

ROBECO

Robeco Direct N.V.

12

Condensed consolidated interim financial statements
for the six month period ended 30 June 2012

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GENERAL INFORMATION

Supervisory Board Robeco Direct N.V.

Roderick M.S.M. Munsters, Chairman

Hans A.A. Rademaker

Jurgen B.J. Stegmann

Management Board Robeco Direct N.V.

Leni M.T. Boeren, Chairman

Hester W.D.G. Borrie

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REPORT OF THE SUPERVISORY BOARD

for the six-month period ended 30 June 2012

Condensed Consolidated Interim Financial Statements 2012

We herewith present the Condensed consolidated interim financial statements 2012 of Robeco Direct N.V. together with the Report of the Management Board for the six-month period ended 30 June 2012.

Composition of the Supervisory Board

The composition of the Supervisory Board did not change in the first half of 2012. The Chairman, Mr. Munsters, was reappointed in the Annual Meeting of Shareholders held on 17 April 2012.

Meetings of the Supervisory Board

In the first half of 2012, the Supervisory Board met once. In this meeting, held in April, the Board approved the Annual Report 2011 and discussed the Audit Report 2011 of Ernst & Young. Both documents had been discussed in the previous meeting of the Audit Committee.

In the meeting, the 'Toepassing Code Banken door Robeco; 2011' report by Internal Audit was discussed, i.e. an audit on how the principles of the Code Banken are applied, an issue on the agenda of the January meeting of the Audit Committee. Other issues discussed in the Supervisory Board meeting were the financials over the first quarter of the year, the mortgage portfolio and an update on the investment portfolio.

Moreover, on several occasions the Supervisory Board, without holding a separate Supervisory Board meeting, discussed in the presence of Management Board members the capital position of Robeco Direct N.V. in the context of Rabobank's evaluation of its shareholding in Robeco Groep N.V.

Meetings of the Audit Committee

In the first half of 2012, the Audit Committee met three times. In the January meeting, the report 'Toepassing Code Banken door Robeco; 2011' of Internal Audit was discussed. Both the implementation of the Code Banken and the assessment of the governance and internal controls were discussed.

In the March meeting, the Audit Committee discussed the Annual Report 2011 and the Audit Report 2011 by Ernst & Young. In its meetings, the Audit Committee also paid attention to matters such as the development of the results and the financial position, internal audit, compliance and risk management (quarterly reports), valuation developments and impairments.

Composition of the Management Board

The composition of the Management Board did not change in the first half of 2012.

Rotterdam, 14 August 2012

On behalf of the Supervisory Board of Robeco Direct N.V.

Roderick M.S.M. Munsters, Chairman

REPORT OF THE MANAGEMENT BOARD

for the six-month period ended 30 June 2012

Corporate information

Robeco Direct N.V. is a bank established in the Netherlands. We offer saving products, investment funds, mortgages and several other services to retail clients enabling them to achieve their financial goals with regard to wealth management. In addition, we employ our banking infrastructure for structuring, co-investing and seeding activities and for supporting other entities of Robeco Groep N.V.

General

We hereby present the Condensed consolidated interim financial statements for the six-month period ended 30 June 2012 of Robeco Direct N.V. Our interim financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. These Condensed consolidated interim financial statements have been drawn up in accordance with IAS 34 and the Transparency Directive.

We summarize the important events of the first half of 2012 and the impact thereof on the interim financial statements. Furthermore, we identify the principal risks and uncertainties for the remaining six months of 2012. No significant changes in the control framework occurred in the current interim period.

Important events

We started the year 2012 with a series of events called *"Robeco Visie 2012"*, in which we presented our 2012 outlook for the financial markets. Speakers from within and outside Robeco shared their vision on the European macro-economic and political landscape. This well-attended knowledge-sharing session proves that Robeco's opinion is appreciated and much valued by many clients. Similar to the event *"Robeco Visie 2012"*, an online seminar was organized in which clients could follow Robeco's presentation via Internet and chat with the speaker. Many clients joined our first online seminar and were very enthusiastic over this new way of knowledge sharing. Because of the success, we have decided to continue this form of knowledge sharing in the future.

Another important technological improvement is in progress: we signed an IT service-provider contract with Ohpen, enabling us to transform the Bank's business to a future-proof and cost-efficient IT platform. The ambition is to 'go live' in the shortest possible timeframe to provide our clients with a new and differentiating experience.

