do your thing

Investor Presentation 2025

Sept 2025

ING Germany / ING-DiBa AG

Key points

ING Germany

Developing towards a **leading universal bank** in Germany

Managing costs to deliver **best in class** profitability

Total underlying **income** of ING Germany of **€3,864 mln** and an underlying **net result** of **€1,433 mln** in 2024

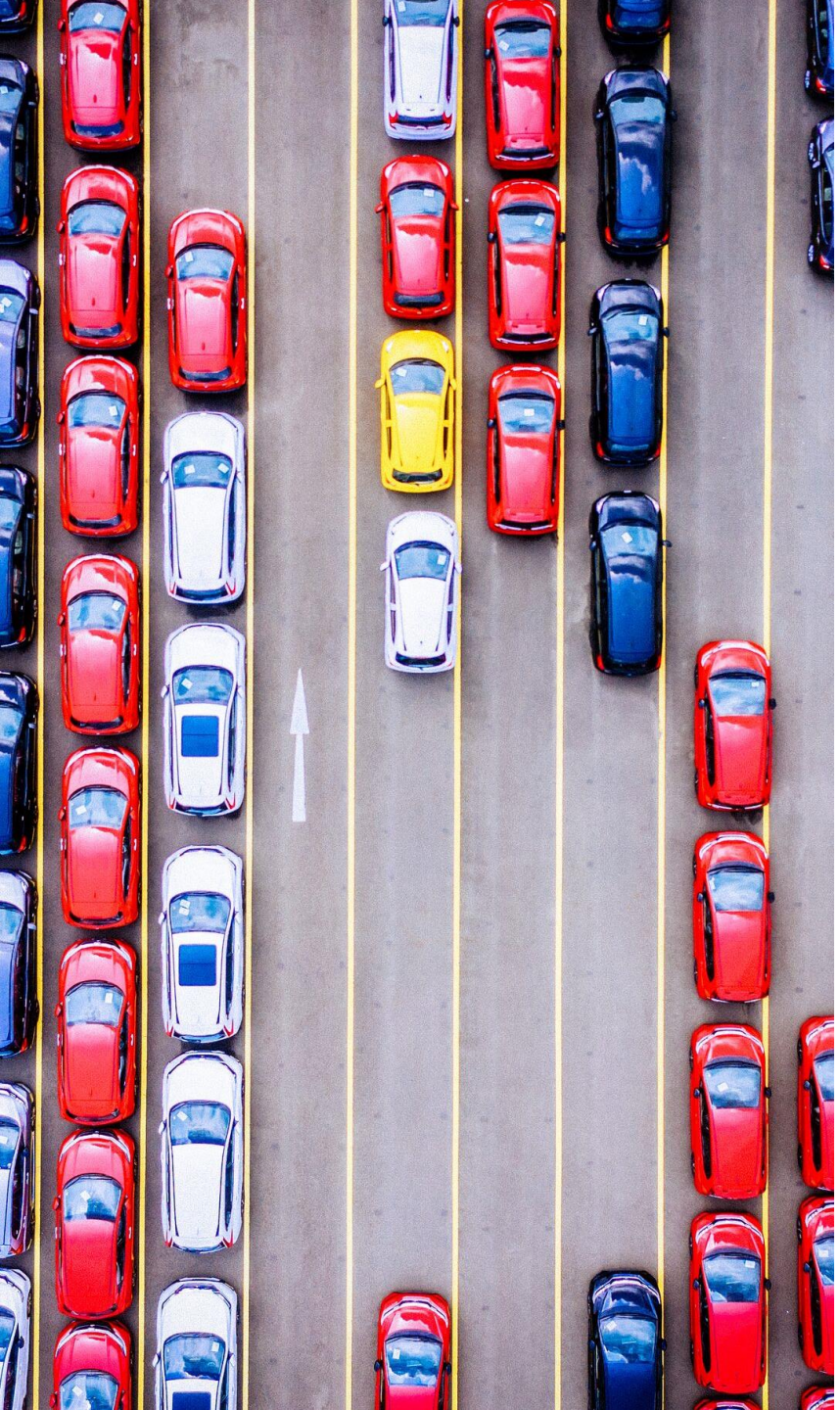
Comfortable capital position with a Tier 1 ratio of 14.6% at YE 2024

Pfandbrief

Moody's has assigned an **Aaa Rating** for the Mortgage Pfandbrief

Cover Pool consisting of **100% German residential mortgages**

Regular issuances planned for the coming years, to further diversify the bank's liabilities



Agenda

Business Profile and Strategy	4
ING Germany Results 2024	10
Covered Bond Programme	14
Green Bond Framework	21
Green Initiatives	29
Economic, housing & mortgage markets update	34
Appendix	41

Business Profile and Strategy

Our Business Model

Private Individuals

- Focus on digital products for self-sufficient private customers
- Comprehensive product offering addressing customers' daily banking, lending, savings and investment needs
- Maintain cost efficiency to deliver attractive conditions and value to customers

Business Banking

- Focus on digital products for Self-Employed and Small and Medium-sized enterprises in Germany
- Current account: easy and attractive conditions
- Complementary savings and lending offer

Wholesale Banking

- Focus on banking services for large internationally operating business clients
- Global expertise in more than 7 sectors
- Embedded in a strong global ING network spanning 40+ countries
- Nationwide presence in Germany with regional offices in Hamburg, Munich, Stuttgart & Düsseldorf

Best Foreign Bank & Rising Star of the Year

FINANCE

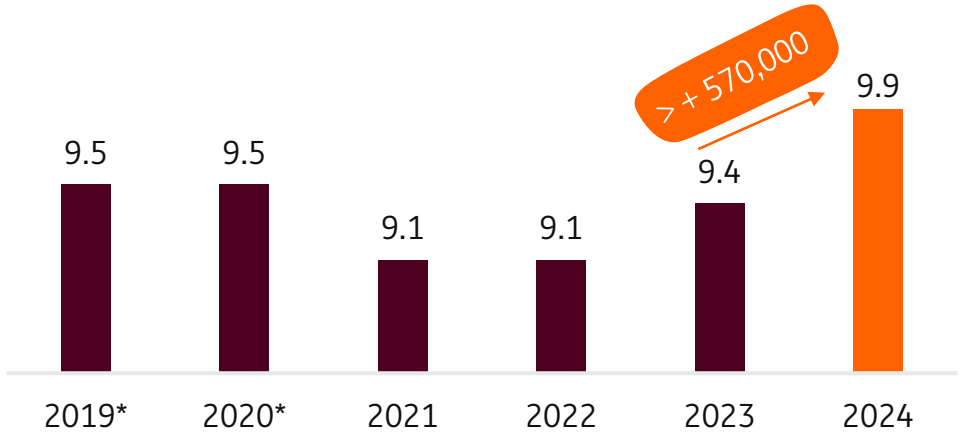
Best Bank for Sustainable Finance 2023 - 2025

EUROMONEY AWARDS FOR EXCELLENCE 2025

The bank´s strategy delivers on commercial growth in 2024

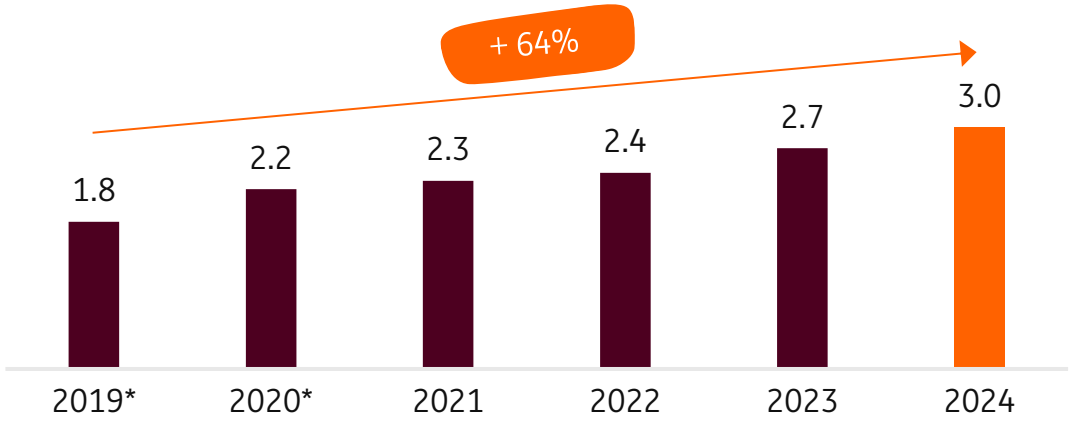
ING Germany serves 9.9 million retail customers

(in mln)



Primary customers growth rises to 3.0 million

(in mln)



Core lending €139.5 bln**

2024 net growth

+4.2%

€ +5.6 bln

Customer deposits €152.6 bln**

2024 net growth

+5.1%

€ +7.4 bln

Employees

2024 average

5,836

Changes compared to 2023 results (IFRS)

*) Including Austrian customers

**) Including Wholesale Banking

ING Private Individuals

Continuing the ING success story

ING Germany has **a strong starting point**

- Leading direct bank in the German market
- Serving more than 10 million clients, thereof more than 2.7m mobile primary clients[1]
- Voted “Most popular bank” for the 19th consecutive year

And **clear priorities** to continue the trajectory

- Further develop the product offering in line with client needs
- Intensify client relationships
- Target new client segments

Offering

Daily Banking | Savings | Brokerage | Consumer Finance | Mortgages | Insurance

[1] Mobile primary clients: Primary bank clients who regularly use the app

ING Business Banking Germany

Growing Business Banking at ING

- New digital **Current Account**: immediately available, providing seamless payment management and additional services (e.g. accounting). Tailored to meet our customers' needs and continuously evolving, we aim to support our customers in accelerating their business growth.
- **Business Extra-Konto** launched, as free, flexible and digital day-to-day savings product for business clients
  - **Digital Lending** with new specialized offer for our clients: fast and completely digital loan application for up to €250k (with immediate decision for up to €100k)
- **Next milestone**: focus on expanding and growing our business and customer base

Offering

- Current Account
- Savings Account
- Instant and Fast Track Lending

WB Germany — At a Glance

ING Wholesale Banking in Germany*

- **EUR 33bn+ lending assets** and a strong local presence across Germany
- **EUR 263m local profit before tax** in 2024, with **ROE of 9.8%**
- **EUR 914m franchise topline** with German clients, including offshore booking
- Four regional offices in **Düsseldorf, Hamburg, Munich and Stuttgart** ensure proximity to clients and local delivery in Germany's key commercial regions
- **Headquartered in Frankfurt**, combining deep sector and product expertise with global capabilities
- Recognized **pioneer in Sustainable Finance**, supporting our **clients' transition journeys**

