>		62.9	11.1
<i>Other Receivables</i>		1.3	0.8
Cash and cash equivalents	53	35.3	104.3
Total current assets		102.1	119.9
Total assets		1,296.9	1,933.1
Equity and liabilities			
Shareholders' equity			
Issued capital		4.5	4.5
Share premium reserve		1,119.5	1,057.0
Reserve net unrealized results		- 39.9	1.1
Foreign currency translation reserve		- 20.8	- 12.7
Other revaluation		73.9	-
Retained earnings		107.5	- 96.4
Total shareholders' equity	54	1,244.7	953.5
Non-current liabilities			
Provisions	55	42.5	57.0
Current liabilities			
Subsidiaries and associates	56	7.1	919.2
Other liabilities	57	2.6	3.4
Total current liabilities		9.7	922.6
Total liabilities		52.2	979.6
Total equity and liabilities		1,296.9	1,933.1

50. 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 which is used in the consolidated financial statements.

51. Income from investments in subsidiaries and associates after tax

EUR x million	2007	2006
Robeco Institutional Asset Management B.V.	140.4	145.7
Robeco International Holding B.V.	36.3	51.7
Robeco Direct N.V.	50.4	43.8
Robeco Nederland B.V.	- 4.3	- 43.0
Total share of profit of subsidiaries and associates at 31 December	222.8	198.2

52. Investment in subsidiaries and associates

Movements in Investments in group and associated companies were as follows during 2006 and 2007:

EUR x million	2007	2006
Revised value of subsidiaries and associates at 1 January	1,813.2	1,645.7
Share premium distribution	- 637.5	-
Acquisition of group company	83.5	57.6
Revaluation of subsidiaries	- 35.9	- 27.6
Net profit for financial year	222.8	198.2
Dividend distributions	- 232.3	- 62.3
Other	- 19.0	1.6
Investment in subsidiaries and associates at 31 December	1,194.8	1,813.2

The Company filed¹ a statement under article 403, paragraph 1, section f, of book 2 of the Dutch Civil Code for the period starting 1 January 2007 and ending 31 December 2007 with the Trade Registry for the following companies:

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

53. Cash and cash equivalents

The cash and cash equivalents are all cash at banks.

54. Shareholders' equity

EUR x million	Attributable to equity holders of the parent						
	Issued capital	Share premium	Reserve net unrealized results	Foreign currency translation reserve	Other revaluation reserve	Retained earnings	Total
At 1 January 2007	4.5	1,057.0	1.1	- 12.7	-	- 96.4	953.5
Net unrealized results on financial assets							
Available-for-sale	-	-	- 37.9	-	-	-	- 37.9
Realized gains and losses on financial assets							
Available-for-sale reclassified to the income statement	-	-	- 17.0	-	-	-	- 17.0
Tax effect on net result on financial assets							
Available-for-sale	-	-	13.9	-	-	-	13.9
Net result on hedge of net investments	-	-	-	19.5	-	-	19.5
Foreign currency translation	-	-	-	- 27.6	-	-	- 27.6
Revaluation intangible translation	-	-	-	-	73.9	9.6	83.5
Other items	-	-	-	-	-	- 5.9	- 5.9
Total income and expense for the year recognized directly in equity	-	-	- 41.0	- 8.1	73.9	3.7	28.5
Profit for the year	-	-	-	-	-	200.2	200.2
Total income and expense for the year	-	-	- 41.0	- 8.1	73.9	203.9	228.7
Capital increase	-	62.5	-	-	-	-	62.5
Movement in third party assets and liabilities	-	-	-	-	-	-	-
At 31 December 2007	4.5	1,119.5	- 39.9	- 20.8	73.9	107.5	1,244.7

EUR x million	Attributable to equity holders of the parent						
	Issued capital	Share premium	Reserve net unrealized results	Foreign currency translation reserve	Other revaluation reserve	Retained earnings	Total
At 1 January 2006	4.5	1,057.0	21.8	- 5.3	-	- 290.9	787.1
Net unrealized results on financial assets							
Available-for-sale	-	-	- 28.0	-	-	-	- 28.0
Realized gains and losses on financial assets							
Available-for-sale reclassified to the income statement	-	-	- 0.8	-	-	-	- 0.8
Tax effect on net result on financial assets							
Available-for-sale	-	-	8.1	-	-	-	8.1
Net result on hedge of net investments	-	-	-	10.9	-	-	10.9
Foreign currency translation	-	-	-	- 17.7	-	-	- 17.7
Other items	-	-	-	- 0.6	-	1.5	0.9
Total income and expense for the year recognized directly in equity	-	-	- 20.7	- 7.4	-	1.5	- 26.6
Profit for the year	-	-	-	-	-	193.0	193.0
Total income and expense for the year	-	-	- 20.7	- 7.4	-	194.5	166.4
Movement in third party assets and liabilities	-	-	-	-	-	-	-
At 31 December 2006	4.5	1,057.0	1.1	- 12.7	-	- 96.4	953.5

