

# 2021 Annual Report

# BayernLabo at a glance

## Income statement (HGB)

EUR million	1 Jan – 31 Dec 2021	1 Jan – 31 Dec 2020
Net interest and net commission income	83	88
Administrative expenses	(65)	(75)
Operating profit/loss	37	15

## Balance sheet (HGB)

EUR million	31 Dec 2021	31 Dec 2020
Total assets	21,092	21,133
Credit volume	17,230	17,483
Liabilities (including issues)	13,476	13,586
Liabilities held in trust	5,308	5,238
Reported own funds	2,255	2,190

## Current rating

Moody's	2021	2020
Long-term rating	Aaa	Aaa
Short-term rating	P-1	P-1
Outlook	Stable	Stable

Institutional shareholder services	2021	2020
ESG rating	Prime	--

## New business

EUR million	1 Jan – 31 Dec 2021	1 Jan – 31 Dec 2020
Loan and grant commitments	2,439	2,708
Number of homes and residential places subsidised	11,953	11,456

## Employees

Employees	31 Dec 2021	31 Dec 2020
Total	265	271
Female	157	159
Male	108	112

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# Foreword



Gero Bergmann

A warm greeting to you, dear readers of BayernLabo's Annual Report 2021.

As the new member of BayernLB's Board of Management, I have now also been responsible for BayernLabo since 1 May 2021, in other words, for exactly one year.

With BayernLabo, the Free State of Bavaria has a state-owned development bank that promotes the subsidisation of housing and municipal development in Bavaria with a great deal of expertise and passion. In 2021, we committed a total of EUR 1,660.1 million in loans and grants for subsidised housing. As a consequence, just under 12,000 apartments and homes were subsidised, around 500 more than in the previous year. A decrease in owner-occupied housing was offset by an increase of about 1,000 units in rental housing, particularly student accommodation. BayernLabo, as the municipal bank of the Free State of Bavaria, provided EUR 800 million in order to help local authorities finance their diverse projects. As an example, the new section "Highlights" presents the Karlsfeld elementary school. In this section, you will also learn more about where BayernLabo has made a difference, and the projects it initiated, in 2021.

The big topic of the future is sustainability. BayernLabo already has decades of expertise in this area with the creation of social housing. One of the great challenges of our time is to bring housing up to current energy standards without at the same time placing too great a burden on social tenants with the costs these standards incur. The Free State of Bavaria is addressing this challenge with its new subsidised housing regulations. BayernLabo will always be available to you, dear readers, as a reliable partner to help you implement them.

Gero Bergmann

Member of the Board of Management of Bayerische Landesbank





Christian Bernreiter

Housing is the social issue of our time. This issue affects people in cities just as much as in rural areas. It is important to me that people throughout Bavaria can enjoy a high standard of living: no matter what their profession or what their available income. As the new Bavarian Minister of Construction, I will work to ensure that we accelerate the construction of housing.

The housing issue is one the greatest challenges of our time. To create sufficient housing, we need to build as much as we can, because housing is a basic need of citizens.

In close partnership with the Bayerische Landesbodenkreditanstalt and the authorising agencies, the Free State is providing significant funding volumes to subsidise the construction of new rental and owner-occupied apartments as well as owner-occupied homes. Of course, we also support people with disabilities and students, and create suitable accommodation for them. Around EUR 848 million of housing subsidies were available in Bavaria in 2021. This enabled us to support 5,628 rental apartments, 4,018 owner-occupied apartments, and 1,832 places in residential homes. We will continue to focus on this area in 2022.

Construction activity statistics clearly reflect the success of the Bavarian state government's housing policy. In 2021, building permits were issued, or permit exemption procedures were completed, for 80,344 apartments in Bavaria. This represents an increase of 3.3 percent on the previous year. And it is the highest number of building permits in a year since 1995. I am very pleased about this, because new housing construction is the best way to combat rent and price increases.

I would like to thank all BayernLabo employees for their commitment and look forward to our continued successful collaboration.

Sincerely,

Christian Bernreiter  
Bavarian State Minister of Housing, Construction and Transport



Albert Füracker

The availability and affordability of housing is a central social issue of our time, and it has become even more acute in recent years, especially in urban conglomerations. However, subsidised housing that is available on time, and in line with demand, has long been one of the traditional core concerns of the Bavarian state government, and is specified not least in the Bavarian constitution as a joint task of the state and local authorities.

BayernLabo, with its more than one hundred years of experience in social housing construction, is entrusted as a development bank with the implementation of state housing subsidies, and supplements these with its own subsidy programmes. It thereby makes a reliable and precisely adjusted contribution to creating living space and to eliminating housing shortages in Bavaria.

This also applies in times of a pandemic. Despite the enormous fiscal policy challenges entailed, the creation of sufficient, affordable and contemporary housing continues to rank as a top priority for the Free State of Bavaria. As a consequence, the overall extent of approvals for subsidised housing was maintained at a high level and amounted to around EUR 660.6 million in 2021. Including the municipal subsidised housing programme and student housing subsidies, a total of as much as around EUR 848.6 million was made available in 2021. In addition, an initiative on the part of the Upper House of the German Parliament (the Bundesrat) aims to create incentives for land sales in order to enable more residential construction. Measures to protect the climate and save energy are also becoming increasingly important in this area.

The Bavarian state government will continue to support the preservation and creation of affordable housing with significant financial incentives and initiatives, because – regardless of whether you rent or own your own home – your own four walls offer a feeling of security, familiarity and comfort. An individual and private living environment is one of the basic needs of people, and forms part of the fundamental infrastructure of a modern society and of our Bavarian homeland. We would like to thank all those at BayernLabo who have contributed in this context, and wish them continued health and strength.

Sincerely,

A handwritten signature in black ink that reads "Albert Füracker". The signature is written in a cursive, slightly stylized script.

Albert Füracker  
Bavarian State Minister of Finance and Regional Identity



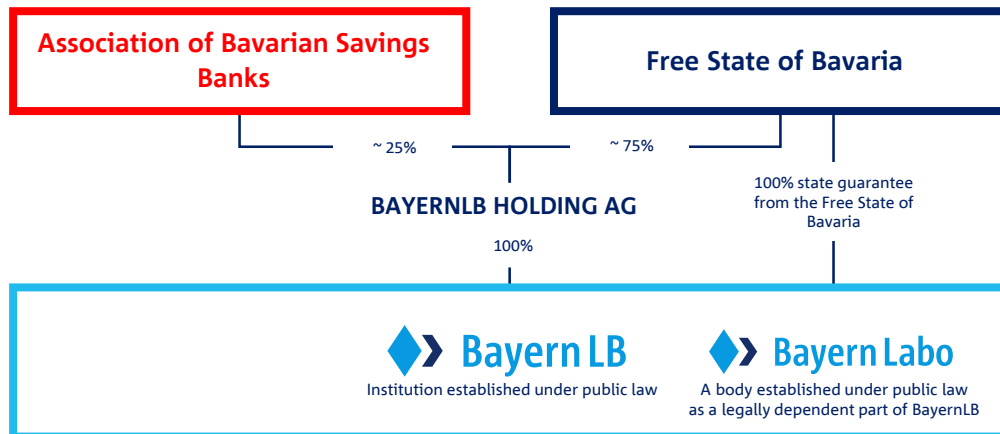
# 01 BayernLabo

# BayernLabo

- ... is a legally dependent institution established under public law within BayernLB that is organisationally and financially independent.
- ... has, as a government housing policy body, the legal mandate to subsidise residential construction and urban development in Bavaria.
- ... conducts the Bavarian state and municipal loan business as the principal and municipal bank to the Free State of Bavaria.
- ... was founded in 1884 as Bayerische Landeskulturrentenanstalt and was renamed Bayerische Landesbodenkreditanstalt in 1949.

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## BayernLabo in the BayernLB Group



## BayernLabo's business model

In accordance with the development mandate of the Free State of Bavaria, BayernLabo has the core task of providing financial support for housing infrastructures in Bavaria within the context of housing policy, and in compliance with European state aid regulations.<sup>1</sup> In doing so, it focuses primarily on a clientèle – as limited by government subsidy guidelines – of private individuals and legal entities seeking to create, acquire or modernise housing for a variety of purposes.

In addition, BayernLabo, as the municipal bank of the Free State of Bavaria, supports Bavarian municipalities and public-law special-purpose and school associations in financing investments in general municipal and social infrastructure with customised traditional municipal loans and, in cooperation with KfW, with its own development programmes. It offers government loans for the Free State. The Bavarian state government may also transfer other business to BayernLabo.<sup>2</sup>

- In order to be able to provide the financial resources for these subsidies, BayernLabo extends fiduciary loans and state-guaranteed equity loans on a non-competitive basis. It refinances its own business through Kreditanstalt für Wiederaufbau (KfW), the Landwirtschaftliche Rentenbank (LR), the European Investment Bank (EIB), the capital market and BayernLB, and subsequently further reduces the interest rates on loans. The Free State of Bavaria is directly liable for all the liabilities assumed by BayernLabo.<sup>3</sup> Supervision is the responsibility of the Bavarian State Ministry of Finance and Home Affairs (StMFH).<sup>4</sup>

To fulfil its mandate, BayernLabo may carry out financing in the following areas:

- Subsidised housing
- Subsidies for housing and settlement matters
- Subsidies for the housing industry
- Subsidies for infrastructure measures to support housing policy aims
- Subsidies for the structural development of towns and municipalities
- Subsidies for housing policy measures to develop structurally weak regions
- Subsidies for other measures, insofar as these are designated in laws, regulations or published guidelines and are transferred to Bayerische Landesbodenkreditanstalt from the Free State of Bavaria

BayernLabo regards the emphasis on sustainability criteria as an essential contribution to the fulfilment of the sustainability and climate goals of the Free State of Bavaria within the context of its public sector mandate. In coordination with the Bavarian State Ministry of Finance and Home Affairs (StMFH) and the Bavarian State Ministry of Housing, Construction and Transport (StMB), it will give even greater consideration to sustainability criteria in existing and, in particular, new subsidy programmes in order to help achieve the climate targets of the Paris Agreement.

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<sup>1</sup> Article 20 (1) of the Bayerische Landesbank Act (BayLaBG).


<sup>2</sup> Article 20 (3) BayLaBG.

<sup>3</sup> Article 22 (2) BayLaBG.

<sup>4</sup> Article 17 (1) BayLaBG.

## BayernLabo's business structure

BayernLabo subsidises owner-occupied and rental housing in Bavaria, taking social aspects into account. In addition, as the municipal bank of the Free State of Bavaria, it supports Bavarian municipalities and special-purpose associations under public law, and offers government loans on behalf of the Free State.