As from January 2012, Robeco participates in the *"Talent to the Top"* charter, which provides the means for promoting policies and activities in order to equally develop male and female talent to achieve a more balanced representation of men and women at the top. *"Talent to the Top"* explicitly promotes retention of female talent in Dutch organizations. The ultimate goal is to create an organizational culture in which everyone can develop personal talent regardless of background, culture, gender, orientation and age. Robeco subscribes to these objectives and underscores this by generating the necessary diversity in our organization. Diversity also plays part in Robeco's Responsible Investing policy. It is also important to achieve diversity within Robeco in line with the practice-what-you-preach principle and in the interest of becoming an even more credible employer and partner.

We continually assess the Bank's line of products. The last proposition in the principle-protected product range was discontinued, as the continuing low interest rates do not allow product specialists to structure products with sound return characteristics. Meanwhile, some investment funds redeemed or were discontinued (Fido) and we have spent ample efforts on informing and communicating our clients on the changes.

Rabobank, the Bank's ultimate parent, has announced that it is working on a 'strategic reorientation' for the next years while looking at its capital requirements, as many other banks do. In light thereof, Rabobank is reviewing its option to sell Robeco Groep N.V. together with its subsidiaries. The impact of a possible change of ownership is unknown yet and has our full attention.

Market developments

General

The global economy is currently confronted with a variety of structural problems obstructing the traditional process of economic recovery. In the Western world in particular, governments, banks and individuals have accumulated amounts of excessive debt, so that long-term austerity measures have become necessary. In

addition, Europe is facing unrest in the monetary union, because the absence of stringent fiscal and political agreements has caused the differences between its member countries to become too great. As a result, the financial markets are no longer automatically prepared to fund mounting government debt in Southern Europe. Solving structural problems will be easier once the global economy picks up. In the first months of 2012, US economic figures in particular were surprisingly strong, partly as a result of a mild winter. Unemployment figures fell gradually and the Fed (the American central banking system) announced that interest rates would be kept low until 2014 to support economic growth.

In Europe, worries receded in the first quarter when the European Central Bank (ECB) made three-year loans to European banks available at a very low interest rate in December 2011 and February 2012, allowing them to refinance at a low cost. Some of the funds were used to buy high-yield government bonds. In the second quarter, political unrest increased again as a result of the elections in Greece and France. The possibility of Greece leaving the euro caused a great deal of agitation. Spain needed extra funds from Europe to resolve the major problems in its banking sector. Northern European countries are only prepared to show solidarity if Southern European countries demonstrate a greater financial discipline. Germany in particular is advocating a transfer of political sovereignty to Brussels with centralized bank regulation in Frankfurt.

Equity markets outlook

The current mood in the equity markets is best described as volatile. Investors are nervous about three complex issues: the future of the European Monetary Union, the imminent austerity measures in the United States, and the slowdown in growth in China. Following in the wake of small countries like Greece, Portugal and Ireland, much larger Spain is now also having difficulties. These three issues are very worrying for investors, but at least the definitive outcome for all three is expected to be known by the end of 2012. And in general, increased certainty is positive for the equity markets. It seems unlikely that all three will have a negative outcome. Moreover, much of the bad news already seems to have been absorbed in the stock prices. For this reason, we are moderately positive in the long run, while being prepared for quite some volatility in the shorter term.

Bond markets outlook

We expect the era of low money-market rates to continue for quite some time. Global economic growth will remain moderate. Governments are struggling to keep their finances under control. Consumer spending is under pressure due to uncertainty in the housing and labor markets, while producers are prudent in making investment decisions. We consider the risk of inflation in the period ahead to be low. High unemployment in both the United States and the euro zone makes any sharp wage hikes unlikely. In addition, the moderate economic growth is having a damping effect on commodity price movements. The absence of inflationary tendencies is allowing central banks worldwide to maintain their accommodative policy. We consider it more likely that additional stimulus measures will be taken than that monetary authorities will start to normalize the policies of recent years.

Against this backdrop, we expect global money-market rates to remain low and, possibly, to drop even further. Investors continue to be on the lookout for safe havens and capital preservation is in many cases considered more important than achieving the best possible returns. We therefore expect US and German government bonds to produce positive returns over 2012. In Europe, the debt crisis will continue to dominate the headlines as there is no rapid solution to these issues. We expect interest-rate differences between euro-zone countries to remain highly volatile. We exclude any possibility of a return to a period of low and stable interest-rate differences given the considerable uncertainty about the future of the European Monetary Union. We remain positive about emerging-market bonds, as the government deficits and debts are low in many countries in this universe. Moreover, economic growth there continues to stand out positively against that in the Western world. Money-market rates may fall further, as inflation is showing a tendency to fall in these countries too.