Sectors

- Commodities Food & Agri
- Telecom, Media & Healthcare
- Financial Institutions
- Corporate Sector Coverage
- Real Estate Finance
- Energy
- Transportation & Logistics

Products

- Lending
- Financial Markets
- Capital Markets & Advisory
- Transaction Services

* Per FY 2024

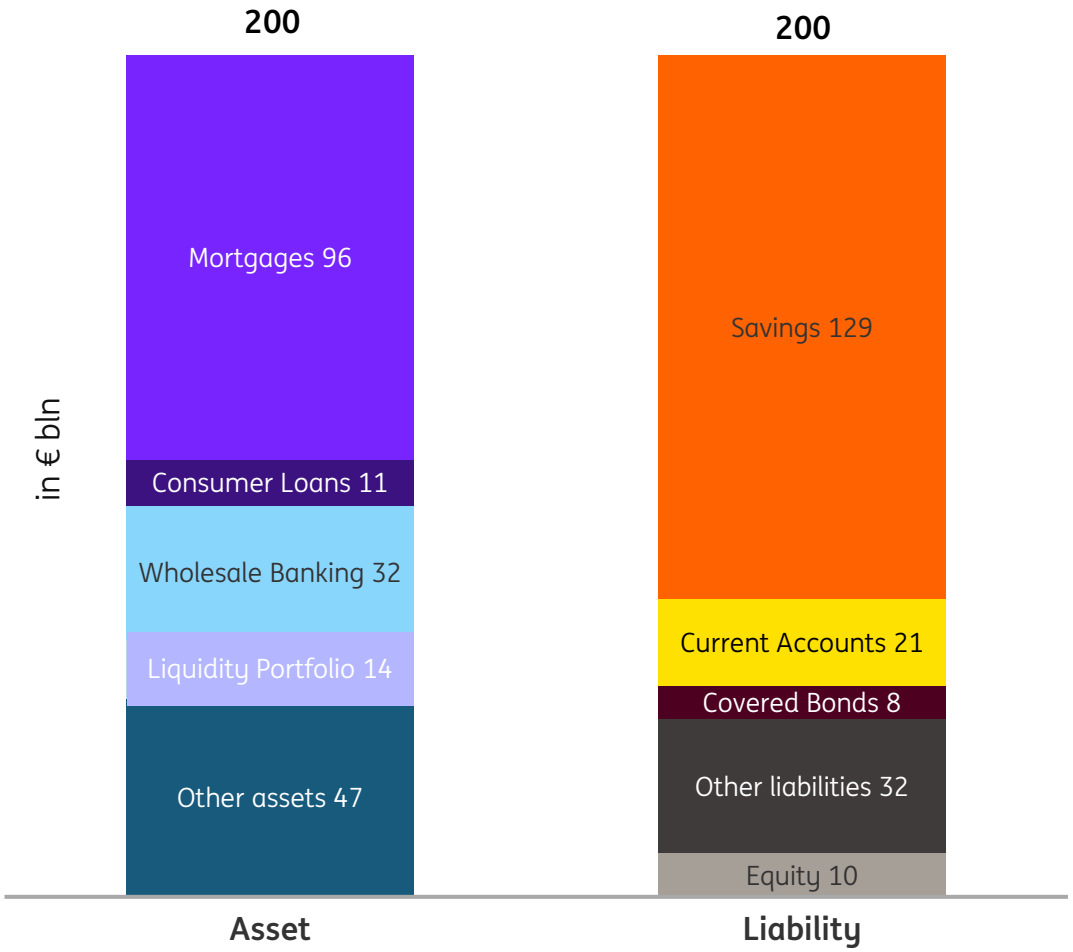
ING Germany Results 2024

Developments in 2024

1	Clients	# in mln	**9.9**	6%	↗
2	Primary clients	# in mln	**3.0**	11%	↑
3	Current Accounts	# in mln	**3.9**	14%	↑
4	Savings and current accounts	Balance in € bln	**150.2**	5%	↗
5	Brokerage	# of transactions in mln	**43.3**	24%	↑
6	Mortgages	Balance in € bln	**96.2**	4%	↗
7	Consumer Loans	Balance in € bln	**11.0**	7%	↗
8	Wholesale Banking	Loans in € bln	**33.1**	3%	↗
9	Interhyp brokered volume	In € bln	**22.4**	30%	↑

Changes compared to 2023 results (IFRS)

ING Germany balance sheet: strong and conservative



Balance sheet ING Germany as of 31 Dec 2024

- Total assets : €200 bln

Attractive funding profile

- Large, increasing customer deposit volume
- Frequent covered bond issuances

Objectives

- Diversification of funding sources
- Ability to grow client assets independently of client liabilities
- Maintain liquidity ratios at comfortable levels

Liquidity Buffer

- High quality liquidity buffer

Scope: ING Germany

ING Germany – Income statement (IFRS)

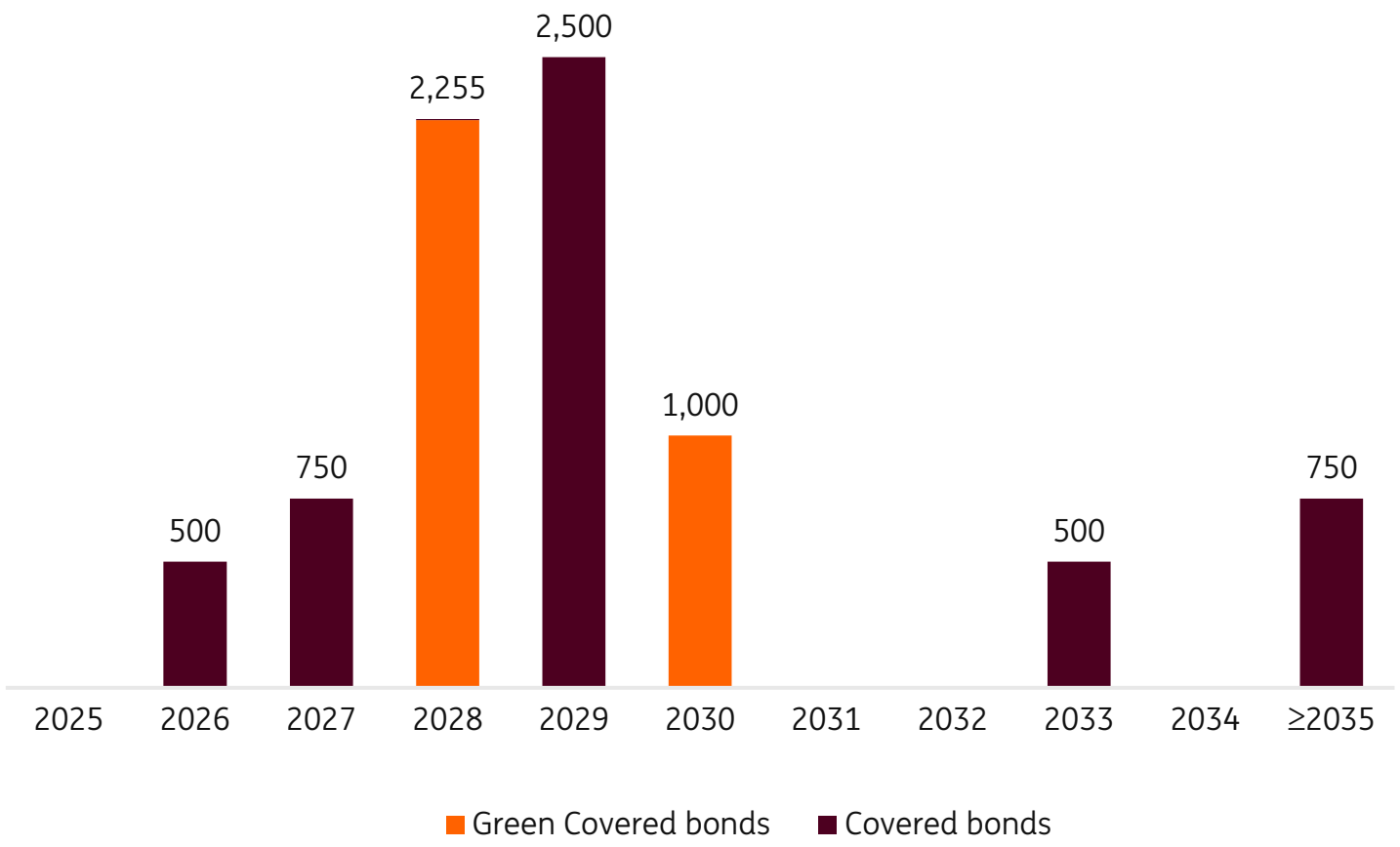
in € mln	2024	2023	Δ	Δ in %
Net interest income	3,555	3,704	(149)	-4
Net commission income	504	414	90	22
Other income	(195)	(170)	(25)	-15
Personnel expenses	(758)	(730)	(28)	4
Other administrative expenses	(765)	(716)	(49)	7
Risk costs	(222)	(36)	(186)	511
Profit before tax	**2,119**	**2,466**	**(347)**	**(14)**
Income tax	(686)	(807)	121	-15
Profit after tax	1,433	1,658	(225)	-14
Cost-income-ratio	39.4%	36.6%	2,8%	-
Return-on-Equity	15.2%	18.9%	-3.7%	-
Tier 1 ratio	14.6%	17.8%	-3.2%	-

Scope: ING Germany

Covered Bond Programme

Long-term debt maturity profile and issuance activity

Long-term debt maturity ladder (in € mln)



Issuance activity in 2024

- Total issuance in 2024: €1.0 bln
- ING-DiBa AG's Covered Bonds maturing in 2024 amounted to €100 million

Outstanding Issuances

- Next benchmark maturity of €500 million due in 2026
- Total external outstanding issuance volume of €8.255 bln
- Thereof €3.25 bln Green Pfandbriefe

Scope: ING Germany

ING-DiBa AG's Residential Mortgage Pfandbrief Programme

ING-DiBa AG's €20 bln Residential Mortgage Pfandbrief Programme

- Aaa rated by Moody's
- Cover pool consists of **100% prime German residential** mortgage loans in Euro only. As per 31st March 2025, no arrears > 90 days in the cover pool
- Strong German legislation including the LTV cut-off rate of 60% as well as the latest amendments to the Pfandbrief Act with regards to the mandatory overcollateralization (OC)

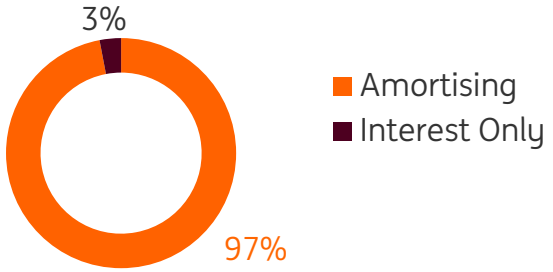
Latest investor reports are available on
www.ing.de/ueber-uns/unternehmen/investor-relations/