 BayernLabo	
Subsidised housing	State and municipal loan business
<p><b>Target groups</b></p> <ul style="list-style-type: none"><li>• Private individuals</li><li>• Housing associations, municipalities and other investors</li><li>• Home operators</li><li>• Condominium owners' associations</li></ul>	<p><b>Target groups</b></p> <ul style="list-style-type: none"><li>• Bavarian municipal local authorities</li><li>• Municipal special-purpose associations</li><li>• School associations</li><li>• Free State of Bavaria</li></ul>
<p><b>Subsidy programmes for owner-occupied homes</b></p> <ul style="list-style-type: none"><li>• Bavarian residential construction programme</li><li>• Subsidies for structural adaptations to meet the needs of people with disabilities</li><li>• Bavarian low interest rate loan programme</li><li>• Home Ownership Subsidy/Baukindergeld</li><li>• Condominium owners' associations</li></ul> <p><b>Subsidy programmes for rental housing</b></p> <ul style="list-style-type: none"><li>• Bavarian residential construction programme</li><li>• Subsidies for structural adaptations to meet the needs of people with disabilities</li><li>• Student housing subsidies</li><li>• Municipal housing subsidy programme</li><li>• Creation of energy-efficient rental housing</li><li>• Bavarian modernisation programme</li><li>• Condominium owners' associations</li><li>• Residential units for people with disabilities</li><li>• Own-liability transactions</li></ul>	<p><b>Government loans</b></p> <p><b>Traditional municipal loans</b></p> <p><b>Subsidised municipal loans</b></p> <ul style="list-style-type: none"><li>• Investkredit Kommunal Bayern (Bavarian municipal investment loan)</li><li>• Energiekredit Kommunal Bayern (Bavarian municipal energy loan)</li><li>• Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)</li></ul>

## Your contacts for subsidised housing and the municipal lending business

An overview of current

- programmes
- interest rates
- the application process

is available on the internet under [bayernlabo.de](http://bayernlabo.de) and can also be requested from the following:

### Information on housing subsidies

- for home ownership can be requested from the authorising agency for housing subsidies at the district administration office or urban district (depending on the location of the subsidised property)
- for rental housing can be requested from the respective government or the City of Munich and the cities of Nuremberg and Augsburg
- for BayernLabo's municipal subsidised housing programme can be requested via the municipal loan hotline on +49 89 2171-22004
- for the modernisation of condominium owners' associations can be requested from BayernLabo on phone number +49 89 2171-23322
- can be requested from the Bayerisches Staatsministerium für Wohnen, Bau und Verkehr, Franz-Josef-Strauss-Ring 4, 80539 Munich ([www.wohnen.bayern.de](http://www.wohnen.bayern.de))

### Information on state and municipal loans

- via BayernLabo's municipal loan hotline on +49 89 2171-22004.

All subsidised loans for housing must be applied for **before** construction starts from the authorising agency responsible for the area. The activities may only be begun once approval has been granted or the authorising body has provided written consent that activities may begin or the contract may be concluded in advance. There is no legal entitlement to the subsidy.



# 02 Highlights of 2021



# Changes on the Board of Management at Bayern LB

"We are delighted to bring on board Gero Bergmann, an extremely experienced real estate specialist who is familiar with both the national and the international business from the ground up and also has strong roots in the Sparkassen Finance Group," commented Dr Wolf Schumacher, Supervisory Board Chairman of Bayerische Landesbank

As a legally dependent development bank under public law, the BayernLabo development bank is assigned to the Real Estate/Savings Banks & Group Division within BayernLB. Dr Edgar Zoller retired at the end of April 2021 after twelve successful years on the Board of Management, during which period he was also closely involved in BayernLabo's business.

### Turbulent times after the financial crisis



Dr Edgar Zoller  
Deputy CEO of BayernLB

It was exactly in BayernLabo's 125th anniversary year in 2009 when Dr Edgar Zoller took over the department, and thereby also the management of BayernLabo at Board of Management level. One year after the global financial crisis, BayernLabo found itself in an environment of a weakening economy, both in Germany and in Bavaria. The Free State of Bavaria and BayernLabo continuously developed its subsidy programmes in order to make them more attractive for citizens, investors and municipalities. BayernLabo has also always been a trustworthy partner in the municipal lending business.

At the same time, BayernLabo had to adapt in order to assume further tasks assigned by the Bavarian state government. The processing of the Bavarian Home Ownership Subsidy and the Bavarian Baukindergeld Plus, which were transferred in 2018, and the implementation of online applications, deserve particular mention in this context. Dr Edgar Zoller successfully accompanied these processes over many years.

### Future-related topics

The major challenge awaiting Dr Zoller's successor Gero Bergmann over the next few years is to balance the competing requirements of social housing and climate protection.

The ongoing rise in rental, construction and land prices, particularly in conurbation areas, is continuing to lead to a significant increase in the



Gero Bergmann  
Member of the Board of Management of BayernLB

need in such areas for affordable housing for households that cannot provide themselves with adequate housing on the basis of their own resources alone. Providing support in this context is BayernLabo's primary task. However, creating affordable housing is just one side of the coin. After all, buildings are responsible for around 30 percent of carbon emissions and consequently play a key role in achieving climate targets. The EU Taxonomy's overarching objective is to improve the ecological, economic and social foundations for both current and future generations in Bavaria. In social subsidised housing, this means that affordable housing and energy standards must not be regarded as mutually exclusive when realising an almost climate-neutral and affordable building stock in the future.

The EU Green Deal and the EU Taxonomy also envisage making energy data for buildings available in a comparable, measurable and transparent manner, and managing financial flows in a sustainable direction in the future. Development banks make a significant contribution in this context through the structure and design of their development programmes. In addition, refinancing advantages can be passed on to customers through sustainable capital market issues. The successful social bond issues in 2017 and 2021 demonstrate the attractiveness and sustainability of BayernLabo's social business model. For many investors, the focus is no longer exclusively on the return on investment, but also on social and ecological aspects. This trend is ongoing and is supporting the creation of affordable housing for low- to moderate-income households.

**Kickoff at BayernLabo**

The farewell and welcome events for Dr Edgar Zoller and Gero Bergmann were held digitally in April due to coronavirus. For all employees, Gero Bergmann's start at BayernLabo marked a very exciting occasion. The law graduate and father of three reported on his first impressions in his new role, and expressed his pleasure with the wide variety of topics that his department encompasses.

**"We are very much looking forward to working with Gero and wish Edgar all the best for his new phase in life."**  
Dr Ulrich Klein, Spokesperson for the Management Board of BayernLabo



From left: Dr Ulrich Klein, Spokesperson for the BayernLabo Management, Dr Jürgen Hartwig, Christian Wunderlich, members of the Management of BayernLabo

# Five years of BayernLabo in Grafenau

*"New York, London, Paris, Milan, Munich – and Grafenau. BayernLB not only finances progress nationally and internationally, but also strengthens regional roots through BayernLabo."* Gero Bergmann, member of

the Board of Management of Bayerische Landesbank

In July 2016, the then Minister of Finance and Home Affairs, Dr Markus Söder, opened BayernLabo's ancillary funding centre in Grafenau, Lower Bavaria. It was an official move that sent a signal from Munich to the region. Ten high-quality and sustainable jobs were created. Since then, the office headed by Norbert Kellermann has been processing applications for the subsidisation of owner-occupied housing in Lower Bavaria and the Upper Palatinate, and now also in Upper Franconia. The funding of handicapped-accessible conversions, such as in the form of a barrier-free bathroom conversion or the installation of a stair lift, is also handled by the funding centre in Grafenau for the aforementioned administrative districts.

## The start

In the run-up to BayernLabo setting up this new centre, the search for a suitable property was a key factor. When the suitable premises at Stadtplatz 16 were found, conversion work and the move went quickly. "After an intensive three-month training phase at the headquarters in Munich, during which we virtually learned how to walk, we were now standing on our own two feet, which led to the development of a strong sense of togetherness in the team. We have always received support and have been regarded from the outset not as some kind of appendage, but rather as an equal team," notes Norbert Kellermann.



From left: Marion Bliefert – BayernLabo, Bundestag member Bartholomäus Kalb, District Assembly President Dr Olaf Heinrich, Mayor Max Niedermeier, Minister Helmut Brunner, District Commissioner Sebastian Gruber, then Minister of Finance and Home Affairs Dr Markus Söder, Dr Edgar Zoller – BayernLB, Bundestag member Alexander Muthmann, Bundestag member Max Gibis, Barbara Hartner – BayernLabo, Deputy Mayor Wolfgang Kunz, Wolfaana Meier – BayernLabo: Photos: BayernLabo.



From left: District Commissioner Sebastian Gruber, Mayor Alexander Mayer, Christina Joachimstaller, Jennifer Roth, Nicole Eder, Benjamin Eder, Daniel Eder, Lucia Gais, Office Manager Norbert Kellermann, Manuel Knab, Management member Christian Wunderlich, Department Manager Christian Ortmaier; Photo: Langesee/PNP.

### Subsidy account

From Grafenau, BayernLabo supports citizens in Eastern Bavaria and Upper Franconia in realising a sustainable home of their own. "Since its foundation, more than 12,000 houses and apartments have been promoted from here with a loan volume of around EUR 237 million and a grant volume of around EUR 22 million," said a delighted Albert Füracker, Minister of Finance and Home Affairs, on the occasion of the fifth birthday of the Munich development bank's ancillary funding centre. Behind these numbers are people. Heartfelt letters of thanks from funding recipients regularly demonstrate how valuable and helpful the Free State's funding programmes are, and make for special and touching moments in day-to-day business.

#### Facts & figures since 2016

**Subsidised homes: 12,341**

<u>Subsidy volume:</u>	<u>EUR million</u>
Bavarian housing programme:	69.0
Bavarian low interest rate loan programme:	96.0
<u>Structural adjustments:</u>	<u>94.0</u>
<b>Total</b>	<b>259.0</b>

### The future

"The development of this location has proved to be fruitful. We're glad to be here," commented Christian Wunderlich, a member of the Management in Munich. He is optimistic about the future: "Digitalisation is playing into our hands. It makes relocation easier. Location is no longer the deciding factor."

For Wunderlich, not having to commute long distances means fewer traffic accidents, less environmental pollution and, for example, being able to care locally for parents in need of assistance. "If only one serious traffic accident can be prevented, then a relocation has already been worthwhile," he remarked at the end of the small ceremony, addressing these soft, but crucial, factors.



# Approximately EUR 25 million loan for the new elementary school in Karlsfeld

*"We supported this great project entirely in the role assigned to us as the municipal bank of the Free State of Bavaria, and with an optimal financing mix consisting of subsidy loans and traditional municipal loans."* Christian Wunderlich, member of the the BayernLabo Management

For Karlsfeld's elementary school students, everything has been new since the beginning of this school year. In addition to the timetable and learning materials (both digital and physical), the new school building on Krenmoosstrasse creates a modern and upbeat learning environment.

"In the future, some 650 students, including up to 200 children in eight all-day classes and 50 with lunch supervision, will be able to enjoy many wonderful school years under the new roofs in a light-flooded school building compromising state-of-the-art technology," commented mayor Stefan Kolbe at the inauguration ceremony on 29 October 2021. Modern rooms and furniture are hardly reminiscent of the old elementary school building, which had been used for elementary school operations since 1962.

The mayor, Mr Kolbe, highlights the "Münchner Lernhaus-konzept" (Munich educational room plan) as a special feature. "This enables children to be taught more individually and at their own learning pace. It moves away from the traditional 'chalk and talk' approach to classroom teaching."

### Individual tuition

The walls of the new building are designed in pastel tones and many glass walls fill the rooms with natural sunlight. These are to give the children a sense of openness. Right at the entrance stand an auditorium, the canteen and a study room. Separated by flexible walls, these can be opened up to form a single large, cohesive reception area. In the huge school yard, students can relax from learning on the trampolines, play table football, or play on the impressive climbing frame.



From left: Karlsfeld elementary school, entrance; courtyard; upper floor with hallway and classrooms; Photo left: BayernLabo, photo centre and right: Karlsfeld municipality.



From left: Kommunalkredit Department Manager Wolfgang Schmidt, District Administrator Stefan Löwl, BayernLabo Management member Christian Wunderlich, Mayor Stefan Kolbe, Headmistress Barbara Sparr, member of the State Parliament Bernhard Seidenath, Deputy Headmistress of BayernLabo Wolfgang Schmidt, Kommunalkredit Deputy Department Manager Heinz Maul; Photo: Karlsfeld municipality.

### Open construction.

The open design of the new elementary school underscores this concept for new school building construction, which incorporates the special spatial, pedagogical and staff organisation requirements of schools. Each grade level is housed in its own learning house, which is both spatially and organisationally a "small school" within the larger school municipality.

In addition to school use, Karlsfeld's clubs now have access to a further triple sports hall featuring state-of-the-art technology and upscale equipment.

### EUR 25 million lending volume

In addition to grants of EUR 15.34 million from the Free State of Bavaria, the remaining costs of around EUR 25 million were financed by loans from BayernLabo in partnership with the KfW. The two subsidised municipal energy loans and the Investkredit Kommunal Bayern (Bavarian municipal investment loan) from BayernLabo accounted for the greater share of the financing volume, totalling around EUR 16 million. The remaining EUR 9 million was also borrowed from BayernLabo as a traditional municipal loans. "The new build of this school, with construction costs of around EUR 41 million, represents the largest investment the local authority has ever made," said Mayor Kolbe. "In the case of both the energy loans and the further financing, the cooperation came together without any problems whatsoever," notes the head of the local authority with satisfaction.