The outlook for companies remains reasonably favorable. Although revenues will come under pressure due to weak economic growth, we note that balance-sheet positions overall are very healthy. Many companies have reduced their debts or have rolled them over to longer maturities. Cash positions are generally healthy, even for high-yield companies, and the uncertain economic climate will make them hesitant to take on new debt. This is good news for investors in bonds.

Outlook, principal risks and uncertainties

Many financial institutions have difficulties in adapting to this new world. As wholesale funding has become much less certain because of the much higher cost of funding, banks divert their attention more and more to the retail

market. This pool of retail savings however is too small and, as a consequence, savings rates are more likely than not expected to remain at elevated levels.

In the second half of 2012, we will closely monitor Rabobank's strategic reorientation process. If and when a change of control materializes, we are likely to be affected as relations between Rabobank and the Bank do exist, that will have to be re-evaluated. We have assessed these issues to ascertain that our clients' expectations as well as statutory and regulatory obligations will be met. The Bank applies various indicators for assessing consequences, if any, with regard to our client satisfaction, product propositions, services and financial performance.

Key figures

Operating results

During the first half of 2012, banks continued to be focused on gaining and retaining retail savings as demand for so-called 'stable funding' continues. Meanwhile, yields on solid government bonds declined to unprecedented low levels. Interest on loans and residential mortgages remained fairly stable. The interest margin remained under pressure, and it is not foreseen that these conditions will return to normal in the second half of 2012. Last year, we decided not to grow our portfolio of residential mortgages any more. It is now almost a year in which we have focused on servicing existing mortgage clients only. Consequently, the portfolio has started to retract, be it limited as the dynamics in the residential housing market have drastically changed.

Net fee and commission income reduced primarily as the full effect of the sale of Banque Robeco in 2011 materialized in the six-month result of 2012. Results on financial assets rose to EUR 29.5 million in the first half of 2012, compared to EUR 12.7 million in the same period last year.

The improved results on financial assets at fair value through profit or loss and available-for-sale mainly stem from lower interest yields (increasing the fair values of debt securities) and book gains upon the sale of several earlier impaired asset-backed securities. This is partially offset by lower trading results as lower interest yields affect the income from debt securities and fair values of interest rate swaps. Furthermore, the strengthened US dollar adversely affected the fair values of foreign currency forwards.

By reducing the size of the Bank's organization to adjust for the reduced number of activities, it further decreased its operating expenses, taking full effect on operating expenses from the sale of Banque Robeco in 2011. The turmoil in the asset-backed securities markets experienced in previous years, leading to illiquid markets and low prices, subsided somewhat in the first half of 2012. Fair value adjustments of earlier impairments and reversal of impairments (EUR 7.4 million; half year 2011: EUR 5.9 million) contributed to the result over the first half of 2012.

The operating result before tax over the first 6 months of 2012 (EUR 33.7 million) was 4% up over the same period last year (EUR 32.4 million). The net profit for the half year totaled EUR 25.6 million (2011: EUR 24.8 million).

Statement of financial position and capital base

The Company's total assets declined from EUR 8.4 billion at year-end 2011 to EUR 8.1 billion at 30 June 2012. Investments decreased by EUR 0.1 billion to EUR 7.4 billion in the first half of 2012, while balances with central and other banks reduced by EUR 0.2 billion lower in the same period. Entrusted savings declined by EUR 0.4 billion to EUR 7.0 billion from EUR 7.4 billion at year-end 2011. The net outflow is primarily caused by an outflow of fiduciary deposits (EUR -0.5 billion), to some extent offset by a EUR 0.1 billion inflow of third-party funding.

The Company's total equity increased by EUR 52.0 million to EUR 466.8 million at 30 June 2012 (31 December 2011: EUR 414.8 million). Apart from the net profit for the first half of 2012, positive unrealized available-for-sale results contributed to the improved capital base. On 30 June 2012, the Core Tier 1 Ratio amounted to 17.6% (31 December 2011: 16.8%). At the same time, the Solvency Ratio (BIS II) totaled 19.0% (31 December 2011: 18.0%), with the required regulatory minimum set by DNB, the Dutch Central Bank, being 8%.

Rotterdam, 14 August 2012

Management Board Robeco Direct N.V.