Portfolio characteristics (as per 31st March 2025)

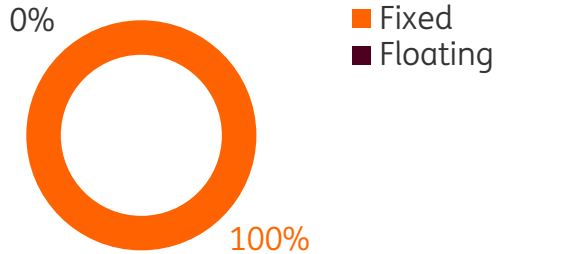
Net principal balance	€16,548 mln
Outstanding bonds	€12,255 mln
# of loans	134,451
Avg. principal balance (per borrower)	€123,078
WA current interest rate	1.77%
WA remaining maturity	35.92 years
WA seasoning	5.25 years
WA current indexed LTV	n/a**
Min. documented OC	2%
Nominal OC	39,3%

*** WA unindexed LTV: 85.8% (original LTV, based on the mortgage lending value at origination)

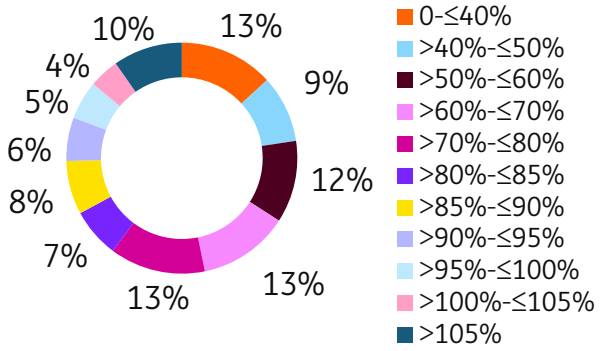
Repayment type



Interest rate type



Current Unindexed LTVs



Strong rating profile of ING-DiBa AG

Issuer credit ING-DiBa AG – Credit Opinion
6th December 2024

ING-DiBa AG	Moody's
Issuer LT rating	A2
Outlook	Stable
Bank Deposits ST rating	P-1

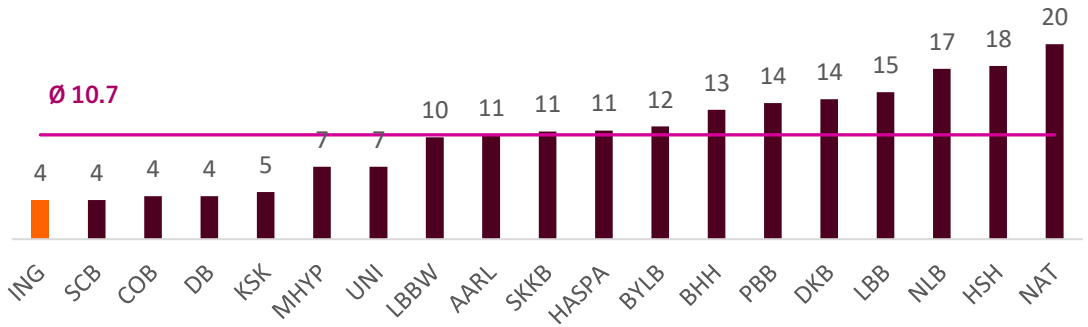
Key Driver

- Strong Asset Quality and Profitability
- Sound Capitalisation
- Stable Funding Profile with Limited Market Reliance

Mortgage Covered Bonds – Performance Overview
31st March 2025

ING-DiBa AG	Moody's
Rating	Aaa
Collateral Score	4.0%
Collateral Score excl. systemic risk	3.6%
Minimum OC consistent with a Aaa rating	0.0%
Current OC (unstressed NPV)	39.3%
TPI Leeway/TPI	5/high

Mortgage Pfandbrief Collateral Score 2024 Q4 in %



Source: Moody's Covered Bonds – Global, Sector Update – Q2 2025

Main programme characteristics

- Product type: annuity loan
- Fixed interest only
- Principal repayment: 1-10% p.a.
- Prepayment: up to 5% p.a. of principal
- Performing loans*
- Tenor up to 30 years

- Aaa rated by Moody's

- The energy certificate is an integral part of our minimum document list
- It is requested for all objects and types of financing

- Strong German legislation
- Strong independent oversight from the cover pool monitor with a continuous strong oversight from the regulator
- Relatively low loan-to-value (LTV) threshold of 60%

- First line residential mortgage loans
- German property
- Private individuals

Issuer undertaking:

- Includes liquid bonds
- Provides quarterly investor reporting on https://www.ing.de/ueber-uns/unternehmen/investor-relations/

* Non-performing loans will directly be excluded from the cover pool

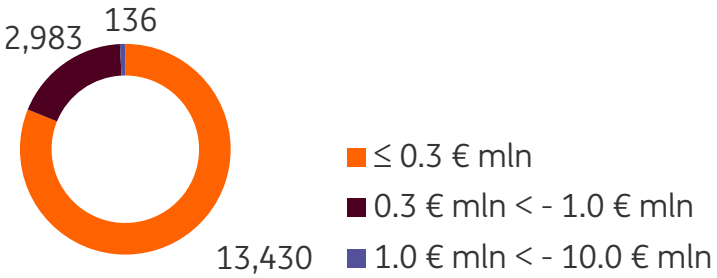
Key cover pool characteristics

Residential property type profile (in € mln)

31st March 2025

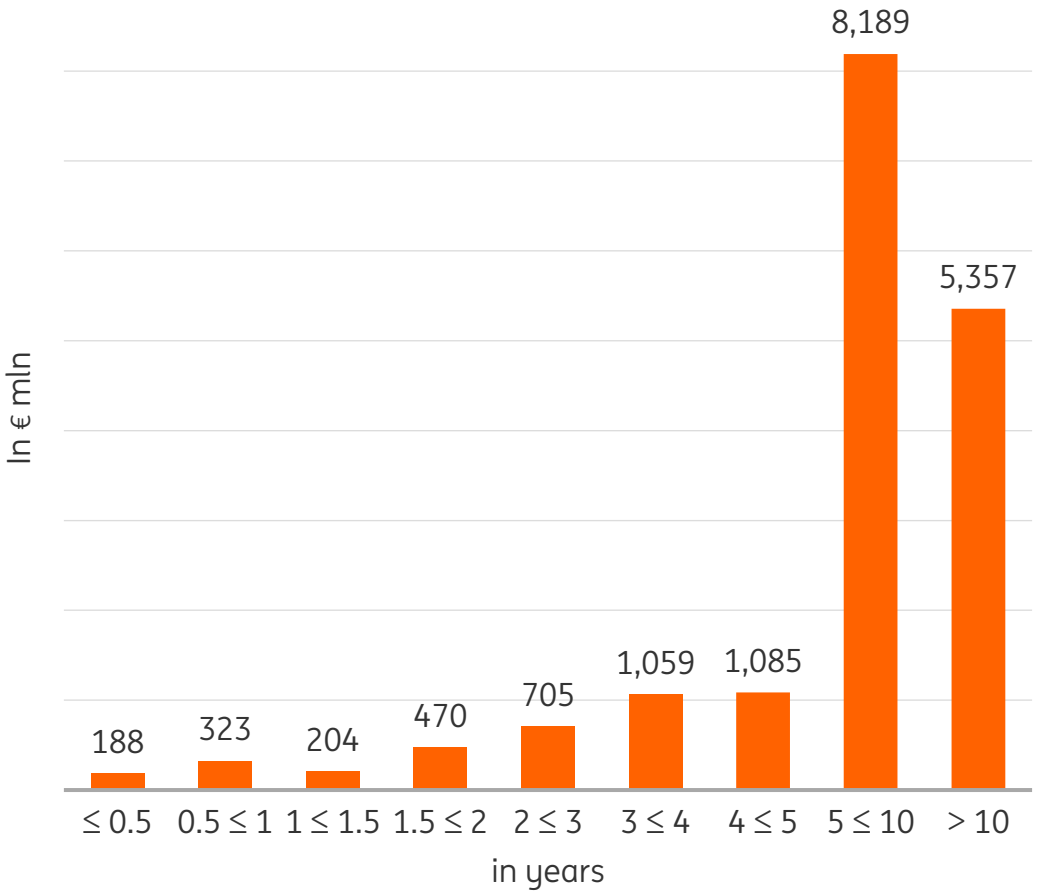
Residential mortgages balances profile

31st March 2025



Maturity profile

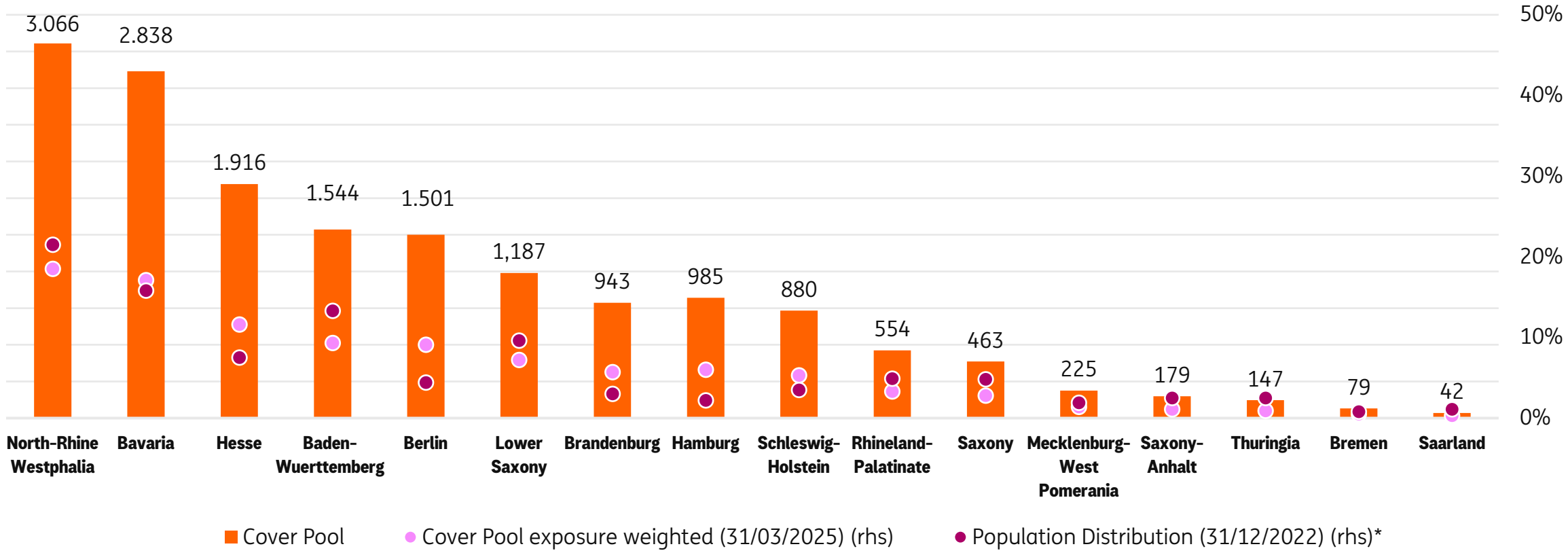
31st March 2025



Key cover pool characteristics

Provinces profile (in € mln)