**As a further highlight, Stefan Kolbe is particularly pleased with the buildings' high energy efficiency. KfW Efficiency Building Class 70 was achieved for the school building, and KfW Efficiency Building Class 55 for the new triple sports hall.**

# Digital subsidised housing – BayernLabo service portal

*"A standardised digital process throughout Bavaria for applying for housing subsidies – this will make things easier and faster in the future. At the same time, everyone has access to expert advice from the local authorising agency. We are thereby creating an optimal service offering for Bavarian citizens."*

Manuela Sill, Project Manager Customer Information and Service System

The trend towards the digitalisation of service offerings and the associated increasing individualisation of services is playing an increasingly important role in both the financial industry and the public sector. This creates many opportunities for private individuals, companies and municipalities – and consequently for BayernLabo's customers. In the Customer Information and Service System project, BayernLabo has been finding answers to current and upcoming challenges since 2019 and is laying an important foundation stone for further digitalisation with a future-viable service portal.

### Digitalisation of the two-step approval process

With the OZG requirement that it also be possible from 1 January 2023 to submit applications online for administrative services, the government is also driving forward the topic of digitalisation. The Bavarian State Ministry of Housing, Construction and Transport (StMB) has commissioned BayernLabo to digitalise the two-stage approval process for housing subsidies in Bavaria centrally via the service portal. This central implementation in the BayernLabo project makes local roll-out projects at the individual authorising agencies obsolete. The StMB has been actively supporting the realisation of this project since the outset.

**By achieving the project goal, BayernLabo is making a decisive contribution to meeting the requirements of the German Online Access Act (OZG), and actively shaping the digital transformation.**

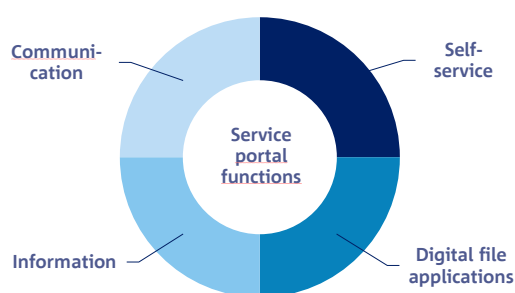


As the centre for future digitalisation measures in Bavarian subsidised housing, the service portal will from now on form the interface between private customers, housing construction companies, municipalities, ministries, approval agencies and BayernLabo.

From left: Leonhard Maximilian Schmid (Product Owner), Bettina Hutter (Core Team member), Manuela Sill (Technical Project Management)

### Added value for all

In the future, a modern service portal will not only expand BayernLabo's digital service offering and thereby sustainably enhance customer satisfaction, but will also support existing business relationships with additional services and create further connection opportunities for progressive digitalisation. As a central hub, the service portal enables both customers and partners to access up-to-date information from anywhere and at any time. Furthermore, a large number of business transactions in the real estate financing lifecycle can be digitally recorded and executed in the future. We thereby add value for all those involved in Bavarian subsidised housing.



BayernLabo customers from both the owner-occupied and the rental subsidised housing sectors have already enjoyed access to the service portal since 2020. In 2021, Bavarian municipal customers, authorising agencies and ministries were given access to the service portal, and initial functions were made available. In addition to basic and information functions as well as self-services, digital mail delivery

was implemented. Since the start of the project, BayernLabo has been working together with the Bavarian State Ministry of Housing, Construction and Transport (StMB) and the approval agencies on the digital two-stage approval process, which is to be introduced throughout Bavaria at the beginning of 2023.

### Coronavirus challenges

Shortly after the project started in spring 2020, the project work that had just begun had to be restructured due to the first Covid-19 lockdown. Communication within the project team as well as coordination with all partners took place only virtually, and required various changes in the usual project activities. However, what came at first as a shock quickly became a new reality. The project team was equipped with the necessary technology and meetings were subsequently conducted online. A new working mode was quickly found and the need for a digital service portal proved to be all the more significant.

After more than two years of predominantly digital project work, the customer information and service system project is now approaching the home straight thanks to the tireless efforts of everyone involved. A further milestone will be reached in 2022, when it will be possible for the first time project to submit a fully digital application for owner-occupied housing subsidies to the relevant authorising agency as part of a pilot scheme. After the project goal is reached in early 2023, the service portal will continue to serve as an important cornerstone for ongoing digitalisation, and will be constantly developed further.

**"With our project, we have laid the foundation. From this base, we can continue along the path to digital housing."**

Manuela Sill, Technical Project Management Customer Information and Service System



# BayernLabo issues social bond

*In 2021, BayernLabo successfully issued its second social bond with a volume of EUR 500 million. The extremely high level of investor interest in the 15-year bond, which was rated Aaa by rating agency Moody's, was reflected in part by the level of oversubscription.*

## Financing of projects with social added value

The proceeds from the bond will finance projects with social added value. These include programmes offering low-interest loans to finance housing, modernisation, and support for the maintenance of sustainable and affordable infrastructure at municipal level. Creating affordable housing that also meets high energy standards is one of BayernLabo's core objectives. With its loans and grants, BayernLabo enables many families and people with low or medium incomes to realise their dream of owning their own four walls, socially acceptable rents, or sustainable modernisation.

**BayernLabo regards its emphasis on sustainability criteria as an essential contribution to the fulfilment of the sustainability and climate goals of the Free State of Bavaria within the context of its public mandate.**

## High international standards

The bond was issued on the basis of high international standards. The Social Bond Framework as defined by the International Capital Markets Association (ICMA) sets a framework for transparency in the employment and management of funds, as well as in relation to reporting for investors. This ensures that the funds are harnessed for social purposes.



## Oversubscription of the order book

The high interest in the transaction was reflected in an oversubscription of the order book, which led the spread to be fixed at mid-swap flat compared with an initial target of mid-swap plus 3 basis points. The majority of investors, 48 percent, came from Germany, followed by Scandinavia (13 percent) and the Benelux countries (12 percent). In terms of investor type, insurance companies (32 percent), asset managers and central banks/public institutions were

Florian Ruhland  
Department Manager Strategic Tasks

the main drivers of the transaction, each accounting for 27 percent of allocated orders. A remarkable 53 percent of BayernLabo's investors were oriented toward the three ESG aspects of the environment, social and corporate governance, which demonstrates the company's sustainable orientation.

**Focus on sustainability**

The successful social bond issue in 2017, which was also in benchmark format, already demonstrated the attractiveness and sustainability of BayernLabo's social business model. It was the first securities issue of this type to come from a development bank.

With the new issue in 2021, BayernLabo is making its social aspirations clear. This demonstrates BayernLabo's clear focus as well as its social and corporate responsibility in accordance with its legal mandate for sustainable development in Bavaria.

The successful placement of the social bonds makes it clear that interest in ESG issues is growing strongly. For many investors, the focus is no longer exclusively on the return on investment, but also on social and ecological aspects.

**BayernLabo will continue to pursue its chosen path systematically in order to support residential and housing construction as well as general municipal and social infrastructure in Bavaria with the refinancing advantages that are generated.**



Photo: Adobe Stock Photo Agency

# New subsidised housing regulations take effect as at 1 April 2022

*"With these new building blocks, we are taking a holistic approach. It's partly about creating more housing, and partly about energy efficiency and sustainability."*

Christian Bernreiter, Bavarian State Minister for Housing, Construction and Transport



Christian Bernreiter, Bavarian State Minister for Housing, Construction and Transport; Photo: StMB.

With the introduction of three new subsidy modules, further sustainability aspects in rental housing subsidies will be supported with additional subsidies in the future. Both private individuals and companies are to benefit accordingly.

## "Ready for sustainable renewal and expansion" subsidy module

In the "ready for sustainable renewal and expansion" subsidy module, funding is provided for the extension of existing rented residential buildings and the modernisation of existing apartments. The general subsidy is increased by a further 25 percent to up to EUR 625 per square metre of living space.

### "Energy efficiency" subsidy module

The aim of the "energy efficiency" subsidy module is to provide an incentive for investments in subsidised housing that enhance energy efficiency and reduce carbon emissions. An additional subsidy of up to EUR 100 per square metre of living space is available for projects that achieve at least the Efficiency House Standard 55.

### "Sustainability grant" subsidy module

In the "sustainability grant" subsidy module, sustainable measures are funded that extend significantly beyond the requirements required by law or funding legislation. To qualify for the full subsidy of EUR 200 per square metre of living space, construction measures must to a relevant extent be implemented from at least three out of the following five sustainability areas: socio-cultural measures, holistic resource utilisation, renewable raw material utilisation, climate adaptation measures and local renewable energies generation.

**With the Subsidised Housing Regulations 2022, the Free State of Bavaria is giving new impetus to subsidised rental housing. In recent years, the climate and sustainability have also become increasingly topical in residential construction.**

The subsidy modules will become part of the subsidised housing regulations, with the new version of which taking effect on 1 April 2022. With these innovations, we are creating investment incentives for particularly sustainable projects that bring together the economy, ecology and technical quality. Our goal is to create high-quality affordable housing. With the additional subsidies, we are ensuring that rents remain reasonable for residents, despite the higher requirements. People thereby benefit twice: both through the new living space and its high quality.

Several criteria must be met in order to receive the grant. The exact funding conditions and information on how to apply can be found on the website at: [www.stmb.bayern.de](http://www.stmb.bayern.de).



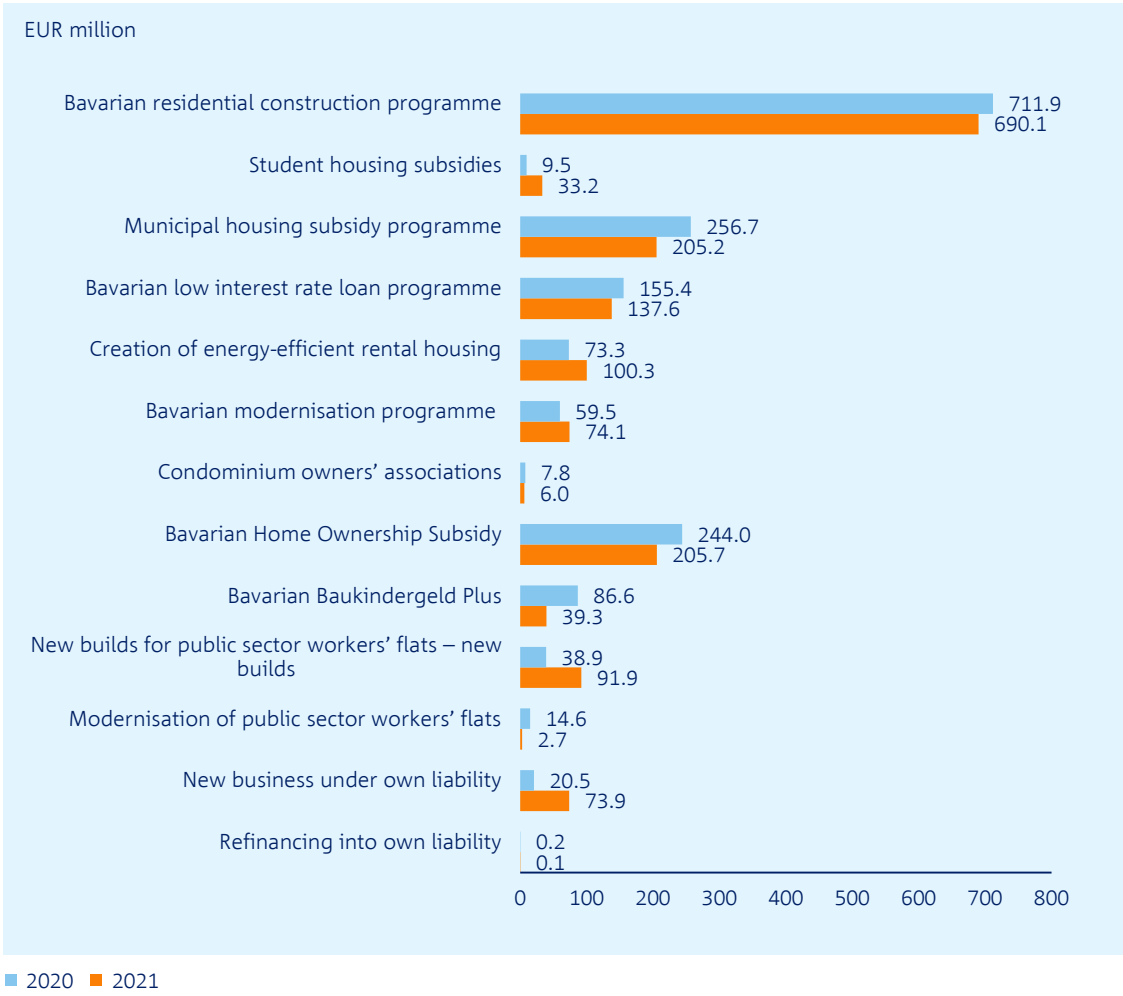
## 03 Subsidised housing at a glance

# Subsidised housing at a glance

Not all people are able to afford adequate family housing suitable from their own resources alone. For this reason, the Free State of Bavaria and BayernLabo support citizens in a variety of ways. Customised subsidised housing programmes help to create socially anchored and affordable housing and increasingly take ecological aspects into account.