Leni M.T. Boeren, Chairman

Hester W.D.G. Borrie

Peter T.N. Bruin

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

for the six-month period ended 30 June 2012

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six-month period ended 30 June

<i>In millions of euro</i>	Notes	2012	2011
		<i>unaudited</i>	<i>unaudited</i>
Interest income	1	117.3	127.1
Interest expense	2	102.5	100.1
Net interest income		14.8	27.0
Fee and commission income		12.9	18.1
Fee and commission expense		1.2	2.1
Net fee and commission income		11.7	16.0
Results on financial assets held for trading	3	-3.7	20.7
Results on financial assets at fair value through profit or loss	4	21.5	-10.3
Results on financial assets available-for-sale	5	11.7	2.3
Other income		-	0.6
Net operating income		56.0	56.3
Employee benefits expenses	6	-	2.2
Administrative expenses	6	28.9	29.2
Depreciation and amortization expenses		-	0.1
(Reversal of) impairment loss	7	-6.6	-5.5
Operating expenses		22.3	26.0
Result from group companies		-	2.1
Operating result before tax		33.7	32.4
Income tax		8.1	7.6
Result for the period		25.6	24.8
Attributable to:			
- Equity holder of the parent		25.6	25.1
- Non-controlling interests		-	-0.3
Result for the period		25.6	24.8

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six-month period ended 30 June

<i>In millions of euro</i>	Notes	2012	2011
		<i>unaudited</i>	<i>unaudited</i>
Result for the period		25.6	24.8
Net unrealized results on financial assets available-for-sale		54.0	-2.3
Realized results on financial assets available-for-sale (reclassified to the income statement upon disposal)		-13.3	15.3
(Reversal of) impairments of financial assets available-for-sale	7	-7.4	-5.9
Income tax effect		-8.3	-2.2
Other comprehensive income		25.0	4.9
Exchange differences on translation of foreign operations		0.1	-0.9
Other comprehensive income for the year, net of taxes		25.1	4.0
Total comprehensive income for the year, net of taxes		50.7	28.8
Attributable to:			
- Equity holder of the parent		50.7	29.1
- Non-controlling interests		-	-0.3
Total comprehensive income for the year, net of taxes		50.7	28.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2012 and 31 December 2011

<i>In millions of euro</i>	Notes	30.06.12	31.12.11
		<i>unaudited</i>	<i>audited</i>
ASSETS			
Cash and balances with central banks	8	61.6	141.8
Due from banks	9	594.2	709.1
Derivative financial instruments		17.4	20.3
Financial assets held for trading		481.7	447.7
Financial assets at fair value through profit or loss	10	1,864.2	1,799.5
Financial assets available-for-sale	10	2,959.0	3,039.6
Loans and advances		1,994.5	2,057.2
Financial assets held-to-maturity	11	55.6	113.9
Deferred tax assets		0.6	0.4
Other assets	12	77.3	112.7
Total assets		8,106.1	8,442.2
EQUITY AND LIABILITIES			
Due to banks	13	1,479.1	1,187.0
Derivative financial instruments		288.7	285.8
Due to customers	14	5,560.9	6,194.3
Issued securities		185.2	194.1
Other liabilities	15	87.7	128.5
Subordinated loans		37.7	37.7
Total liabilities		7,639.3	8,027.4
Issued share capital		0.3	0.3
Share premium		245.4	245.4
Available-for-sale reserve		-11.5	-36.5
Foreign currency translation reserve		0.7	0.6
Retained earnings		230.2	204.6
Total equity attributable to the equity holder of the parent		465.1	414.4
Non-controlling interests		1.7	0.4
Total equity		466.8	414.8
Total equity and liabilities		8,106.1	8,442.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six-month period ended 30 June 2012 and 2011

<i>In millions of euro</i>	1 January 2012	Result for the period	Other compre- hensive income	Total compre- hensive income	Movement non- controlling interests	30 June 2012
	<i>unaudited</i>					<i>unaudited</i>
Issued share capital	0.3	-	-	-	-	0.3
Share premium	245.4	-	-	-	-	245.4
Available-for-sale reserve	-36.5	-	25.0	25.0	-	-11.5
Foreign currency translation reserve	0.6	-	0.1	0.1	-	0.7
Retained earnings	204.6	25.6	-	25.6	-	230.2
Total equity attributable to the equity holder of the parent	414.4	25.6	25.1	50.7	-	465.1
Non-controlling interests	0.4	-	-	-	1.3	1.7
Total equity	414.8	25.6	25.1	50.7	1.3	466.8