31st March 2025



Product requirement: No financing of collaterals outside of Germany

* Source: Statistische Ämter des Bundes und der Länder (www.statistikportal.de/de)

Green Bond Framework

ING is dedicated to its Green Funding Programme

Green Funding instruments objectives and added value

- Support meeting our sustainability objectives
- Fund growth in our Eligible Green Loan portfolio
- Continued leadership in the Green Bond market
- Support sustainability efforts on both sides of the balance sheet
- Financing of new projects and directing investments to assets that have demonstrated climate benefits

External consultants & providers

- ISS-Corporate: Second party Opinion provider
- Carbon Trust: Renewable energy consultant
- CFP Green Buildings / Drees & Sommer: Green buildings consultant

Recent Green Funding transactions

Year of Issuance	2022	2022	2022	2023	2023	2023	2024	2024	2024	2025
Issuer	ING Groep N.V.	ING Groep N.V.	**ING-DiBa AG**	Green Lion 2023-1	**ING-DiBa AG**	ING Bank N.V.	ING Groep N.V.	Green Lion 2024-1	ING Groep N.V.	ING Groep N.V.
Size / Currency	€1.50 bln	€1.00 bln	**€1.00 bln**	€850 mln	**€1.00 bln**	€378 mln[1)]	€1.25 bln	€1.00 bln	€1.00 bln	€1.25 bln
Tenor	4NC3	11NC6	**8yr**	4.9yr[2)]	**4.25yr**	1 up to 6 months	11NC10	4.8yr[2)]	7NC8	11NC6
Asset class	HoldCo Senior	Tier 2	**Covered Bond**	RMBS	**Covered Bond**	Green Deposit	Holdco Senior	RMBS	Holdco Senior	Tier 2

[1)]Outstanding debt per 1Q2025
[2)]Until the first optional redemption date
For the above specified instruments, a prospectus is available. For more information and the prospectus, please visit Debt securities ING Groep N.V. | ING

External Verification

SPO Opinion on the ING Global Green Funding Framework

- ISS has a positive overall evaluation for the sustainability criteria in ING's Green Funding Framework's
- ING's Green Funding Framework is in line with the ICMA Green Bond Principles
- Use of Proceeds contribute to UN Sustainable Development Goals 7 and 131)
- The rationale for issuing Green Funding instruments aligns with ING's sustainability strategy and objectives

Use of Proceeds	Evaluation and selection	Management of Proceeds	Reporting
√	√	√	√

ISS-CORPORATE

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Global Green Funding Framework

ING Groep NV

24 September 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	• Green funding instruments
Relevant standards	• Green Bond Principles, as administered by the ICMA (as of June 2021 with June 2022 Appendix 1) • EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)
Scope of verification	• ING Groep NV Global Green Funding Framework (as of Aug. 9, 2024) • ING Groep NV Selection Criteria (as of Aug. 9, 2024)
Life cycle	• Pre-issuance verification • First update of SPO delivered on Nov. 22, 2022 (ISS-Corporate weblink)
Validity	• Valid as long as the cited Framework remains unchanged

www.iss-corporate.com

© 2024 | Institutional Shareholder Services and/or its affiliates

External Assurance Report

ING may request on an annual basis, a limited assurance report of the allocation of the Green Funding Instruments proceeds to eligible assets, to be provided by its external auditor or any subsequent external auditor.

[1)]The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework

ING Global Green Funding Framework 2024

Our ING Global Green Funding Framework has been assessed by a Second Party Opinion (SPO) and is aligned with the latest ICMA Green Bond Principles 2021. The framework is presented through below four pillars:

1 Use of Proceeds

- ING will finance and/or refinance, in part or in whole, an Eligible Green Loan Portfolio in accordance with the Eligibility Criteria stated in the Framework
- Net proceeds will be allocated to Eligible Green Loan Portfolio, including:

Residential Real Estate

Netherlands, Germany, Poland, Belgium

Commercial Real Estate

Netherlands

Renewable Energy (wind & solar)

Global

2 Project Evaluation and Selection

- Projects financed and/or refinanced through Green proceeds are evaluated and selected based on compliance with the Eligibility Criteria
- Sustainable ALM Steering Committee (SteerCo) as the main governing body of the Framework
- ING's Environmental & Social Risk policies and transaction approval process aims to ensure that loans comply with ING's environmental and social policies
- EU Taxonomy alignment has been assessed in the SPO

3 Management of Proceeds

- The proceeds are managed in a portfolio approach, where relevant, bond-by-bond approach is also applied (e.g., Green RMBS)
- Level of allocation matches or exceeds the balance of net proceeds. The proceeds from Green Funding Instruments are allocated to an Eligible Green Loan Portfolio
- Unallocated net proceeds will be held in ING's treasury liquidity portfolio at ING's own discretion

4 Reporting

- Aggregated (between multiple Green Funding Instruments)
- Allocation and impact are reported. Additional reported items can be found in the ING Global Green Funding Framework
- Limited assurance of the Green Funding Allocation Reporting provided by an external auditor on an annual basis
- Second party opinion by ISS Corporate Solutions (ICS)

Use of Proceeds – Eligibility Criteria

Green Buildings
Residential & Commercial Real Estate

Category: Financing or refinancing new or existing buildings

EU Taxonomy

- (7.7.) Acquisition and ownership of buildings

Contribution to EU Environmental Objective[1]

- Substantial Contribution to Climate Change Mitigation

Criteria

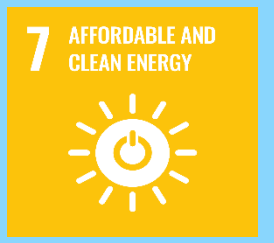
Buildings built ≤ 2021

- Buildings built before 31 December 2020 with EPC label ≥ 'A'
- Belonging to the top 15% of the national building stock based on primary energy demand (PED)[2]

Buildings built ≥ 2021

- Buildings built after 31 December 2020 with energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings ('NZEB') in the local market[2]

Contribution to UN SDGs

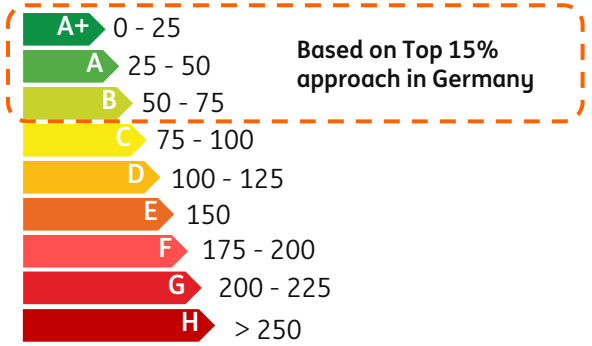


[1)]Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending regulation (EU) 2019/2088. See here.
[2)]ING may engage external consultants to define the top 15% and NZEB-10% in the context of the national building stock in the countries where any eligible green building assets are located. In countries where there is no definition of NZEB or there is no practical solution to implement NZEB, ING can use the top 15% approach.

ING-DiBa's allocation and impact report: Green Buildings

Use of Proceeds: Green Buildings

Positioning ING-DiBa's Green Buildings Loan Portfolio in an energy efficiency rating (kWh/m²year)*



Impact report: Green Buildings

Total portfolio size	€4,714 bln
Avoided / reduced emissions per year	44,570 ton CO_2
Avoided / reduced emissions per mln € invested by ING	9.45 ton CO_2eq/ € mln

44,570 (ton CO_2eq) ≈[1] 10,396 vehicles per year ** or 44,706 acres of U.S. forests in one year

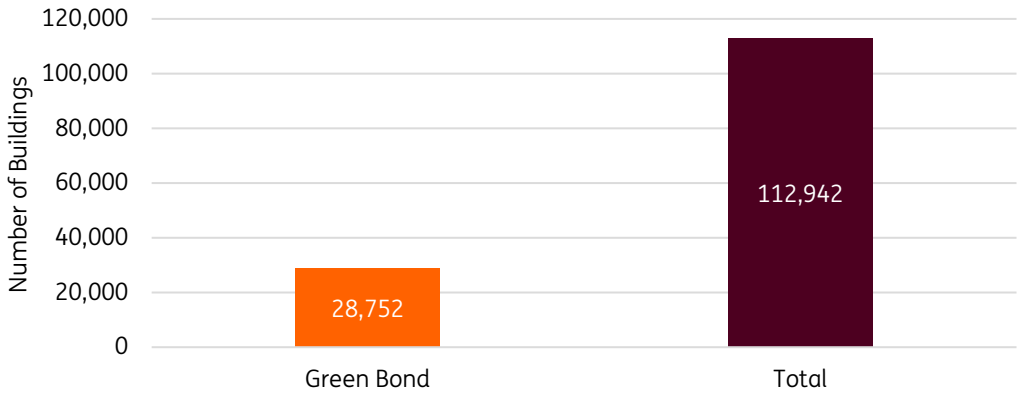
Portfolio composition ING-DiBa Green Buildings Loan Portfolio

	Signed Amount (€)	% of Total Portfolio	Number of Buildings	Building Area (m^2)	Avg. portfolio Years	Energy savings (MWh/year)	Avoided Emissions (tCO_2/year)
Single-family houses	2,572,258,257	54.6	16,239	2,303,365	7.1	121,832	27,083
Double-family houses	8,045,253	1.8	434	89,813	7.3	5,093	1,123
Terraced houses	380,204,126	8.1	2,458	322,115	7.4	17,591	4,012
Owner-occupied apartments	1,02,271,926	23.4	6,391	570,096	6.5	30,127	6,887
Semi-detached houses	573,191,948	12.2	3,230	435,019	7.4	24,484	5,464
Total	**4,713,971,510**	**100**	**28,752**	**3,720,408**	**7.0**	**199,128**	**44,570**