In 2021, BayernLabo approved a total of EUR 1,660.1 million (previous year: EUR 1,679.0 million) in loans and grants for subsidised housing, and subsidised 11,953 residential units (previous year: 11,456). Although the volume of new business stands below the previous year's high level, it is very encouraging given the extremely challenging environment entailing both low interest rates and the coronavirus pandemic. The programmes that are important for achieving climate targets, such as the creation of energy-efficient rental housing and the Bavarian modernisation programme, recorded particularly strong growth in the year under review.

## Loan and grant commitments





In the Bavarian residential construction programme, the total volume of commitments for rental and owner-occupied housing promotion amounted to EUR 690.1 million (previous year: EUR 711.9 million), of which EUR 550.6 million (previous year: EUR 553.7 million) related to loans and EUR 139.5 million (previous year: EUR 158.2 million) to investment grants. In the fiduciary business, loans are divided into amortising loans of EUR 378.9 million (previous year: EUR 380.4 million) and non-repayable loans of EUR 31.9 million (previous year: EUR 33.3 million). Internally funded loans of EUR 139.8 million (previous year: EUR 140.0 million) were approved. In total, the Free State of Bavaria and BayernLabo subsidised the construction of 8,071 apartments and housing places, including 4,188 rental apartments, 3,575 owner-occupied apartments and 308 housing places.

Student accommodation is also in short supply. The 1,316 subsidised housing places provided relief in this context. A total of EUR 33.2 million in loans were approved for student housing subsidies, more than three times as high as a year earlier.

Residential complex, Augsburg.  
Income-based subsidies;  
Contractor: Wohnbaugruppe Augsburg, Augsburg;  
Planning: Titus Bernhard Architekten, Augsburg;  
Photo: Wohnbaugruppe Augsburg, Augsburg.



BayernLabo committed a total of EUR 205.2 million in the municipal subsidised housing programme and subsidised 627 rental apartments. Of this amount, EUR 117.0 million (previous year: EUR 117.3 million) related to internally funded loans and EUR 88.2 million (previous year: EUR 139.4 million) to investment grants from budget funds.

In the Bavarian low interest rate loan programme, loans of EUR 137.6 million were approved. A total of 44.8 percent of the loans or EUR 61.7 million (previous year: EUR 75.1 million) were committed with a 15-year interest rate lock-in period. The most popular loans were those with fixed interest rates for a 30-year term accompanied by full repayment. Here, a lending volume of EUR 69.7 million (previous year: EUR 66.4 million) was approved. The 10-year fixed-interest option only played a minor role with commitments of EUR 6.2 million (previous year: EUR 13.9 million). In total, loans were committed for 1,023 owner-occupied apartments and houses. This included 822 homes in the Bavarian residential construction programme.

In addition to subsidies for rental housing under the Bavarian residential construction programme, BayernLabo promoted the creation of 965 energy-efficient rental housing units with a volume of EUR 100.3 million. This is equivalent to an increase of EUR 27 million.

In the Bavarian modernisation programme, the volume of approvals grew to EUR 74.1 million. From a sustainability point of view, a very pleasing increase was recorded of 25 percent year-on-year. Of this amount, EUR 68.2 million (previous year: EUR 54.1 million) related to internally funded BayernLabo loans and EUR 5.9 million (previous year: EUR 5.4 million) to investment grants from government budget funds. The funds supported the construction and the modernisation and overhauling of 757 rental homes and 208 places in care homes.

The granting of low-interest association loans to owners' associations also promotes the modernisation of existing housing. In 2021, 242 apartments in Bavaria were modernised or renovated to be energy-efficient in a volume of EUR 6.0 million.

The approval amount for the Bavarian Home Ownership Subsidy amounted to EUR 205.7 million and for the Baukindergeld Plus programme to EUR 39.3 million. The decrease is due to the fact that the 2020 subsidy programmes expired and only the applications submitted before the end of 2020 were processed in the year under review.

New builds for public sector workers recorded an increase. A total of 475 apartments were subsidised in an amount of EUR 91.9 million. Of this amount, EUR 82.1 million (previous year: EUR 36.0 million) related to loans for people on low incomes to live in their own home and EUR 9.8 million (previous year: EUR 2.9 million) to government grants.

In addition to the Bavarian modernisation programme, 56 state employees' apartments (leasehold apartments) were modernised or repaired with loans totalling EUR 2.7 million.



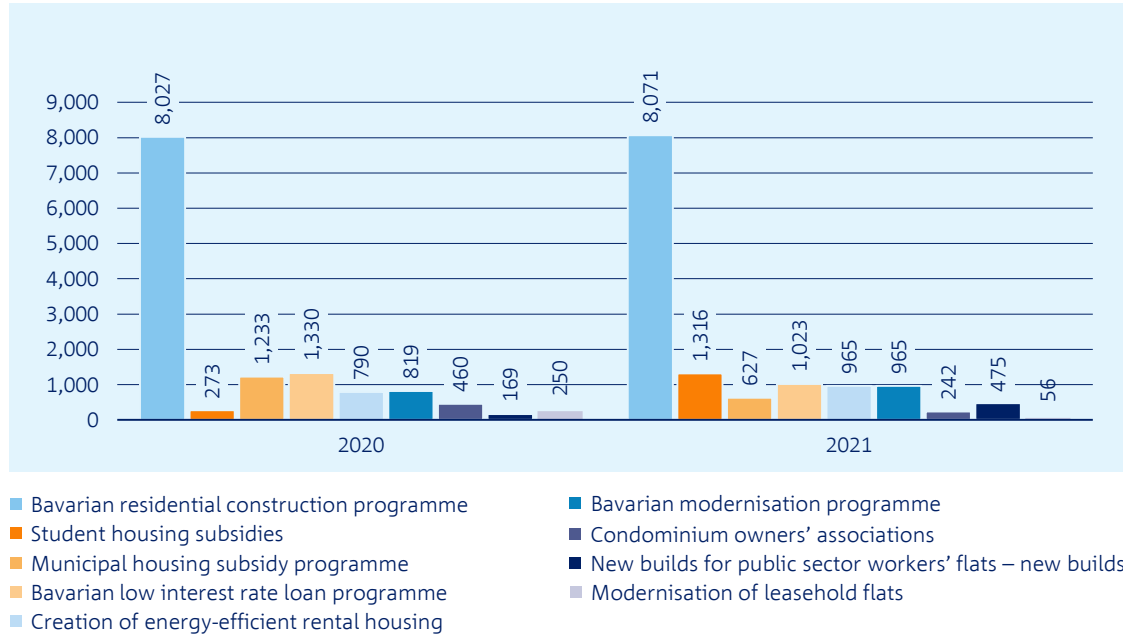
**EUR 74 m  
overall for  
sustainable  
modernisation!**



**965  
energy-  
efficient  
apartments  
subsidised!**

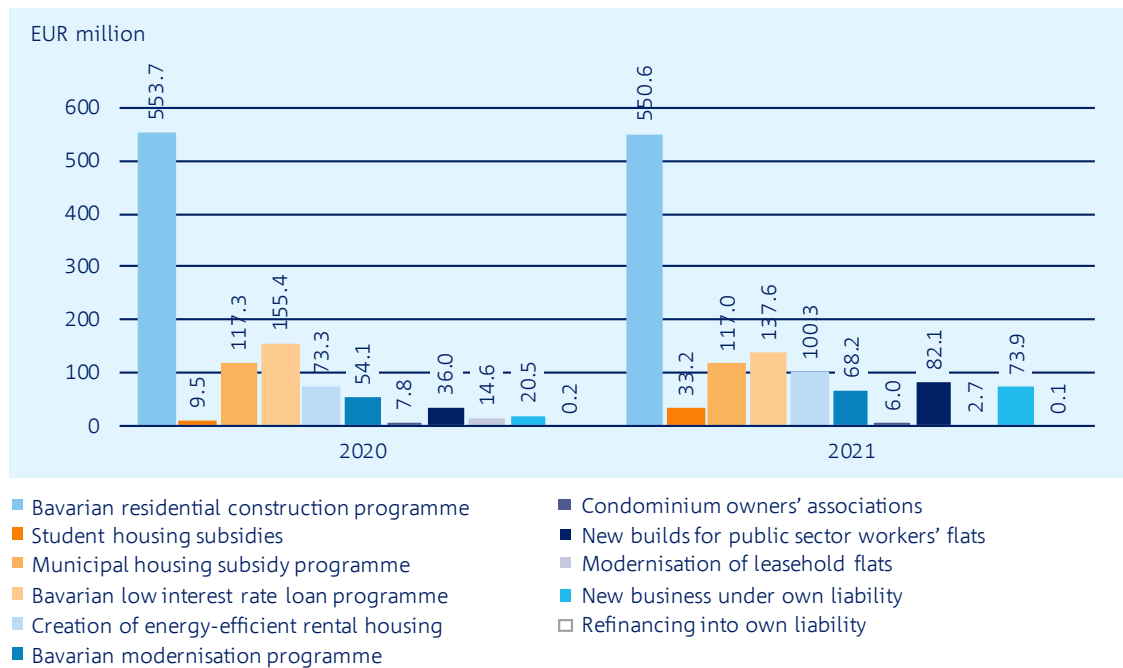


### Subsidised homes and places in residences (including combined subsidy<sup>1</sup>)



<sup>1</sup> Combination subsidies: Homes subsidised under both the Bavarian residential construction programme and the Bavarian low interest rate loan programme.