<i>In millions of euro</i>	1 January 2011	Result for the period	Other compre- hensive income	Total compre- hensive income	Movement non- controlling interests	30 June 2011
	<i>unaudited</i>					<i>unaudited</i>
Issued share capital	0.3	-	-	-	-	0.3
Share premium	245.4	-	-	-	-	245.4
Available-for-sale reserve	-34.9	-	4.9	4.9	-	-30.0
Foreign currency translation reserve	-0.7	-	-0.9	-0.9	-	-1.6
Retained earnings	200.3	25.1	-	25.1	-	225.4
Total equity attributable to the equity holder of the parent	410.4	25.1	4.0	29.1	-	439.5
Non-controlling interests	0.6	-0.3	-	-0.3	5.6	5.9
Total equity	411.0	24.8	4.0	28.8	5.6	445.4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six-month period ended 30 June

<i>In millions of euro</i>	Notes	2012	2011
		<i>unaudited</i>	<i>unaudited</i>
Operating activities			
Operating result before tax		33.7	32.4
Non-cash included in operating result (before tax)		-36.1	-18.2
Other movements from operations	18	-451.5	-232.0
Net cash flows used in operating activities		-453.9	-217.8
Investing activities			
Net cash flow from financial assets at fair value through profit or loss		-27.3	33.1
Net cash flow from financial assets available-for-sale		135.8	385.0
Net cash flow from loans and advances		85.9	-10.5
Net cash flow from financial assets held-to-maturity		57.8	97.1
Net cash flows from investing activities		252.2	504.7
Net movement in cash and cash equivalents		-201.7	286.9
Cash and cash equivalents at 1 January	19	813.2	326.4
Cash and cash equivalents at 30 June	19	611.5	613.3
Cash flows from interests and dividends			
Interest received		156.4	166.2
Interest paid		-52.5	-93.1
Dividend received	3	0.2	1.4

BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The Condensed consolidated interim financial statements for the six-month period ended 30 June 2012 are prepared in accordance with IAS 34, *Interim Financial Reporting*. The Condensed consolidated interim financial statements are unaudited, except for the comparative figures in the Condensed consolidated statement of financial position. These comparative figures are derived from the Consolidated financial statements for the year ended 31 December 2011 of Robeco Direct N.V. Ernst & Young Accountants LLP have issued an unqualified opinion on those financial statements on 17 April 2012.

The Condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and must be read in conjunction with the Annual report 2011 of Robeco Direct N.V. Selected notes to the income statement and the statement of financial position have been presented only in case of significant or unusual items or movements. Although the semi-annual financial statements are considered to be condensed, in each statement the same headings, totals and subtotals are disclosed as included in the Consolidated financial statements for the year 2011.

A Report of the Management Board as well as a Responsibility statement are attached to the Condensed consolidated interim financial statements for the six-month period ended 30 June 2012 in order to comply with EU Transparency Directive 2004/109/EC.

Accounting policies

The same accounting policies and presentations as applied in the Consolidated financial statements for the year ended 31 December 2011 of Robeco Direct N.V. are used in preparing the Condensed consolidated interim financial statements for the six-month period ended 30 June 2012. There are no changes in accounting policies, calculation methods or management estimates that have a significant impact on the current interim period.

Composition of the entity

No material business combinations or acquisitions took place during the interim period. In accordance with the control criteria in IAS 27, *Consolidated and Separate Financial Statements*, certain investment funds have been added to or removed from the consolidation scope of the Condensed consolidated interim financial statements for the six-month period ended 30 June 2012, depending on whether control over these investment funds is exerted or not at the end of the interim period.

Seasonal or cyclical effects

Figures in the Condensed consolidated interim financial statements for the six-month period ended 30 June 2012 are not subject to significant seasonal or cyclical effects.