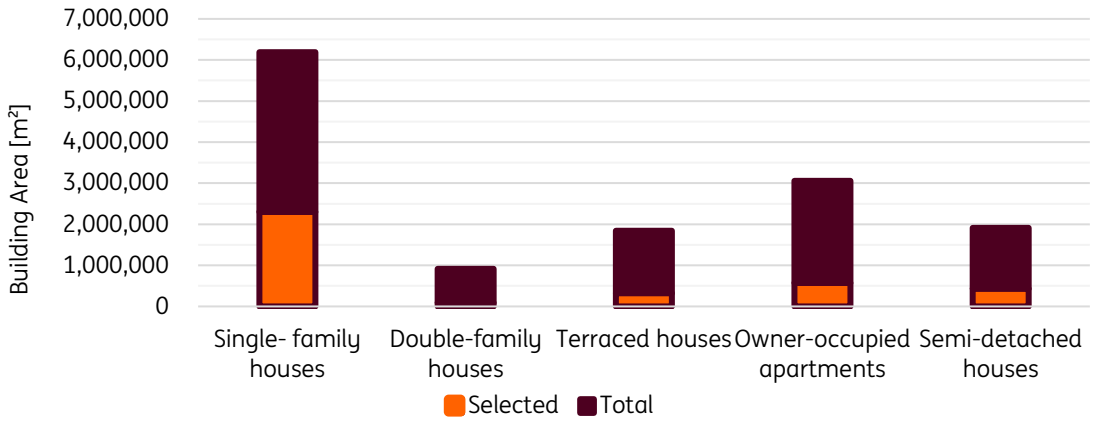
* Source: Drees & Sommer ING-DiBa AG Green Bond Methodology Report; 1) https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator
** Calculated in terms of the average combined fuel economy of cars and light trucks

Eligible Green Loans in Pfandbrief cover pool

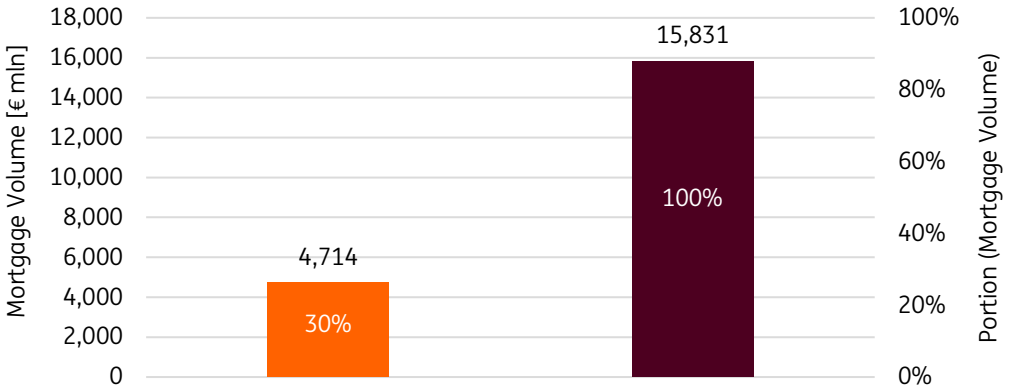
Number of buildings within ING-DiBa's portfolio



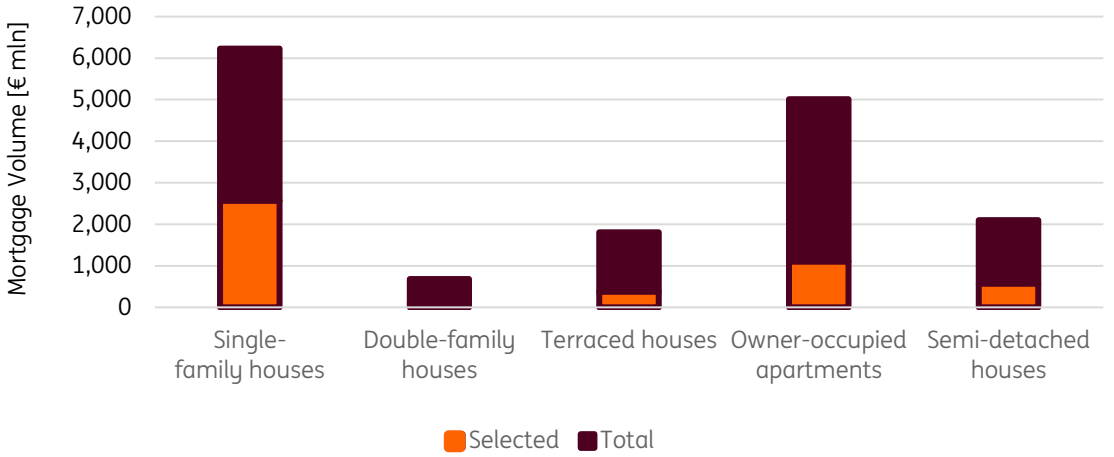
Building area within ING-DiBa's assessed portfolio by usage type



Exposure of ING-DiBa's assessed portfolio



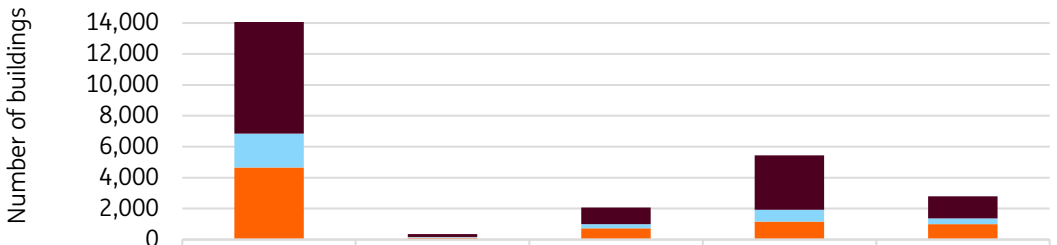
Exposure of ING-DiBa's assessed green bond portfolio



Source: Drees & Sommer ING-DiBa AG Green Bond Methodology Report

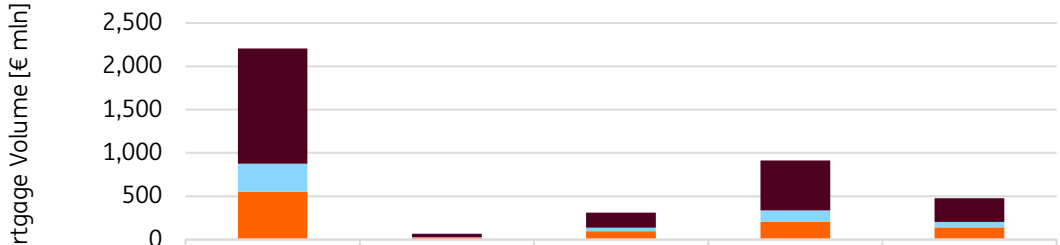
Details on the eligible Green Loan Portfolio

Number of buildings within ING-DiBa's Green Bond Sub pools



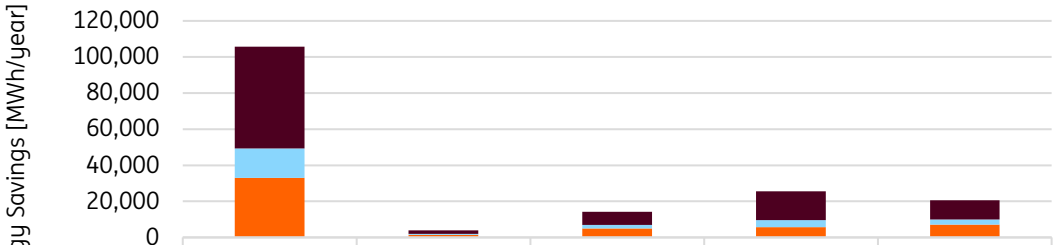
	Single-family houses	Double-family houses	Terraced houses	Owner-occupied apartments	Semi-detached houses
EnEV2016	7,629	178	1,073	3,510	1,422
EnEV2014	2,197	43	280	768	379
EnEV2009	4,657	136	722	1,158	988

Exposure of building within ING-DiBa's Green Bond Sub pools



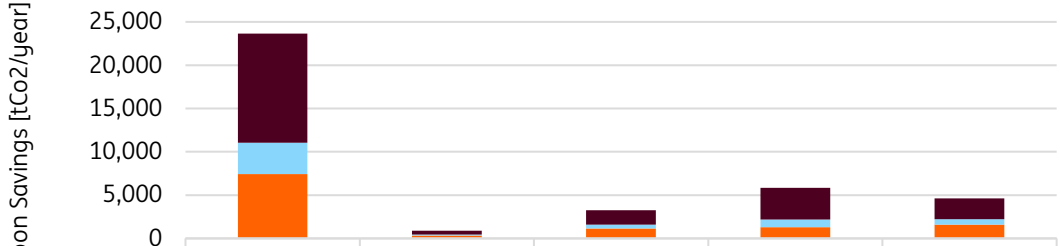
	Single-family houses	Double-family houses	Terraced houses	Owner-occupied apartments	Semi-detached houses
EnEV2016	1,329,481,489	38,049,644	173,411,783	576,620,923	273,788,357
EnEV2014	324,313,981	7,141,944	42,221,603	129,878,652	62,442,425
EnEV2009	552,055,043	20,236,848	95,637,523	208,322,875	141,411,021

Final energy savings of ING-DiBa's Green Bond Sub pools



	Single-family houses	Double-family houses	Terraced houses	Owner-occupied apartments	Semi-detached houses
EnEV2016	56,533	2,057	7,336	15,879	10,642
EnEV2014	16,220	487	1,967	3,828	2,837
EnEV2009	33,045	1,457	4,955	5,775	7,120