### Loan commitments



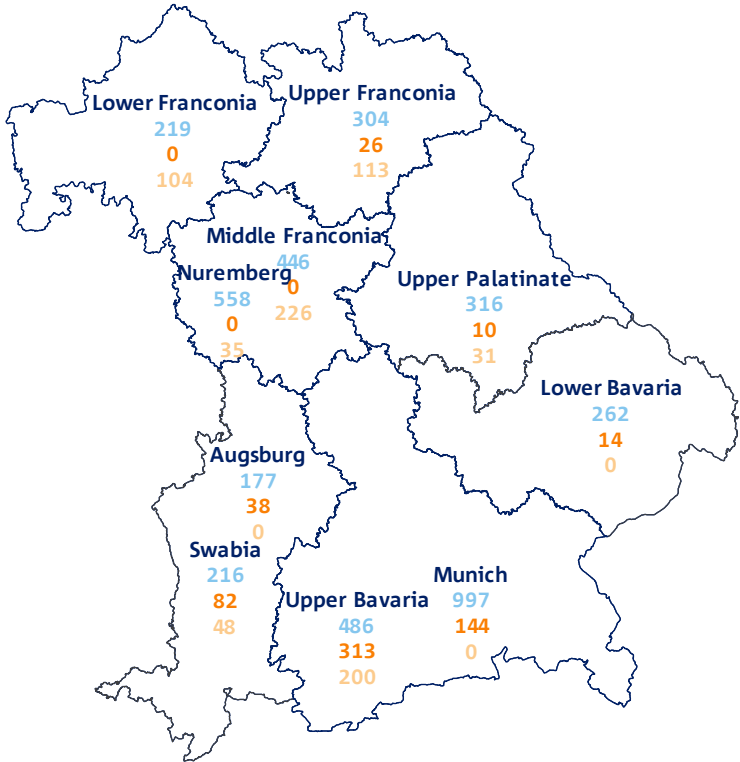


## **04 Subsidised rental housing in apartment buildings**

# Subsidised rental housing in apartment buildings

Germany is the number one tenant country in the European Union (EU). In Bavaria, almost half of the population (49 percent) rent their place of residence. Rental prices have exploded in recent years, especially in cities experiencing net inflows of young people. For some time now, rents in surrounding areas have also been rising at a considerably higher rate. Moreover, suitable land for creating more rental housing is scarce. Providing affordable housing is still highly topical as a consequence. In 2021, as in previous years, BayernLabo supported the financing of rental housing in apartment buildings through the Bavarian residential construction programme and with the Municipal Subsidised Housing Programme. In addition, low-interest capital market loans were granted as part of the Bavarian modernisation programme. A total of 5,365 rental homes were subsidised, which were distributed across the individual regions as follows:

Rental homes (without structural adaptation) subsidised in 2021



- Bavarian residential construction programme
- Municipal housing subsidy programme
- Bavarian modernisation programme



Residential complex, Aschaffenburg.  
Income-based subsidies;  
Contractor: Stadtbau Aschaffenburg GmbH, Aschaffenburg;  
Planner and photo: Burghammer Landschaftsarchitektur, Wetzlar.

#### State-subsidised business with rental homes (without structural adaptation)

	2021			2020		
	Loans in EUR million	Grants in EUR million	Number of homes	Loans in EUR million	Grants in EUR million	Number of homes
<b>Bavarian residential construction programme</b>						
Income-based subsidies (IBS)						
New builds	466.4	76.1	3,953	441.5	69.3	3,224
Expenditure-based subsidies (EBS)						
New builds	3.9	0.5	28	1.7	0.3	13
Modifications to buildings and residential space	–	–	–	0.3	0.1	6
<b>Municipal housing subsidy programme</b>	<b>117.0</b>	<b>88.2</b>	<b>627</b>	<b>117.3</b>	<b>139.4</b>	<b>1,233</b>
<b>Bavarian modernisation programme</b>	<b>65.8</b>	<b>5.3</b>	<b>757</b>	<b>54.1</b>	<b>5.4</b>	<b>819</b>
<b>Total</b>	<b>653.1</b>	<b>170.1</b>	<b>5,365</b>	<b>614.9</b>	<b>214.5</b>	<b>5,295</b>

State-subsidised business does not include any structural adaptations to meet the needs of people with disabilities. These are listed separately in section 07.

## Bavarian residential construction programme – income-based subsidies (IBS)

With the income-based subsidy, BayernLabo offers low-interest loans as well as additional grants for new builds, initial purchase, conversion, and refurbishment measures for apartment buildings. With initial purchases, residential buildings were required to satisfy the provisions of the Subsidised Housing Programme 2012, be a new build, and be occupied for the first time.

The subsidy for rental housing consists of a basic subsidy for the contractor/buyer and a supplementary subsidy for the tenant. Basic loan assistance establishes occupancy rights in rental housing in apartment buildings. The rent is to be based on the lower end of the local initial rental rate.

The contractor/buyer receives a property-based loan and an occupancy-based loan.

### Property-based subsidy

The property-based loan was granted at an interest rate of 0.50 percent in the year under review, and with a 25-year occupancy commitment amounted to up to EUR 1,125 per square metre of subsidised residential area. This loan amount increased by up to 35 percent for homes particularly worthy of subsidisation.

To create an incentive to build new social housing, contractors/buyers received a subsidy of up to EUR 300 per square metre of subsidised living space.

### Occupancy-based subsidies

The occupancy-based loan carried interest of 1.75 percent in the year under review. This partially helps cover the subsidy amounts that must be raised for the supplementary subsidy to tenants. As a consequence, the loan amount also depends on the occupancy structure of the subsidised property agreed between the landlord and the authorising agency.

As an alternative to the 25-year rent control and occupancy commitment, a 40-year option is also on offer. This protects the tenants and provides planning certainty for the contractor, as the favourable terms of the subsidy are locked in for 40 years.

### Supplementary subsidy for tenants

Tenants receive a supplementary subsidy, depending on their income level, which reduces the market rent to a reasonable rent for them. This supplementary subsidy is financed pro rata from the interest earned on the occupancy-based loan. The grants are approved and disbursed by district offices or independent cities.

Photo next page:  
Residential complex, Schweinfurt.  
Income-based subsidies;  
Contractor: Stadt- und Wohnbau GmbH Schweinfurt (SWG), Schweinfurt;  
Planning: HPA+ Architektur, Cologne;  
Photo: Stadt- und Wohnbau GmbH Schweinfurt (SWG), Schweinfurt.







## Bavarian residential construction programme – expenditure-based subsidies (EBS)

In addition to the income-based subsidy, an additional expenditure-based subsidy is available.

The amount of the subsidy is linked to the economic result from the statement of income and expenditure. In order to close the gap between the achievable rental income and the current expenses per year, a loan is approved in the amount of the resultant difference. This enables the subsidy to provide adequate funding, particularly in rural areas. An interest rate of 0.50 percent is charged on the subsidised loan. Under the expenditure-based subsidy, an additional grant of up to EUR 300 per square metre was granted. The occupancy commitment amounts to 25 years.

### State-subsidised business under the Bavarian residential construction programme – IBS and EBS

EUR million	2021	2020
<b>Income-based subsidies (IBS)</b>		
Property-based loans	237.6	248.5
Occupancy-related loans	228.8	193.0
<b>Expenditure-based subsidies (EBS)</b>		
Building loans	3.9	2.0
<b>Total loans</b>	<b>470.3</b>	<b>443.5</b>
<b>Number of subsidised homes – total</b>	<b>3,981</b>	<b>3,243</b>

## Loan programme to create energy-efficient rental housing (EERH)

**EUR 100 m  
for energy-  
efficient rental  
housing!**

Climate change is now ubiquitous, and the reduction of greenhouse gases, the conversion of our energy system to renewable energy, and compliance with certain energy efficiency values are inevitable with the enactment of the German Building Energy Act (GEG).

In addition to subsidies for rental housing, BayernLabo promotes the creation of energy-efficient rental homes by providing fixed-term low-interest loans. Subsidies are provided for the creation of rental housing through new builds, modification or expansion of buildings, and the purchase of newly built rental housing for first-time occupancy.

### State-subsidised business in creation of energy-efficient rental housing

	2021	2020
<b>Loans in EUR million</b>	<b>100.3</b>	<b>73.3</b>
<b>Number of subsidised homes – total (already included in IBS/EBS)</b>	<b>965</b>	<b>790</b>

## The municipal housing subsidy programme – KommWFP

With the municipal subsidised housing programme (KommWFP), the Free State of Bavaria, in co-operation with BayernLabo, supports municipalities in planning and building housing in their own right. The programme enables municipalities to create affordable housing for low-income households themselves by building new homes and converting, modernising and purchasing newly built properties. The KommWFP gives the cities and municipalities a great degree of freedom.

In addition to the government grant of 30 percent of the investment costs (including purchasing the land), the programme offers optional development loans from BayernLabo of up to 60 percent of the investment costs. With interest rate lock-ins and loan terms of up to 30 years, which are offered at a lower interest rate funded by the Free State of Bavaria's funds, the municipalities can calculate the costs until full amortisation based on the current historically low interest rate.

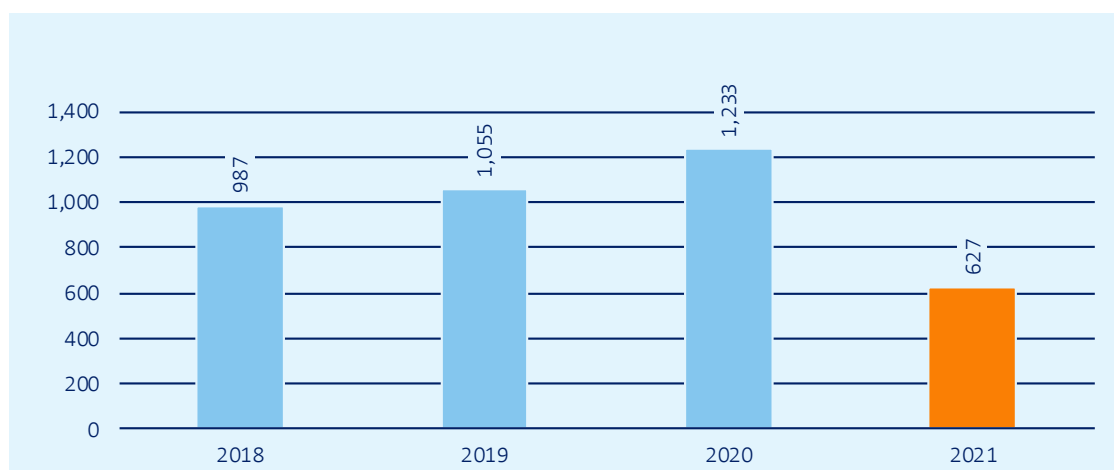
The interest rates offered in 2021 were considerably below the capital market rate, at 0.00 percent p. a. throughout for the 10 to 20-year fully amortising variant, or 0.20 percent p. a. for the 30-year full amortisation.

The municipalities' own share amounts to only 10 percent of the investment costs and can be provided in the form of the building plot.

The loan volume of EUR 117.0 million concluded in 2021 again exceeded the EUR 100 million mark and almost matched the previous year's figure (EUR 117.3 million). By contrast, the grants awarded reduced to EUR 88.2 million (previous year: EUR 139.4 million). Funding was provided for 45 applications (previous year: 60) or 627 rental apartments (previous year: 1,233).

**EUR 117 m  
lending volume  
for municipal  
rental homes!**

**KommWFP – subsidised homes**







Residential complex, Friedberg.  
Municipal housing subsidy programme;  
Contractor: City of Friedberg;

Planner and photo: 3+architekten glogger.müller.blasi | Architekten + Stadtplaner PartG mbB, Augsburg.

Since the KommWFP was set up in 2016 it has subsidised 5,560 residential units. In 2019, the programme was initially extended for a further four years to 31 December 2023. The Bavarian government has already passed a resolution extending this to 2025.

### **Bavarian modernisation programme**

A key issue for the housing industry is the implementation of the energy transition in existing buildings. A wide range of tasks, such as energy modernisation and greenhouse gas reduction, age-appropriate conversion and repair, must be tackled without, however, placing too great a financial burden on tenants and loan recipients. This is where the Bavarian modernisation programme comes in.

To promote the modernisation of rental housing and places in authorised residential care homes, BayernLabo grants loans for up to 100 percent of the costs eligible for subsidisation financed from its own funds and, until 30 June 2021, with the support of the KfW. The current interest rate can be found on bayernlabo.de. In addition, the borrowers receive a grant of up to EUR 100 per square metre of residential space (albeit no more than 20 percent of the entire subsidy amount).

The primary aims of the subsidy are to:

- Improve general living conditions
- Ensure socially compatible rent
- Adapt living space to the needs of the elderly
- Save energy and reduce the carbon footprint

In accordance with the subsidy directives, the subsidies for rental homes are tied to a 10 or 20-year occupancy commitment in the event the property is re-let. If apartments become available for re-renting during this period, they must be re-rented to interested parties from the beneficiary group. A general occupancy right exists for households whose total income does not exceed the income limit in Article 11 of the Bavarian Subsidised Housing Act (BayWoFG).