Subsequent events

No material events occurred subsequent to the end of the interim period that have not been reflected in the Condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT

1. Interest income

Interest income can be broken down as follows:

For the six month period ended 30 June <i>in millions of euro</i>	2012	2011
Cash and balances with central banks	0.4	0.8
Due from banks	1.1	2.2
Financial assets available-for-sale	35.6	42.5
Loans and advances	50.6	50.5
Financial assets held-to-maturity	1.1	2.4
Interest income on financial assets not at fair value through profit or loss	88.8	98.4
Derivative financial instruments	9.1	7.6
Financial assets held for trading	4.4	5.4
Financial assets at fair value through profit or loss	15.0	15.7
Interest income on financial assets at fair value through profit or loss	28.5	28.7
Total	117.3	127.1

2. Interest expense

Interest expense can be broken down as follows:

For the six month period ended 30 June <i>in millions of euro</i>	2012	2011
Due to customers and banks	76.1	70.9
Other interest expense	0.3	0.3
Interest expense on financial assets not at fair value through profit or loss	76.4	71.2
Derivative financial instruments	26.1	28.9
Interest expense on financial assets at fair value through profit or loss	26.1	28.9
Total	102.5	100.1

3. Results on financial assets held for trading

Results on financial assets held for trading are as follows:

For the six month period ended 30 June <i>In millions of euro</i>	2012	2011
Results on debt securities	1.2	8.0
Results on equity securities	0.3	1.7
Results on derivative financial instruments	-4.3	8.3
Results on foreign currencies	-1.0	2.8
Other trading results	0.1	-0.1
Total	-3.7	20.7

The results on financial assets held for trading declined compared to the same period last year primarily due to lower interest yields, affecting the income from debt securities and values of interest-rate swaps, and the strengthened US dollar, adversely impacting the values of foreign currency forwards. The results on equity securities include EUR 0.2 million in dividends received in the first half of 2012 (first half of 2011: EUR 1.4 million).

4. Results on financial assets at fair value through profit or loss

Results on financial assets at fair value through profit or loss are as follows:

For the six month period ended 30 June	2012	2011
<i>In millions of euro</i>		
Results on debt instruments	18.7	-11.2
Results on equity securities	2.8	0.9
Total	21.5	-10.3

The results on financial assets at fair value through profit or loss mainly rose due to unrealized gains on debt instruments that benefited from sharply declined market interest rates.

5. Results on financial assets available-for-sale

Results on financial assets available-for-sale are as follows:

For the six month period ended 30 June	2012	2011
<i>In millions of euro</i>		
Results on debt instruments	10.4	1.7
Results on equity securities	1.3	0.6
Total	11.7	2.3

The results on financial assets available-for-sale primarily benefited from book gains realized on several sold asset-backed securities that were impaired in the last years.

6. Employee benefits expenses and administrative expenses

Administrative expenses can be broken down as follows:

For the six month period ended 30 June	2012	2011
<i>In millions of euro</i>		
Cost allocation	26.1	26.4
Other administrative expenses	2.8	2.8
Total administrative expenses	28.9	29.2

The cost allocation consists of staffing, housing and ICT expenses incurred by Robeco Nederland B.V. that are recharged based on a consistently applied cost allocation model. Our affiliate Robeco Nederland B.V. is legally the employer of our personnel, recharging staffing expenses to us. In the first half of 2012, the recharges regard 259 FTEs (first half of 2011: 316 FTEs) on average. We no longer directly incur employee benefits expenses, as we transferred ownership of our French subsidiary on 31 March 2011.

7. (Reversal of) impairment loss

The (reversal of) impairment loss relates predominantly to asset-backed securities ("ABSs"). Based on the economic circumstances and the market situation in the first half of 2012 and 2011, we made an assessment of all our investment portfolios. The outcome of this in-depth analysis resulted in 2012 in the impairment of 4 non-ABS debt securities (EUR 0.5 million; 2011: nil), the reversal of earlier impairment of 2 ABSs (EUR 7.3 million; 2011: nil) and the recognition of fair value changes of the earlier impaired instruments (EUR 0.6 million net benefit; 2011: EUR 5.9 million net benefit). Value adjustments on credits to customers regard net additions to the mortgage provisions (EUR 0.8 million; 2011: EUR 0.4 million).

(Reversal of) impairment loss can be broken down as follows:

For the six month period ended 30 June	2012	2011
<i>In millions of euro</i>		
Impairment of financial assets available-for-sale:		
- asset-backed securities	0.7	0.1
- other debt securities	0.5	0.2
Reversal of impairment of financial assets available-for-sale:		
- asset-backed securities	-7.3	-
Positive fair value changes of financial assets available-for-sale:		
- asset-backed securities	-1.3	-6.2
Value adjustments on credits to customers:		
- loans and advances	0.1	0.4
- fair value through profit or loss	0.7	-
Total	-6.6	-5.5

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. Cash and balances with central banks

The balance regards EUR 61.6 million in mandatory reserves held at the Dutch central bank (31 December 2011: EUR 141.8 million). From 13 June to 11 July 2012, on average EUR 61.2 million (14 December 2011 to 18 January 2012: EUR 135.1 million) was held to satisfy regulatory liquidity requirements set by DNB and this amount is therefore restricted.