Carbon savings of ING-DiBa's Green Bond Sub pools

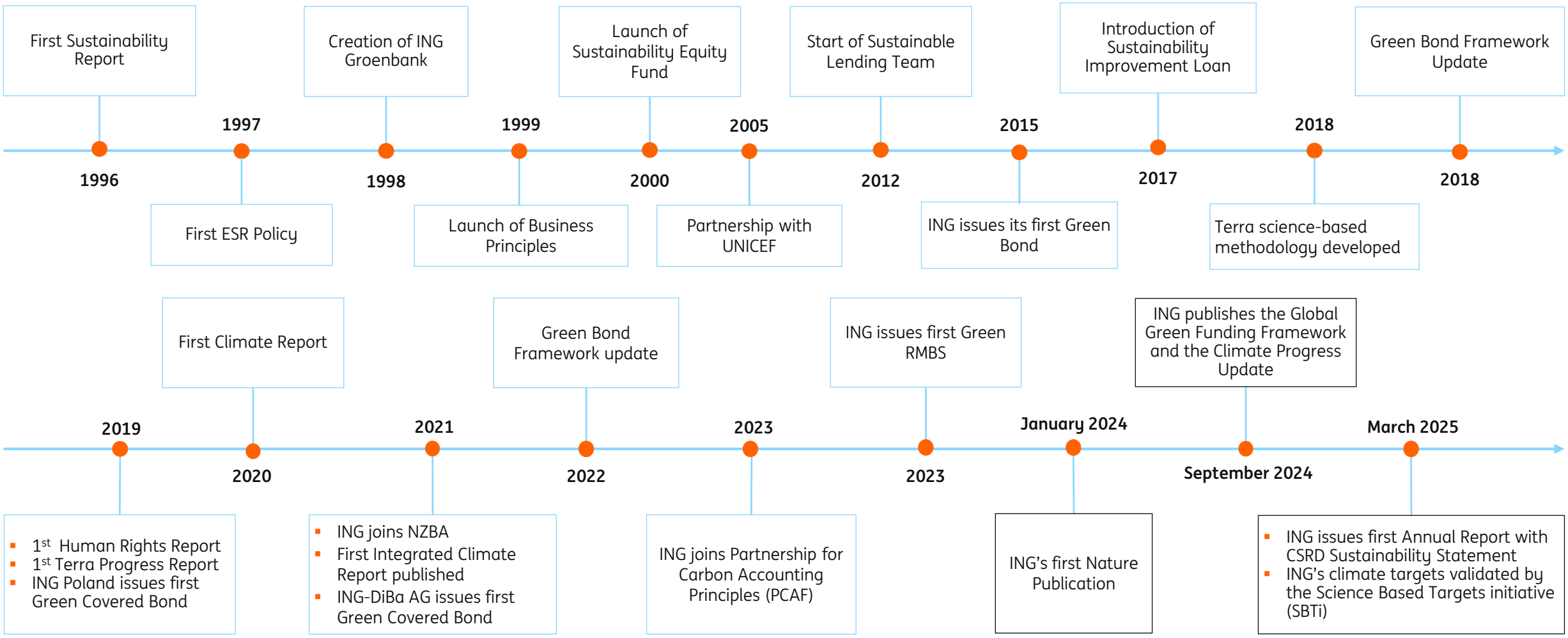


	Single-family houses	Double-family houses	Terraced houses	Owner-occupied apartments	Semi-detached houses
EnEV2016	12,590	466	1,677	3,654	2,393
EnEV2014	3,628	109	450	862	631
EnEV2009	7,429	323	1,141	1,309	1,594

Source: Drees & Sommer ING-DiBa AG Green Bond Methodology Report

Green Initiatives

Sustainability has been on ING's agenda for decades



Partnerships, memberships and endorsements

Engagement is an essential part of our Sustainability Direction. Our approach to engagement involves collaboration, listening and being transparent.

ING endorses (is signatory of)

- Children's Rights and Business Principles (CRBP)
- The Core Conventions of the International Labour Organisation (ILO)
- EU Transparency Register
- Financial Stability Board's (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) recommendations
- OECD Guidelines for Multinational Enterprises (OECD MNE)
- United Nations Environment Programme Finance Initiative Principles for Responsible Banking (UNEP FI PRB)
- United Nations Global Compact (UNGC)
- United Nations Guiding Principles on Business and Human Rights (UNGP)
- United Nations-supported Principles for Responsible Investment (UN PRI)
- The Universal Declaration of Human Rights (UDHR)

ING is a member of, for example:

- The Academy of Business in Society (ABIS)
- Association for Financial Markets in Europe (AFME)
- Climate Markets and Investment Association (CMIA)
- Equator Principles Association (EP)
- European Banking Federation (EBF)
- European Financial Services Round Table (EFR)
- EUROSIF (VBDO)
- Institute of International Finance (IIF)
- International Capital Market Association (ICMA)
- International Integrated Reporting Council (IIRC)
- Loan Markets Association (LMA)
- Roundtable on Sustainable Palm Oil (RSPO)
- Thun Group of Banks
- United Nations Environmental Programme Finance Initiative (UNEP FI)
- Net-Zero Banking Alliance (NZBA)

For more information, please visit How we engage | ING

External Recognition of ING's commitment to ESG

ESG Ratings ING Groep N.V.

MSCI

- Rating AA
- Updated: August 2024

SUSTAINALYTICS

- ESG Risk based, from negligible risk to severe risk
- Position: 79 out of 1016 Banks
- Updated: May 2025

Target Validation

SCIENCE BASED TARGETS

Targets validated March 2025

- Validated targets include fossil fuel, power generation, cement, steel, automotive, aviation and commercial real estate

Sustainability Index Products

ING is regularly included in ESG and sustainability-focused indices, such as:

EURONEXT vigeo eiris INDICES BENELUX 20

EURONEXT vigeo eiris INDICES EUROZONE 120

FTSE4Good

STOXX ESG LEADERS INDICES

MORNINGSTAR Indexes

Scope: ING Groep N.V.
An overview of the ratings can also be found on Ratings | ING

Accelerating Impact – ING's ecosystem to an integrated modernization journey

Inspire: Empowering Customers

Provide customers with an overview of retrofit options, helping them to understand the current condition of their property, identify suitable measures and subsidy programs.

- **Modernization Hub** to create overview and transparency
- **Proprietary Modernization Calculator** to visualize energy savings, renovation costs, and label improvements

Finance: Incentivizing Green Investments

Green mortgage offer where high quality buildings and retrofitting measures benefit from a discount of 10bps.

- **Green Baufi for buildings** with an Energy Label A+ and A
- **Baufi Energy for buildings** with commitment of customer to perform retrofitting measures

Partner: Building a Renovation Ecosystem

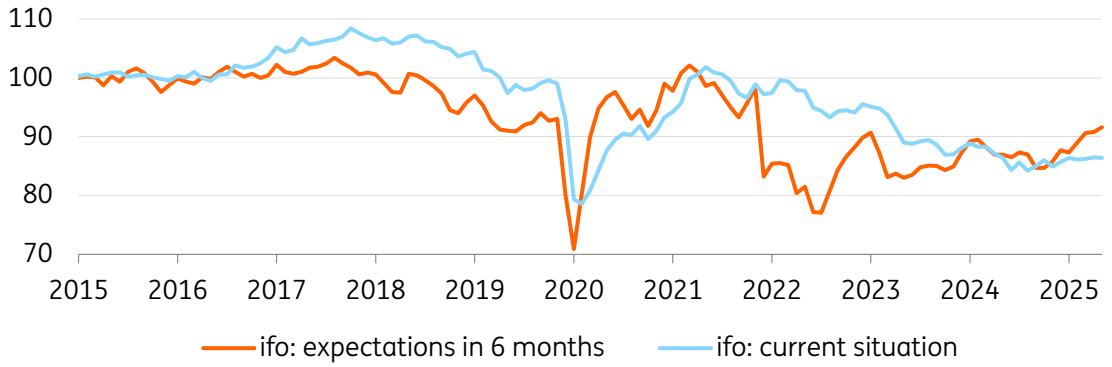
Support customers in planning measures, structuring renovation process and connect with craftsmen & energy consultants

- Established **Partnership network** with energy efficiency and PV/heat pump experts with discounted offering on provided services for ING customers.

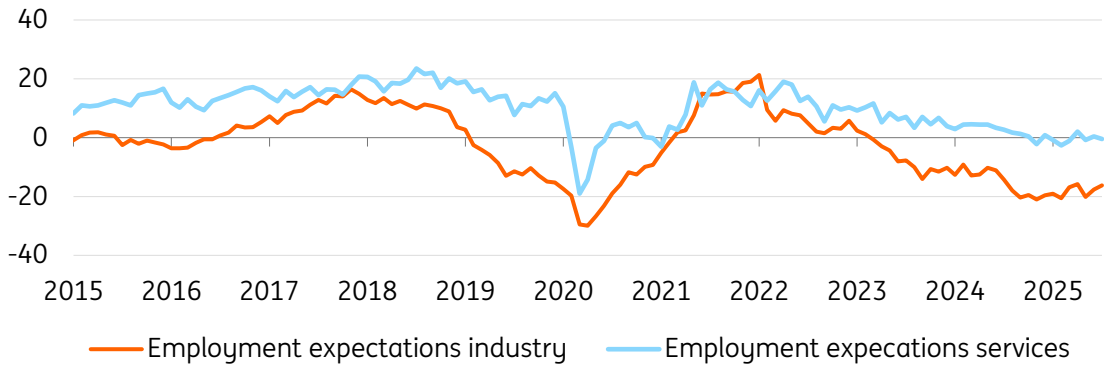
Economic, housing & mortgage markets update

Germany‘s economic slump is not over, yet

The German economy shrank by 0.3% in the second quarter of 2025. Looking ahead, the German economy and industry will be particularly influenced by trade, the exchange rate, and fiscal stimulus. While financial markets seem to have grown numb to tariff announcements, let’s not forget that their adverse effects on economies will gradually unfold over time. All hopes for a sustainable German recovery are on fiscal stimulus. While we agree that eventually the government's spending plans for infrastructure and defence will lead to a surge in economic activity, there is still an increasing risk of underachieving. In any case, as much as we sympathise with accentuating the positives, we fear that it could take until the end of the year before the economy really enters a period of substantially stronger growth.



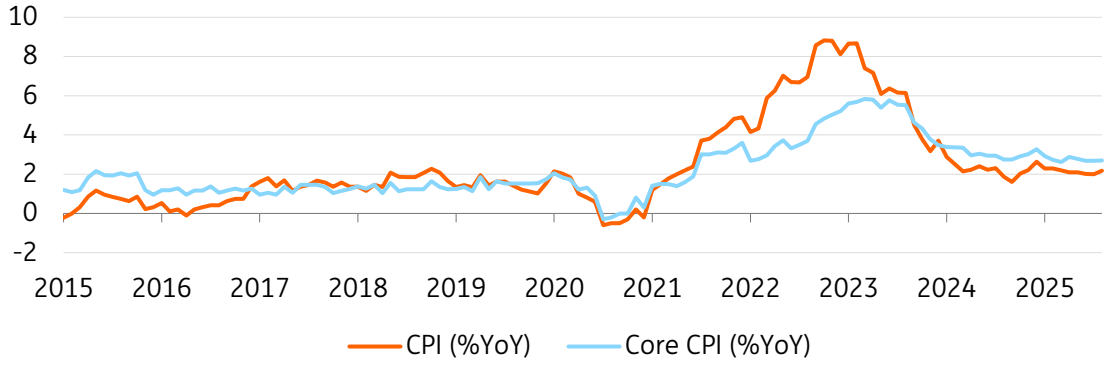
The number of unemployed people has increased above the three-million mark for the first time since 2015, providing further evidence that a long period of economic stagnation eventually takes a toll on the labour market. Looking ahead, the tentative signs of a bottoming out of the labour market have given way to a more pessimistic outlook. At least in the short run. Recruitment plans in both industry and services move sideways, and the number of vacancies is still dropping. However, a few indicators do at least point to some bottoming out. At the same time, ongoing announcements of potential cost-cutting measures in the automotive and other industries, and the continuing increase in the number of bankruptcies, suggest that things could get worse before they get better. To be clear, the demographic impact on the labour market and ongoing labour shortages should prevent a sharp worsening.