After ten or 20 years, the interest rate is adjusted in line with the capital market. After two free years, the annual amortisation amounts to at least 1.5 percent plus interest saved.



#### State-subsidised business under the Bavarian modernisation programme

	2021		2020	
	Loan commitments EUR million	Number of homes	Loan commitments EUR million	Number of homes
<b>Bavarian modernisation programme</b>	<b>65.8</b>	<b>757</b>	<b>54.1</b>	<b>819</b>

Under the Bavarian modernisation programme, 208 places in residential care homes were subsidised with EUR 2.3 million in loans and EUR 0.6 million in grants in 2021. No places in residential care homes were funded in the previous year.

When care home places are subsidised, the borrower must meet EU requirements on state aid. No occupancy commitment is planned here.

In addition, under the Bavarian modernisation programme, BayernLabo provided EUR 0.9 million (previous year: EUR 4.2 million) for loans with a 20-year interest rate lock-in as part of an independent part of the programme for the modernisation of housing (“Modernisieren Wohnen”) in 2021.



## **05 Subsidisation of owner-occupied houses and flats**

# Subsidisation of owner-occupied houses and flats

Owner-occupied housing forms an important pillar of the housing market. Due to the shortage of building land and rising real estate prices, it is becoming increasingly difficult for people, especially for families with children, to realise their dream of owning their own home. The Free State of Bavaria and BayernLabo support private individuals who meet certain income limits (see page 111) in the construction of a new home or the purchase of an owner-occupied home under the Bavarian residential construction programme and the Bavarian low interest rate loan programme.

The programmes can be approved individually or in combination and facilitate financing in several ways: the Bavarian residential construction programme provides borrowers with low-interest building loans and grants, while the Bavarian low interest rate loan programme provides borrowers with low-interest loans. The subsidised loans are secured in the land register in rank after capital market and home savings loans. This minimises the risk for the senior financing partner and often makes financing possible in the first place.

The Bavarian low interest rate loan programme with 10- and 15-year fixed interest rates offers a more favourable interest rate in the individual subsidy than in the combined subsidy. Current interest rate information can be found on bayernlabo.de. BayernLabo bears the costs of the interest rate reduction in the proprietary business and thereby makes an important contribution to establishing home ownership in Bavaria.

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**Subsidy combinations for own homes**

**Individual subsidy**



**Combined subsidy**







Residential complex, Hallstadt.  
 Experimental housing;  
 Model project IQ inner-city residential quarters;  
 Contractor: Joseph Stiftung, Bamberg;  
 Planning: Architekturbüro Dipl. Ing. TU Christoph Gatz, Bamberg;  
 Photo: Michael Aust, ateliers xpo aust gmbh, Bamberg.

**State-subsidised business with own homes (without structural adaptation)**

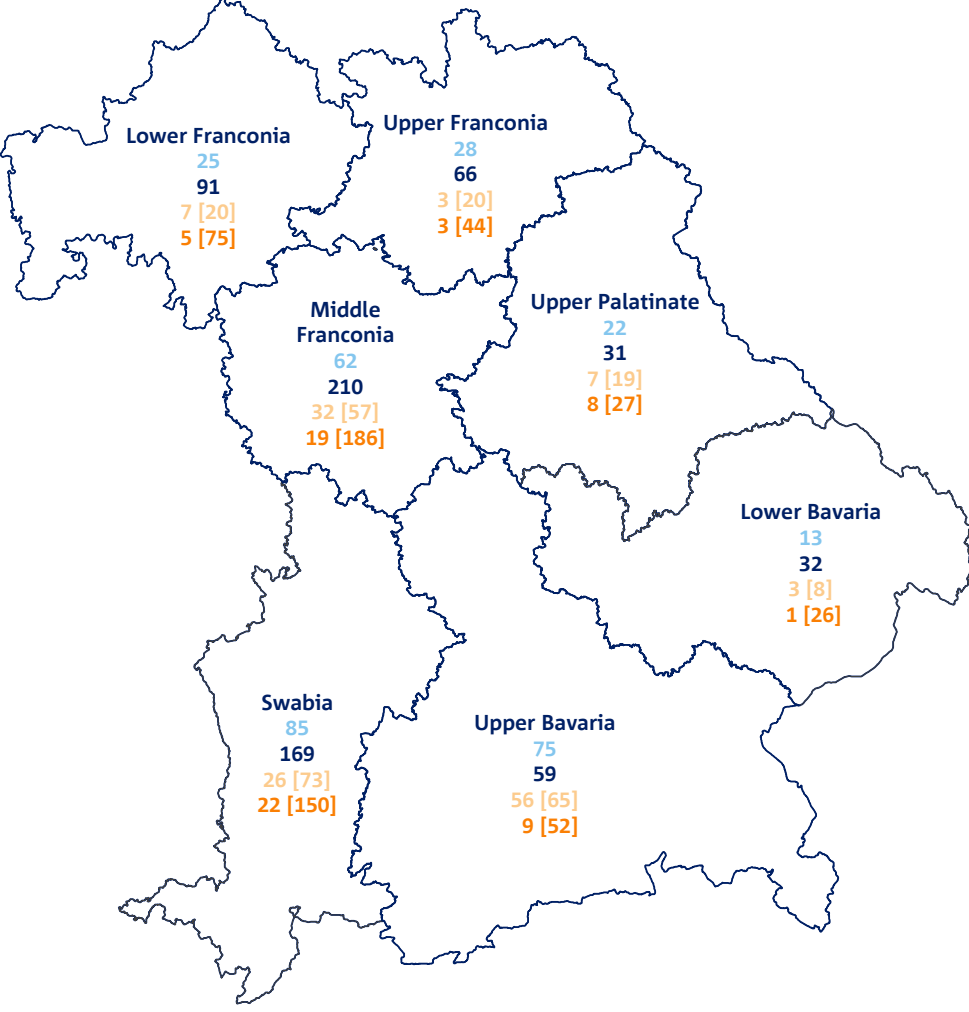
Number of homes	2021	2020
<b>Bavarian residential construction programme</b>		
New builds	310	402
Purchases	658	1,062
<b>Bavarian low interest rate loan programme</b>		
New builds – combined subsidy	262	296
Purchases – combined subsidy	560	809
New builds – individual subsidy	134	132
Purchases – individual subsidy	67	93

*State-subsidised business does not include any structural adaptations to meet the needs of people with disabilities. These are listed separately in section 07.*

In 2021, loans of EUR 185.6 million (previous year: EUR 230.8 million) were granted via BayernLabo for building and buying own homes, which enabled 1,169 owner-occupied homes (previous year: 1,689 owner-occupied homes) to be subsidised in the Free State of Bavaria. Of these, subsidies solely from proprietary business accounted for 201 measures and solely fiduciary subsidies for 146. The remaining 822 residential units were subsidised in both fiduciary and proprietary business.

The map below shows the regional distribution of the homes subsidised in 2021 – and showing the Bavarian residential construction programme and the Bavarian low interest rate loan programme separately – subdivided by new builds and purchases of owner-occupied property:

**Regional breakdown of subsidised owner-occupied homes**



- Bavarian residential construction programme – new builds
- Bavarian residential construction programme – purchases
- Bavarian low interest rate loan programme – new builds [additional combined subsidy]
- Bavarian low interest rate loan programme – purchases [additional combined subsidy]





Residential complex, Penzberg.  
Income-based subsidies;  
Contractor: Maro Genossenschaft eG, Ohlstadt;  
Planning: Architekturbüro Brems & Asanger, Peiting;  
Photo: Tania Schmid.

### Bavarian residential construction programme (subsidised by amortising loans and grants)

The special aim of the Bavarian residential construction programme is to help households with children and low to average incomes to buy their own homes. The Free State of Bavaria and BayernLabo provide funding in the form of low-interest loans and one-off grants, taking social urgency into account.

The interest rate for the first fifteen years amounts to 0.50 percent p.a.

The loan amounts to up to 30 percent of eligible costs for new construction (building and initial purchase) and up to 40 percent for second-time purchases, in other words, the purchase of a house or apartment that is already in use.

It is important that families can also afford the running costs and interest incurred. To ensure that this burden can be borne by the borrowers in the long term, the subsidies are approved at an appropriate level. The subsidised loans are secured in the land register in rank after capital market and home savings loans.

As a child-friendly component, households with children receive a child grant of EUR 5,000 per child in addition to the loan. This also applies if the birth of one or more children is expected due to an existing pregnancy at the time of application. In 2021, approximately EUR 10.1 million in grants for children was approved.



Furthermore, the purchase of existing family homes and owner-occupied flats is subsidised with an additional grant. This amounts to 10 percent of the eligible costs, up to a maximum of EUR 30,000. Borrowers also receive the additional grant if the building purchased is replaced by a new build, or a new build is constructed on a conversion or inner-city brownfield site. In 2021, an amount of EUR 0.2 million was approved for this purpose.

#### State-subsidised business under the Bavarian residential construction programme – new builds and purchases (without structural adaptation)

	2021		2020	
	Loan commitments EUR million	Number of homes	Loan commitments EUR million	Number of homes
New builds	16.7	310	22.4	402
Purchases	31.3	658	53.0	1,062
<b>Total</b>	<b>48.0</b>	<b>968</b>	<b>75.4</b>	<b>1,464</b>

*State-subsidised business does not include any structural adaptations to meet the needs of people with disabilities. These are listed separately in section 07.*

#### Bavarian low interest rate loan programme to subsidise home ownership

Under the Bavarian low interest rate loan programme, BayernLabo, with the support of the KfW, subsidised the new construction and purchase of owner-occupied homes in the form of detached and semi-detached homes and owner-occupied flats, and the modification and extension of owner-occupied buildings. Unlike the Bavarian residential construction programme, rental housing located in detached homes is not subsidised, but instead only owner-occupied housing intended for the applicant. Income limits also govern the Bavarian residential construction programme. The loans under the Bavarian low interest rate loan programme were secured subordinatedly, as with government building loans. By guaranteeing the subordinated loans, the Free State of Bavaria makes an additional contribution to the subsidy programmes.

BayernLabo provided loans up to one third of the total costs of the measures required.

Under the Bavarian low interest rate loan programme, loan variants with a 10, 15 and 30-year (fully amortising) interest rate lock-in were offered in 2021. The fully amortising variant allows the applicant to plan with optimum certainty, as they are protected from future changes in interest rates.

The Bavarian low interest rate loan programme can be used individually (individual subsidy) or in combination with the state building loan from the Bavarian residential construction programme (combined subsidy).

In the case of individual subsidies, BayernLabo further reduces the final borrower interest rate for the 10- and 15-year fixed interest rates compared to the combined subsidy.

With the full amortising variant, by contrast, the interest rates are identical for individual and combined subsidies.



#### State-subsidised business under the Bavarian low interest rate loan programme

	2021		2020	
	Loan commitments EUR million	Number of homes	Loan commitments EUR million	Number of homes
<b>Bavarian low interest rate loan programme</b>				
Combined subsidy	101.9	822	118.8	1,105
Individual subsidy	35.7	201	36.6	225
<b>Total</b>	<b>137.6</b>	<b>1,023</b>	<b>155.4</b>	<b>1,330</b>

#### Bavarian Home Ownership Subsidy and Bavarian Baukindergeld Plus

Bavarian Baukindergeld Plus and the Bavarian Home Ownership Subsidy were passed by the Bavarian state government on 15 May 2018. Applications could be submitted until 31 December 2020 (end of the directive).

In the one-step approval process, BayernLB issued notices in the name of and on behalf of the Free State of Bavaria. The purpose of this benefit was to support home ownership in Bavaria. This is to create additional living space and at the same time increase the rate of home ownership.

With Bavarian Baukindergeld Plus, the Free State of Bavaria boosts the child allowance from the German government, which amounts to EUR 1,200 per child per year over a period of ten years, by an additional EUR 300 per child per year.