Issued capital

The authorized share capital amounts to EUR 22,689,015 (2006: 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 reserve was set at the time of the sale of the shares at a price above the par value.

Reserve net unrealized results

The reserve net unrealized results 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 addition of the profit 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 revaluation of intangible assets.

55. Provisions

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

The movements in provisions are as follows:

EUR x million	2007	2006
Balance at 1 January	57.0	71.0
Released to the current tax payable	- 14.5	- 5.9
Decrease in tax rate	-	- 8.1
Balance at 31 December	42.5	57.0

56. Subsidiaries and associates

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

57. Other liabilities

This concerns a letter of credit of EUR 2.6 million (2006 EUR 3.4 million).

58. Personnel

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

59. Other

As the Company's income statement for 2007 is included in the consolidated financial statements, a summary income statement is sufficient to comply with the provisions of article 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 balance sheet and income statement of Robeco Groep N.V.

Rotterdam, 3 April 2008

The Management Board

The Supervisory Board

Other information**Articles of Association rules governing profit appropriation**

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

Profit appropriation

It is proposed to add the total profit of EUR 200.1 million to the retained earnings.

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

Report on the company financial statements

We have audited the company financial statements 2007 (as set out on pages 148 through 152) which are part of the financial statements of Robeco Groep N.V., Rotterdam, which comprise the balance sheet as at 31 December 2007, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the company financial statements and for the preparation of the Management Board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the company financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company 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 company 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 company financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the company financial statements give a true and fair view of the financial position of Robeco Groep N.V. as at 31 December 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the Management Board report is consistent with the company financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

The Hague, 3 April 2008

for Ernst & Young Accountants

signed by Joost Hendriks

Consolidated income statement

EUR x million	IFRS			Dutch GAAP	
	2007	2006	2005	2004 ¹	2003 ¹
Operating income	819.6	657.5	622.8	535.2	573.9
Operating expenses	-543.0	-436.5	-389.2	-377.0	-392.6
Operating profit	276.6	221.0	233.6	158.2	181.3
Non-operating income	2.3	31.9	-8.3	10.2	-12.9
Profit before tax	278.9	252.9	225.3	168.4	168.4
Tax	-78.8	-59.5	-72.8	-40.7	-49.3
Minority interest	0.1	-0.4	-0.5	0.2	-6.3
Net profit	200.2	193.0	152.0	127.9	112.8

Consolidated balance sheet

EUR x million	IFRS			Dutch GAAP	
	2007	2006	2005	2004 ¹	2003 ¹
Banking operations	8,406	8,899	10,179	10,074	9,853
Asset management operations	2,268	2,150	2,318	1,558	3,784
Total assets	10,674	11,049	12,497	11,632	13,637
Group capital	1,247	961	797	549	408
- of which equity	1,245	954	787	547	344
Banking operations	8,008	8,633	10,047	9,815	9,554
Asset management operations	1,419	1,455	1,653	1,268	3,675
Total liabilities	10,674	11,049	12,497	11,632	13,637

Summary assets under management (AuM)

EUR x billion	2007	2006	2005	2004	2003
AuM as of 1 January ⁴	141.7	131.6	111.1	106.6	97.7
Investment result	2.5	5.0	18.8	4.6	3.4
Regular net cash flow	-0.3	5.8	1.7	0.6	3.8
Non-regular net cash flow ²	-	-	0.7	-	2.3
Distributions ³	-	-0.7	-0.7	-0.7	-0.6
Acquisitions	1.9	-	-	-	-
AuM at 31 December	145.8	141.7	131.6	111.1	106.6