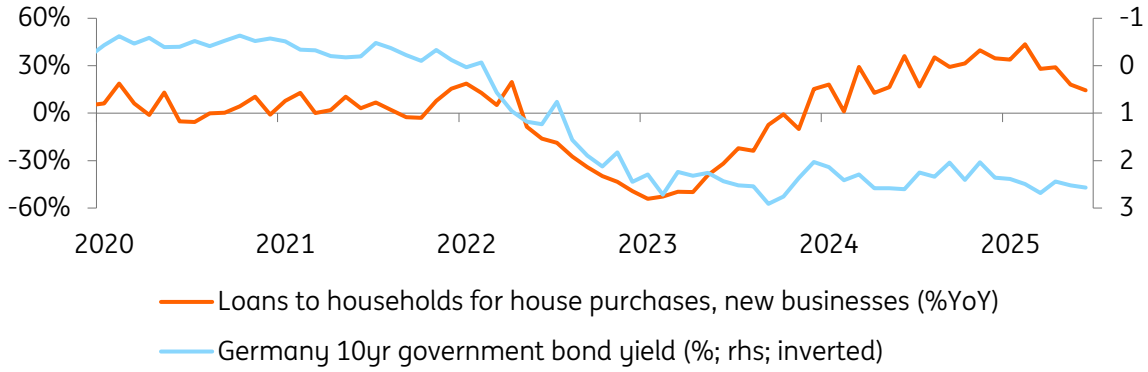
Source: LSEG Datastream

With inflation around target, markets are focusing on fiscal spending plans

While August inflation data came in somewhat higher than expected and could continue to pick up once more in September, headline inflation should come down again towards the end of the year. Favourable energy base effects are petering out, while core inflation should be coming down somewhat. At the same time, it remains to be seen how European and US companies will react to US tariffs. While one scenario could see prices falling in the eurozone due to overcapacity and weaker sales in the US, globally operating companies might try to actually increase prices in Europe in order to offset profit-squeezing in the US. A rather domestic theme will be the cooling of the German labour market, which should take away wage pressures and consequently inflationary pressures. All in all, we expect German inflation to hover around 2% until the end of the year.



The volume of new mortgage lending was up by some 30% year-on-year in the first half of 2025. Data for July indicates that the recovery continued in the third quarter of 2025, however, at a somewhat slower pace. Looking ahead, we expect rates to remain broadly stable this year and to rise in 2026 as the government's fiscal pivot takes full effect.

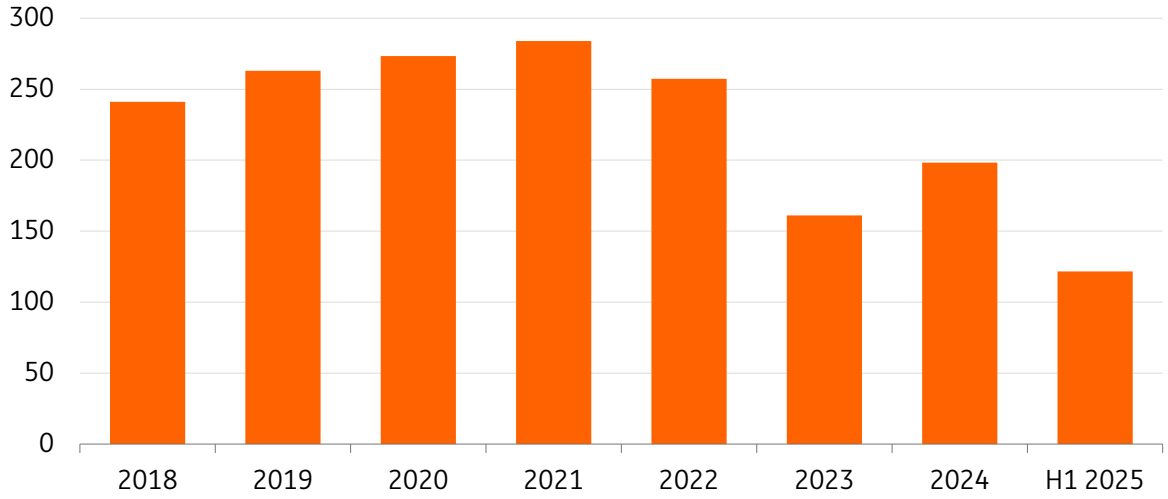


Source: LSEG Datastream

Recovery of the housing market to continue at a subdued pace

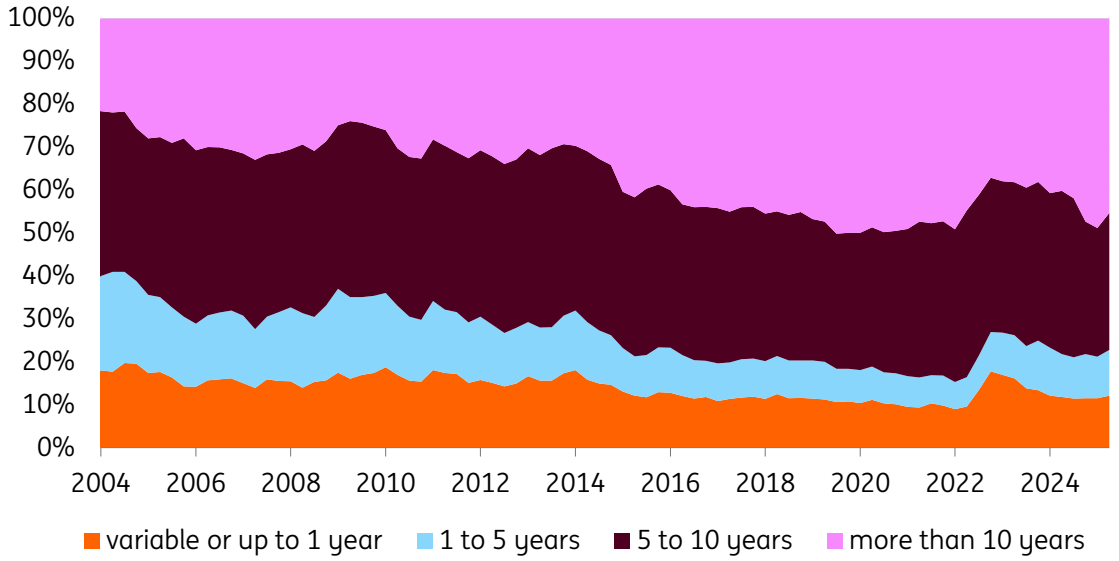
Loans to households for house purchase

(new businesses; in € bln)



The volume of new mortgage lending was up by some 30% year-on-year in the first half of 2025. Data for July indicates that the recovery continued in the third quarter of 2025, however, at a somewhat slower pace. The ongoing recovery of the housing market in the first half of the year masks the fact that the affordability of purchasing a home has already stagnated at low levels. Slowing wage growth, volatile interest rates and rebounding house prices have lowered affordability. Looking ahead, we expect the recovery of the housing market to continue, albeit at a subdued pace.

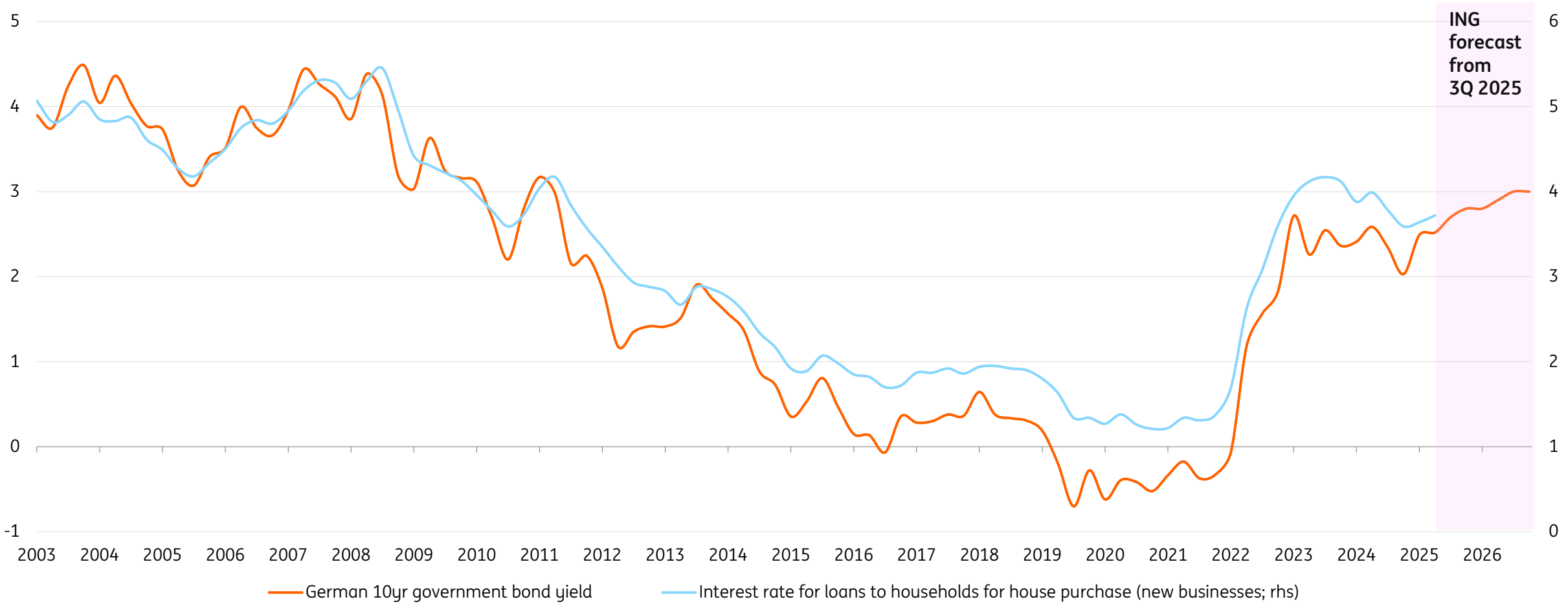
Fixed interest periods for housing loans to private households



The share of loans with long-term fixed interest rates has returned to levels seen before the housing market slump in 2022.