The Bavarian Home Ownership Subsidy is used to subsidise home ownership in Bavaria on a one-off basis in the amount of EUR 10,000.

In 2021, BayernLabo was able to process the remaining approximately 30,000 applications (of which around 75 percent were for the Home Ownership Subsidy and 25 percent for the Baukindergeld Plus) and, for the most part, already issued the decision.

#### State-subsidised business under the Home Ownership Subsidy and Bavarian Baukindergeld Plus

	2021		2020	
	Commitments EUR million	Number of notices	Commitments EUR million	Number of notices
<b>Bavarian Home Ownership Subsidy</b>	205.7	20,573	244.0	24,404
<b>Bavarian Baukindergeld Plus</b>	39.3	7,318	86.6	16,285



## **06 Subsidisation of condominium owners' associations**

# Subsidisation of condominium owners' associations

BayernLabo supports structural measures for energy modernisation and renewal (repair) as well as low barrier and barrier-free adaptations to the common areas of condominium owners' associations.

Provided that the buildings are at least 15 years old and contain at least three apartments, the Bavarian modernisation programme for condominium owners' associations can fund up to 85 percent of the total eligible costs.

In accordance with the subsidy directives, a subsidised loan with a ten-year term and ten-year discounted interest rates was offered based on the KfW's Energy-Efficient Refurbishment Loan Programme. In 2021, BayernLabo discounted the already inexpensive KfW loans further. Under certain conditions, an additional amortising grant could be awarded by KfW for promotion of energy-efficient upgrades.

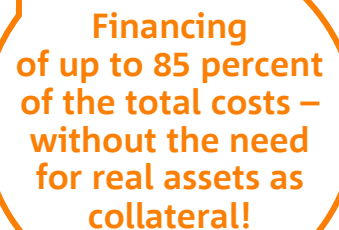
For measures that do not meet the criteria for a subsidised loan under the KfW's Energy-Efficient Refurbishment Loan Programme, but were still eligible for subsidies, BayernLabo provided the low interest rate loan with KfW participation.

The KfW Energy-Efficient Refurbishment Loan Programme was discontinued as at 1 July 2021. A new set of funding guidelines is currently being drafted. Low-interest subsidies without the support of KfW are still possible for energy-related as well as non-energy-related measures.

The low interest rate loans are distributed directly by BayernLabo.

BayernLabo publishes the latest interest rates for the loans on [bayernlabo.de](http://bayernlabo.de). After the year exempt from principal payments, the loans must be repaid in full within the ten-year term in equal monthly instalments (fully amortising loan).

In 2021, the impact of the Covid-19 pandemic led to a somewhat more subdued willingness on the part of property owners to invest in modernisation and restoration. Many of the planned measures were consequently postponed to subsequent years. Nevertheless, a commitment volume of EUR 6.0 million was achieved in 2021.



**Financing  
of up to 85 percent  
of the total costs –  
without the need  
for real assets as  
collateral!**



Residential complex, Erlangen.  
 Income-based subsidies;  
 Contractor: Evangelisches Siedlungswerk in Bayern GmbH, Nuremberg;  
 Planning: Joseph-Stiftung, Bamberg;  
 Photo: Oliver Heinel Fotografie, Rednitzhembach.

**State-subsidised business with condominium owners' associations**

EUR million	2021	2020
<b>Bavarian modernisation programme</b>		
Energy-efficient modernisation loan	2.6	2.3
Modernising living	3.4	5.5
<b>Total loans</b>	<b>6.0</b>	<b>7.8</b>
<b>Number of subsidised owners – total</b>	<b>408</b>	<b>484</b>



## **07 Subsidisation of facilities for people with disabilities**

# Subsidisation of facilities for people with disabilities

Especially for people with disabilities, residential living space is often of central importance. Such individuals also wish to live as independently and as autonomously as possible. BayernLabo supports them in this not only by means of conversion measures within their own living environment, but also by subsidising facilities for people with disabilities.

## Subsidisation of facilities for people with disabilities

In order to enable people with disabilities to use social and public facilities (sports, recreation, culture) in their residential area, residential places should be created in individual and small-scale residential buildings or housing complexes that are well integrated within their localities.

BayernLabo subsidises the new construction and conversion of formerly inpatient residential units as well as special forms of housing for people with disabilities. State funding is available for up to 70 percent of eligible costs, depending on the type of facility. The subsidies can be applied for from the respective district government, the state capital Munich, or in the cities of Nuremberg and Augsburg.

In addition to non-repayable loans that are waived after expiry of a contractual occupancy commitment, amortising loans and grants were provided in 2021 to subsidise facilities for people with disabilities. The amount of the subsidy was determined on a case-by-case basis and depended partly on how well equipped residences were.

### State-subsidised business under the Bavarian residential construction programme – disability plan

	2021		2020	
	EUR million	Number of places in residences	EUR million	Number of places in residences
Loans in the disability plan for new builds	8.0	91 <sup>1</sup>	9.7	160 <sup>1</sup>
<b>Total loans</b>	<b>8.0</b>		<b>9.7</b>	
Grants – combined subsidy	6.7	–	14.7	–
Grants – individual subsidy	27.3	217	28.4	256
<b>Total grants</b>	<b>34.0</b>		<b>43.1</b>	
<b>Total</b>	<b>42.0</b>	<b>308</b>	<b>52.8</b>	<b>416</b>

<sup>1</sup> 63.0 percent of the financing was provided from public funds (18.0 percent loans, 45.0 percent grants). 34.0 percent were the owner's own funds. Other subsidies (Aktion Mensch, ARD TV lottery "Ein Platz an der Sonne" (A Place in the Sun), etc.) provided 3.0 percent.

In addition to the subsidised loans and grants from the Bavarian residential construction programme, facilities for the disabled received further loans totalling EUR 6.0 million (previous year: loans of EUR 6.5 million and grants of EUR 0.5 million) from other public budgets for the subsidised housing places.

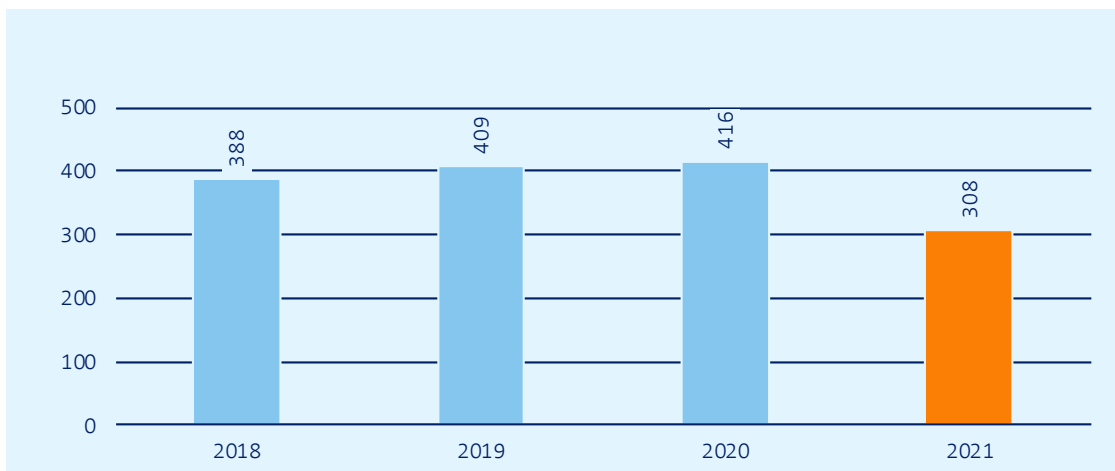




Wohnheim der Lebenshilfe Augsburg, Augsburg.  
State subsidisation of inpatient facilities for people with disabilities;  
Contractor: Lebenshilfe Wohnstätten GmbH Augsburg;  
Planning: Schrammel Architekten, Augsburg; Photo: Daniel Speinle, Lebenshilfe Augsburg.

This additional subsidy amounted to an average of EUR 65,604 per residential place (previous year: EUR 43,819 per residential place).

#### Subsidised homes and places in residences





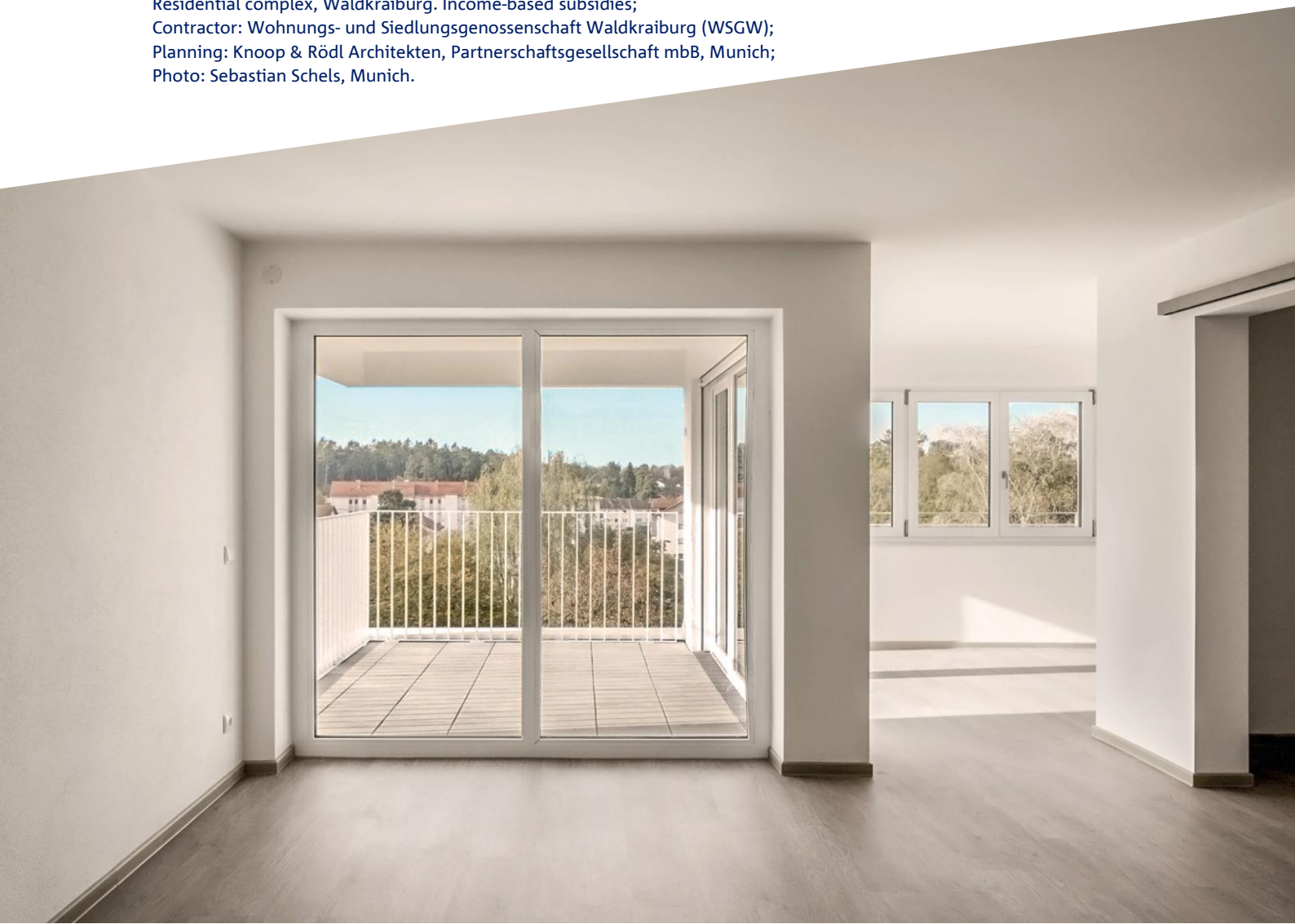
### Structural adaptation for people with disabilities (adaptation measures)

To make it easier for people with disabilities to use their housing, the Free State of Bavaria supports the adaptation of existing owner-occupied and rented housing to meet the needs of people with disabilities. This enables people to remain within familiar surroundings even if they become disabled. Such measures can include, for example, the installation of a stair lift or a ramp for wheelchair users, a change in the layout of the apartment or the installation of sanitary facilities suitable for the disabled. These projects are subsidised in the Bavarian residential construction programme with a non-repayable building loan of up to EUR 10,000. The non-repayable building loan is converted into a grant after the five-year occupancy commitment period expires.