9. Due from banks

Due from banks can be broken down as follows:

<i>In millions of euro</i>	30.06.12	31.12.11
Banks - available on demand	549.9	671.4
Banks - not available on demand	29.8	24.9
Broker positions	14.5	12.8
Total	594.2	709.1

Broker positions result from the differences between trade and settlement dates of transactions.

10. Exposure to South European and Irish sovereign bonds

Given the tense situation in European government bond market, the Bank closely monitors its sovereign positions in various European countries. The below table represents the exposure to South European and Irish sovereigns, indicating by country the notional amounts and fair values as well as the remaining maturity at 30 June 2012:

<i>In millions of euro</i>	IFRS category	Notional amounts	Carrying amounts	Duration (years)
Ireland	FVPL	45.0	45.2	0.8 year
Italy	FVPL	92.0	90.2	3.9 years
Italy	AFS	10.0	10.1	2.1 years
Total		147.0	145.5	2.8 years

11. Financial assets held-to-maturity

Financial assets held-to-maturity can be broken down as follows:

<i>In millions of euro</i>	30.06.12	31.12.11
Government bonds	51.0	96.5
Bank bonds	4.6	17.4
Total	55.6	113.9

12. Other assets

Other assets can be broken down as follows:

<i>In millions of euro</i>	30.06.12	31.12.11
Interest receivable and accrued income	68.9	92.6
Capitalized structuring fee	6.3	8.4
Other assets	2.1	11.7
Total	77.3	112.7

13. Due to banks

Due to banks can be broken down as follows:

<i>In millions of euro</i>	30.06.12	31.12.11
Call money and bank balances - available on demand	1,468.0	1,152.7
Broker positions	11.1	34.3
Total	1,479.1	1,187.0

Call money and bank balances available on demand refer to savings accounts through third-party distributors.

14. Due to customers

Due to customers can be broken down as follows:

<i>In millions of euro</i>	30.06.12	31.12.11
Savings accounts - available on demand	5,470.8	6,124.0
Savings accounts - not available on demand	88.1	66.2
Other amounts due to customers	2.0	4.1
Total	5,560.9	6,194.3

Savings available on demand refer to savings accounts of private and business customers. Savings not available on demand regard fixed-term savings accounts as well as deposits provided by funds managed by the Bank.

15. Other liabilities

Other liabilities can be broken down as follows:

<i>In millions of euro</i>	30.06.12	31.12.11
Accrued interest payable	59.8	109.8
Creditors	27.9	18.7
Total	87.7	128.5

Accrued interest payable at 31 December 2011 is based on a full-year calculation, while the same accrual at 30 June 2012 has been calculated for six months.

16. Contingent liabilities

Capital commitments

At 30 June 2012, we had entered into commitments to repurchase specific bonds, with a nominal amount of EUR 317.2 million (31 December 2011: EUR 342.8 million), at the bondholders' request. Upon repurchase, these bonds can be unwound without the Bank incurring a loss. In addition, we have EUR 588.2 million in irrevocable credit facilities relating to mortgages, credits and guarantees (31 December 2011: EUR 580.3 million). These credit facilities are all secured by customers' assets. Lastly, we have EUR 40.7 million in capital commitments regarding co-investments in private equity funds (31 December 2011: EUR 48.7 million).

Pledged assets

<i>In millions of euro</i>	30 June 2012		31 December 2011	
	Carrying amount	Notional	Carrying amount	Notional
Financial assets at FV through profit or loss	173.4	166.6	87.8	85.7
Financial assets available-for-sale	333.4	315.5	295.2	285.5
Financial assets held-to-maturity	51.0	50.0	51.6	50.0
Total	557.8	532.1	434.6	421.2

Assets pledged by the Bank have the sole purpose of providing collateral to counterparties for funds entrusted to the Bank and any interest due thereon. Pledged assets cannot be sold by counterparties, unless a default event occurs.

Income tax liabilities

Robeco Direct N.V. forms part of a fiscal unity with its parent Robeco Groep N.V. for income tax purposes. As a consequence, the Bank is jointly and severally liable for the income tax liabilities of the fiscal unity.