Source: LSEG Datastream; Bundesbank

Limited downward potential for mortgage interest rates

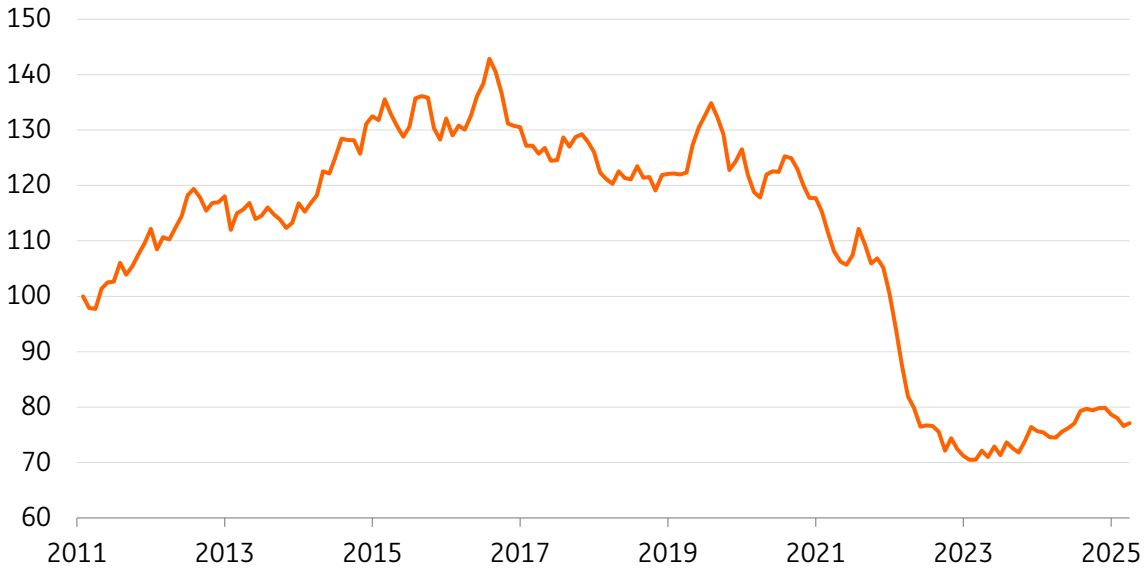


Source: LSEG Datastream; INGF as of August 2025; all values are end of period

Little argues for a significant improvement in affordability

ING Affordability Index

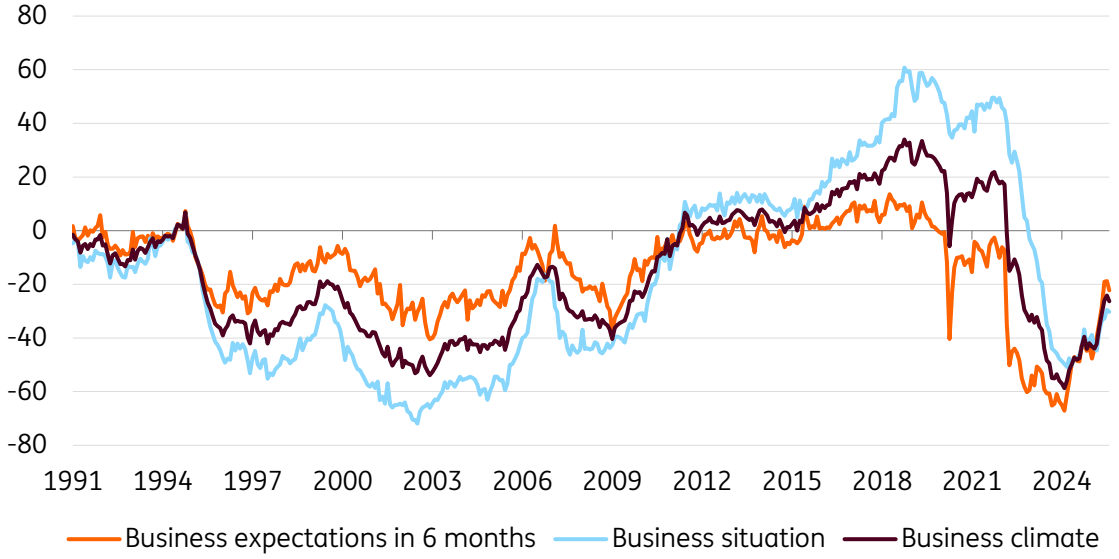
(Index; 04/2011 = 100)



Affordability of purchasing a home is stagnating at low levels. Looking ahead, we see little room for a significant improvement. There is little fundamental downward potential for German government bond yields and, consequently, for mortgage lending rates. We expect rates to remain broadly stable this year and to rise in 2026 as the government's fiscal pivot takes full effect. In addition, wage growth is normalizing. Add to this the expected further rise in house prices, and it's hard to see how the affordability of purchasing a home could improve meaningfully in the near future.

Business climate in the residential construction sector

(net balance)



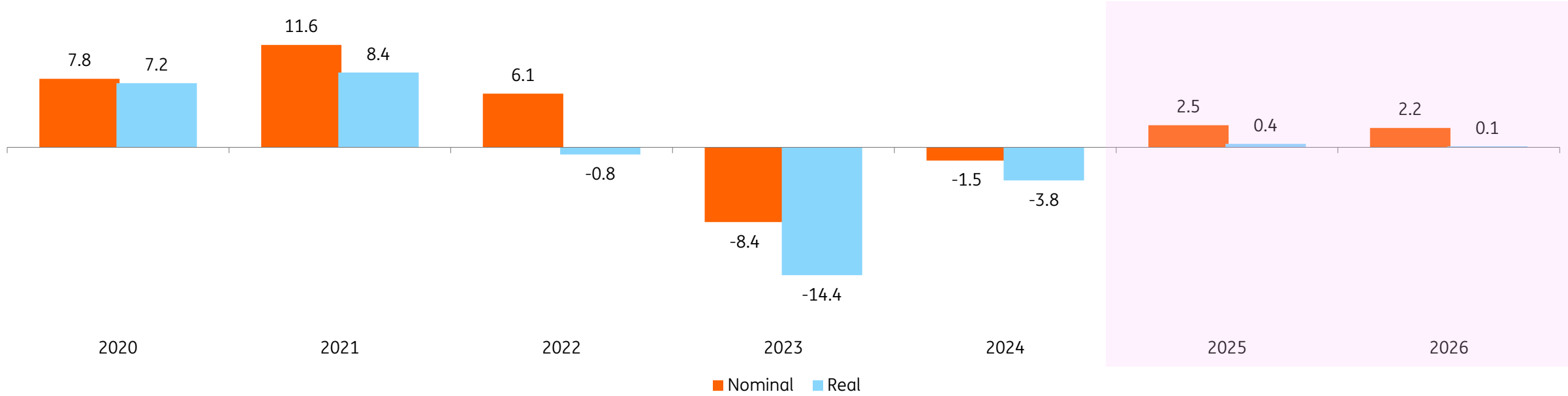
Optimism is returning to the construction sector. While sentiment remains below historical averages, expectations have improved, reaching their highest level in three years. A key driver is the government's proposed "Bau-Turbo" (construction accelerator), which aims to fast-track residential development in high-demand areas by streamlining approval processes. If implemented effectively, this reduction in red tape could bring relief for Germany's housing shortage in the longer run. However, it may take until well after the summer for improved sentiment to translate into real activity. For now, survey data points to only a modest rebound in construction output.

Source: LSEG Datastream; ING Financial and Economical Analysis; Affordability Index: Average price of an existing house (derived from House Price Index), household's gross disposable income (derived from quarterly data), average credit line in the given month (Dr.Klein), monthly repayment rate at the respective average interest rate. The higher the index, the more affordable it is to buy an existing home

House price growth looks set to accelerate next year

House price development

(%YoY)



The recovery in the housing market continues, despite stagnating affordability of purchasing residential real estate, and we do not see any indications of a reversal of this trend. However, the high level of uncertainty, both economically and geopolitically as well as with regard to the labour market, is likely to continue to weigh on consumer confidence and looks set to slow the recovery in comparison to the beginning of the year. Nevertheless, upward pressure on house prices is likely to persist, supported by structural factors such as the mismatch between supply and demand. The government's plans, like the “housing construction turbo” or serial building, with the latter having already been introduced by the last government, should boost consumer confidence if implemented effectively, which should also strengthen demand. As a result, we expect house price growth to accelerate from next year.

Source: LSEG Datastream

Appendix

ING-DiBa AG – Income statement (HGB)

in € mln	2024	2023	Δ	Δ in %
Net interest income (incl. result from investments and profit transfer)	3,421	3,750	329	-9
Net commission income	311	278	33	12
Other income and expenses	(22)	(143)	121	+85
Personnel expenses	(520)	(514)	6	+1
Other net gain/losses on financial investments	(808)	(792)	16	+2
Risk provision	(180)	70	250	-357
Release §340g HGB reserves	400	565	-165	-29
Profit before tax	**2,602**	**3,213**	**611**	**-19**
Income tax	(676)	(840)	164	+20
Profit after tax	1,926	2,372	(446)	+19
Cost-income-ratio	35.8%	32.1%		
Tier 1 ratio (Basel III)	16.9%	17.3%		

Follow us to stay a step ahead

Institutional Investors
Funding / Investor Relations

IR@ing.de

ing.de/investor-relations

Disclaimer

This document has been created and published by ING-DiBa AG, Frankfurt/Main ("ING-DiBa"). The document is intended solely for distribution to the bank's professional and institutional investors. It is not intended to be distributed to private investors, private customers or to any other third parties and it may not be used or relied upon by these persons for any purpose. This document is for information purposes, it is not intended to be, and it does not constitute an offer to sell, an advice, a recommendation or an offer or a solicitation to acquire, or dispose of, any of the securities mentioned in this document in the United States or any other jurisdiction. It does not legal or tax advice.

This document and any information or statement contained therein are based on carefully selected sources believed to be reliable, but we do not make any representations or guarantees and do not assume any responsibility with regard to the truth, accuracy, timeliness or completeness of the data. In particular, no representation or warranty (whether expressed or implied) is given as to the achievement or reasonableness of any future projections, management estimates, prospects, or returns, or any of the assumptions underlying them. Unless otherwise stated, the business development and financial information contained herein is based on IFRS. Furthermore, the figures are calculated at group level of ING Holding Deutschland GmbH (“ING Germany”). The opinions and estimates contained herein constitute our best judgement at this date and time and are subject to change without notice.

This document does not constitute a contract, or any other kind of obligation and no information contained herein are intended to form the basis of any investment decision or to constitute a contract or any other kind of obligation. ING-DiBa is not obliged to update this document, to make amendments or to complete it.

ING-DiBa or any other member of the ING group may take a long or short position and buy or sell securities mentioned in this document and may engage in "market making" of such securities.

ING-DiBa is subject to supervision by the German Federal Financial Supervisory Authority (BaFin), Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany and the European Central Bank, Sonnemannstraße 20, 60314 Frankfurt, Germany.