Average number of employees

(FTEs)	2007	2006	2005	2004	2003
Netherlands	1,008	923	925	989	1,018
Rest of Europe	225	152	144	150	165
United States of America	403	391	372	400	431
Other	15	-	-	-	-
Total number of employees	1,651	1,466	1,441	1,539	1,614

Ratio's

	IFRS			Dutch GAAP	
	2007	2006	2005	2004 ¹	2003 ¹
Cost/income ratio (%)	66.3	66.4	62.5	70.4	68.4
Income per employee (EUR x 1,000)	496	449	432	348	356
Net return on shareholders' equity (%)	18.2	22.2	22.8	28.6	37.0

Foreign currencies

One Euro (EUR)

Currency exchange rates (at the end of)		2007	2006
US Dollar	USD	1.4721	1.3170
British Pound	GBP	0.7334	0.6715
Swiss Franc	CHF	1.6547	1.6069
Japanese Yen	JPY	164.9300	156.9300
Indian Ruppee	INR	58.0000	58.3605
Hong Kong Dollar	HKD	11.4800	10.2409

Currency exchange rates (average)

US Dollar	USD	1.3729	1.2550
British Pound	GBP	0.6855	0.6821
Swiss Franc	CHF	1.6424	1.5750
Japanese Yen	JPY	161.6245	146.0064
Indian Ruppee	INR	56.5711	56.8066
Hong Kong Dollar	HKD	10.7063	9.7483

¹ The figures for the year 2004 have been restated in line with the transition to IFRS. The figures for 2003 have not been restated and continue to be based on Dutch GAAP. In the key figures of the annual report 2004 the distribution and subadvisory costs were included in the operating expenses. As of the annual report 2005 the distribution and subadvisory expenses are incorporated in the operating income. For comparison purposes the Dutch GAAP figures 2003 are restated to the operating income.

² Non-regular cash flow includes exceptional movements in AuM for 2003 due to cash flow from the leverage effect of structured products.

³ Distributions consist of dividends and interest paid.

⁴ In April 2005 a new fee arrangement has become effective on the investments by the Mix funds; as a consequence the fund in fund investments are retroactive to 1 January 2005 excluded from the asset numbers. For comparison purposes the numbers of the previous years are restated.

I
This Robeco annual report and the information contained herein has been prepared and is presented by Robeco Groep N.V., incorporated in the Netherlands. It is solely intended to supply the reader with general information about the investment-management activities and Assets under Management of Robeco Groep N.V. and its subsidiaries worldwide. It does not constitute an offer to sell or solicitation of an offer to buy any investment product or program offered by Robeco Groep N.V. or any of its subsidiaries, and is not intended to be used as the basis for an investment decision with respect to any such product or program or a decision to retain Robeco Groep N.V. or any of its subsidiaries to provide such services. Readers should be aware of the fact that the shares in the capital of Robeco Groep N.V. and the shares in the capital of all its subsidiaries are not listed on any stock exchange and are not otherwise for sale to the public. The information in this Robeco annual report is not intended to solicit the purchase or sale of any securities in any investment funds or other financial products of Robeco Groep N.V. and its subsidiaries in any country where the offering and/or distribution thereof is not allowed or not available to the public. Readers of this Robeco annual report should be aware of the fact that they are solely responsible for full compliance with all laws and/or other regulations in their respective jurisdictions with respect to any decision on such purchase or sale. Robeco Groep N.V. only provides investment-advisory services, including investment advice with respect to investment products and programs, through its authorized local subsidiaries. All its banks, investment-adviser subsidiaries and affiliates are registered with their respective local regulators.

II
This annual report may contain statements that amongst others relate to future net profit and operating expenses. These statements are not historical facts nor do they contain any guarantee of future performance, but they are statements of future expectations or forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.
Actual results, performance or events may differ materially from those expressed or implied in such statements due to, without limitation, [I] general economic conditions, [II] performance of financial markets, [III] interest-rate levels, [IV] currency exchange rates, including but not limited to the EUR/USD exchange rate, [V] changes in laws and regulations, including monetary convergence and the European Monetary Union, [VI] changes in the policies of central banks and/or foreign governments, [VII] cost overruns and [VIII] competitive factors, in each case on a global, regional and/or national basis. Except as required by law Robeco Groep N.V. on behalf of itself and its subsidiaries expressly disclaims any obligation or undertaking to update or revise any statements of future expectations or other forward looking statements contained herein whether as a result of new information, change of events, circumstances or conditions on which any such statement is based on, or otherwise.