17. Segment information

Our segmental reporting is determined based on operating segments; these segments are organized and managed separately to the nature of the products and services provided. The segmentation below presents the financial information in line with the way that we assess the operating segments' performance and review their results in relation to decision making on the allocation of resources to those segments.

Our current operating segments are:

- Retail Banking: Banking activities and distribution services;
- Structured Finance: Structuring, co-investment and seeding activities.

Segmentation 30 June 2012 <i>In millions of euro</i>	Notes	Retail Banking	Structured Finance	Total
Income statement				
Interest income	1	113.4	3.9	117.3
Interest expense	2	-98.7	-3.8	-102.5
Fee and commission income		12.3	0.6	12.9
Fee and commission expense		-0.4	-0.8	-1.2
Results on financial assets held for trading	3	-4.2	0.5	-3.7
Results on financial assets at FV through profit or loss	4	17.7	3.8	21.5
Results on financial assets available-for-sale	5	10.4	1.3	11.7
Net operating income		50.5	5.5	56.0
Operating expenses	6,7			-22.3
Operating result before tax				33.7
Income tax				8.1
Result for the period				25.6
Statement of financial position				
Segment assets		7,785.3	320.8	8,106.1
Total assets		7,785.3	320.8	8,106.1
Segment liabilities		7,343.9	295.4	7,639.3
Total equity				466.8
Total equity and liabilities		7,343.9	295.4	8,106.1
Other segmental information				
Net interest, fee and commission income:				
- External		26.6	-0.1	26.5
- Domestic		26.6	0.1	26.7
- Foreign		-	-0.2	-0.2
Other material non-cash items:				
- (Reversal of) impairment loss	7	7.1	-0.5	6.6

Segmentation 30 June 2011 <i>In millions of euro</i>	Notes	Retail Banking	Structured Finance	Total
Income statement				
Interest income	1	123.1	4.0	127.1
Interest expense	2	-94.4	-5.7	-100.1
Fee and commission income		16.9	1.2	18.1
Fee and commission expense		-1.0	-1.1	-2.1
Results on financial assets held for trading	3	8.3	12.4	20.7
Results on financial assets at FV through profit or loss	4	-11.2	0.9	-10.3
Results on financial assets available-for-sale	5	0.7	1.6	2.3
Other income		0.5	0.1	0.6
Net operating income		42.9	13.4	56.3
Operating expenses	6,7			-26.0
Result from group companies				2.1
Operating result before tax				32.4
Income tax				7.6
Result for the period				24.8
Statement of financial position				
Segment assets		8,144.8	420.4	8,565.2
Total assets		8,144.8	420.4	8,565.2
Segment liabilities		7,732.2	387.6	8,119.8
Total equity				445.4
Total equity and liabilities		7,732.2	387.6	8,565.2
Other segmental information				
Net interest, fee and commission income:				
- External		44.6	-1.6	43.0
- Domestic		41.3	-1.4	39.9
- Foreign		3.3	-0.2	3.1
Other material non-cash items:				
- Depreciation and amortization expenses		-0.1	-	-0.1
- (Reversal of) impairment loss	7	5.7	-0.2	5.5
- Result from group companies		2.1	-	2.1

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

18. Other movements from operating activities

Other movements from operating activities consist of movements in the held-for-trading portfolio, derivatives and movements in other short-term assets and liabilities.

19. Cash and cash equivalents

Cash and cash equivalents can be specified as follows:

<i>In millions of euro</i>	Notes	2012	2011
Cash and balances with central banks	8	141.8	133.7
Due from other banks - available on demand	9	671.4	192.7
Balance as at 1 January		813.2	326.4
Cash and balances with central banks	8	61.6	135.1
Due from other banks - available on demand	9	549.9	478.2
Balance as at 30 June		611.5	613.3

RESPONSIBILITY STATEMENT

The Management Board of Robeco Direct N.V. confirm to the best of their knowledge that:

- the Condensed consolidated interim financial statements, prepared in accordance with IAS 34, *Interim Financial Reporting*, give a true and fair view of the Bank's consolidated assets, liabilities, financial position and result.
- the Report of the Management Board includes a fair review of the development and performance of the Bank's business and the consolidated position in the financial six-month period together with a description of the principal risks and uncertainties that it faces for the remaining six months.

Rotterdam, 14 August 2012

Management Board Robeco Direct N.V.

Leni M.T. Boeren, chairman

Hester W.D.G. Borrie

Peter T.N. Bruin