In the year under review, BayernLabo granted non-repayable building loans in an amount of EUR 24.3 million (previous year: EUR 25.1 million). As a consequence, a total of 207 rental apartments (previous year: 219 rental apartments) and 2,607 owner-occupied apartments (previous year: 2,685 owner-occupied apartments), or a total of 2,814 apartments (previous year: 2,904 apartments), were adapted to the needs of people with disabilities.

**2,814  
apartments  
structurally  
adapted!**

Residential complex, Waldkraiburg. Income-based subsidies;  
Contractor: Wohnungs- und Siedlungsgenossenschaft Waldkraiburg (WSGW);  
Planning: Knoop & Rödl Architekten, Partnerschaftsgesellschaft mbB, Munich;  
Photo: Sebastian Schels, Munich.





# 08 Further subsidies

# Further subsidies

## Subsidies for student accommodation

The number of students in Bavaria has been rising steadily for years, and with it the need for affordable housing at university locations. The Free State of Bavaria and BayernLabo subsidise

- construction measures that create student accommodation in a new building (new build), the initial acquisition of such living space, as well as the expansion (extension, addition) of an existing building,
- the alteration (involving substantial construction) of buildings previously constructed and used as student accommodation, provided that at least 25 years have elapsed since the building was ready for occupancy on 31 December of the year in which the application is submitted,
- the acquisition and alteration into student accommodation of buildings (at substantial cost of construction) not previously utilised for residential purposes.

The government grant is provided in the form of a non-repayable building loan. This is free of interest and repayment for the duration of the intended use. The places in halls of residence for students thereby created may be rented only to needy students for a period of 25 years.

Beneficiaries of grants can be legal entities under public law, private law and natural persons.

The Bavarian State Minister of Housing, Construction and Transport is responsible for related approvals.

In 2021, loans of EUR 33.2 million (previous year: EUR 9.5 million) from the Free State of Bavaria were approved as student housing subsidies. These funds subsidised the construction and conversion of 1,316 places in halls of residence (previous year: 273 places) for students.

**1,316  
affordable  
places in halls  
of residence for  
students created  
and preserved!**

## Construction and purchase of rental homes for public sector workers

It is in the state's interest to help transferred or newly hired employees of the Free State of Bavaria obtain housing at their place of employment that is appropriate to their income level and the size of their family.

To complement the Bavarian residential construction programme, BayernLabo subsidises the construction and purchase of rental homes for public sector workers by government housing companies on behalf of the Free State of Bavaria.

In 2021, 475 (previous year: 169) rental homes were subsidised with loans of EUR 82.1 million (previous year: EUR 36.0 million) and grants of EUR 9.8 million (previous year: EUR 2.9 million).

Photo next page:  
Student housing complex, Regensburg.  
Subsidies for student accommodation;  
Contractor: Studentenwerk Niederbayern/Oberpfalz, Regensburg;  
Planning: Behnisch Architekten Partnerschaft mbB, Munich;  
Photo: David Mathiessen Fotografie, Stuttgart.







### Subsidies to modernise and update flats for public sector workers (leasehold flats)

On behalf of the Free State of Bavaria, BayernLabo subsidised the modernisation, updating and restoration of public sector workers' flats, which were transferred to state enterprises for the purposes of state housing assistance.

In 2021 BayernLabo provided subsidised loans for 56 (previous year: 250) rental homes with a volume of EUR 2.7 million (previous year: EUR 14.6 million).

### Own liabilities

To a limited extent, loans are granted as own liabilities as intermediate financing or as an addition to public-sector subsidy programmes. They are only given to business partners where BayernLabo is confident of their credit rating as a result of loans already granted under a subsidy programme. Compared to the previous year (EUR 20.5 million), commitments under BayernLabo's own liability decreased to EUR 73.9 million.

As a result of the low interest rates, loans for expenses were prepaid before the start of the interest-bearing repayment phase in the reporting year. To enable these borrowers prepared to repay their loans to take advantage of a more favourable market interest rate, BayernLabo has offered to continue the loans under its own liabilities at favourable interest rates. In 2021, loans of EUR 0.1 million (previous year: EUR 0.2 million) were refinanced.

### Maintaining holdings

Due to the low interest rates, BayernLabo's business partners have repeatedly asked about forward conditions in the past. On customer request BayernLabo therefore draws up forward conditions in high volume subsidy programmes starting from a certain amount and up to a certain lead time. The extent to which forward conditions are offered is based on the situation and takes into account the current capital market environment and market situation.

For example, in 2021 early extensions were implemented in relation to around EUR 0.9 million in home ownership subsidies and EUR 10.2 million in subsidies for rental housing was implemented.

In the future BayernLabo will offer more forward conditions, at customers' request, incorporating the experience gained to date.

In relation to income-based subsidies (IBS), it has been possible since 2018 to extend the residual loan value for subsidised homes whose occupancy commitment is due to expire within five years at favourable terms of 1.75 percent, providing rent control and an occupancy commitment are agreed for the next 15 years.

## Adjustments to terms and conditions

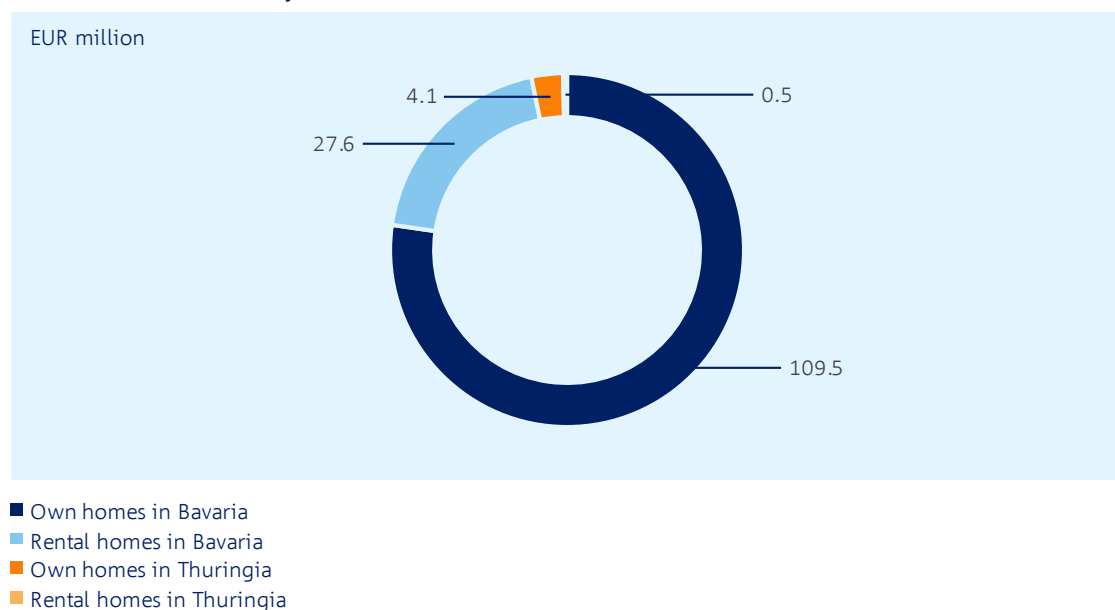
After expiration of the occupancy commitment (rental housing subsidy) or expiration of the fixed-interest period (owner-occupied housing subsidy), BayernLabo submits an offer to the borrowers with new conditions for various fixed-interest periods.

Although attractive terms were offered at the end of the respective fixed-interest periods, the problematic market situation (low interest rates/coronavirus crisis) and the resultant exceptional effects (negative interest rates/high savings rate) led to loans being held with a residual loan amount of only EUR 141.7 million (previous year: EUR 192.7 million). In the business in Bavaria, this corresponds to a retention rate of 46.1 percent (previous year: 56.4 percent) of the loans where the interest rate was due to change. In the business in Thuringia, this amounted to 74.7 percent (previous year: 88.6 percent).

The adjustments to terms and conditions broke down as follows (interest rate adjustments).

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### Residual loans held after adjustment of terms and conditions



Furthermore, the interest rate was raised for some fiduciary loans granted via the third subsidy route under the subsidy directives. This affected residual loans of EUR 25.1 million (previous year: EUR 57.1 million), EUR 19.6 million (previous year: EUR 45.2 million) of which was retained. This represents a retention rate of 77.9 percent (previous year: 79.2 percent).



# 09 State and municipal loan business



# State and municipal loan business

With a share of 39.1 percent (previous year: 41.9 percent) of loan portfolios, the Bavarian state and municipal loan business is BayernLabo's second business pillar.

In accordance with the law and BayernLB's Statutes (pursuant to Article 2 (2) BayLaBG), its responsibility is to support the Free State of Bavaria and its local authorities in fulfilling their public mandates. BayernLabo primarily carries out this public mandate for the Bavarian and municipal business in the Group, and has worked closely with the municipal umbrella organisations and ministries to implement it since 2 November 2006.

As municipal lending and development bank of the Free State of Bavaria, BayernLabo helps safeguard the provision of credit to the Bavarian municipalities.

## Municipal lending business

BayernLabo helps Bavarian local authorities, public-sector special-purpose associations and school associations to finance investment in general municipal and social infrastructure. As part of in-depth financing advisory services, it offers traditional municipal loans and municipal development loans.

Traditional loans can be used not just for new borrowings but as to refinance existing loans.

The guarantee by the Free State of Bavaria enables BayernLabo to access cheap funding on the capital market as a development bank with an AA rating – particularly for longer interest rate lock-in periods. This favourable funding results in attractive conditions, not only for municipal development loans but also for traditional municipal loans.

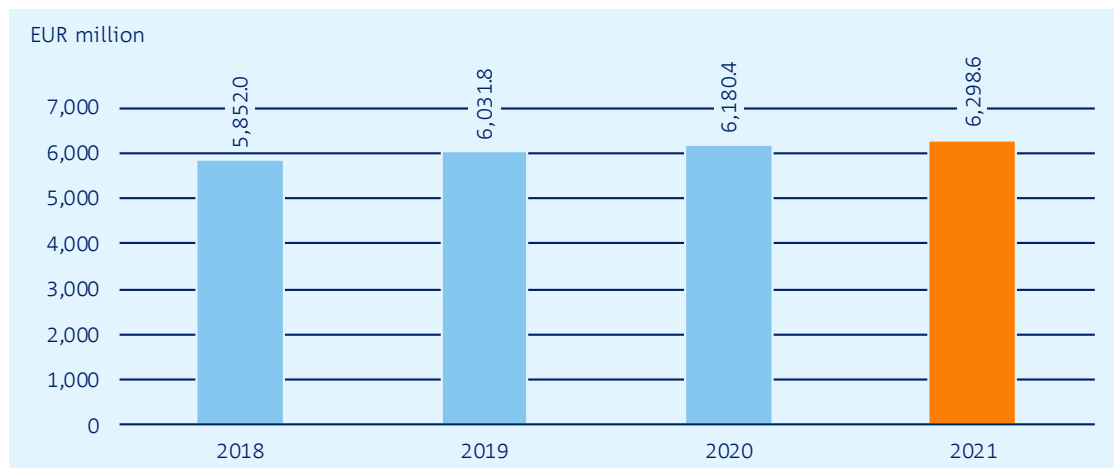
With residual loans of approximately EUR 6.6 billion and a market share of around one third, BayernLabo remains the market leader in Bavaria in this segment.

The volume of new loans in the municipal lending business totalled EUR 778.6 million in 2021 (previous year: EUR 878.8 million).



**EUR 779 m  
in new loans!**

## BayernLabo municipal loan portfolio

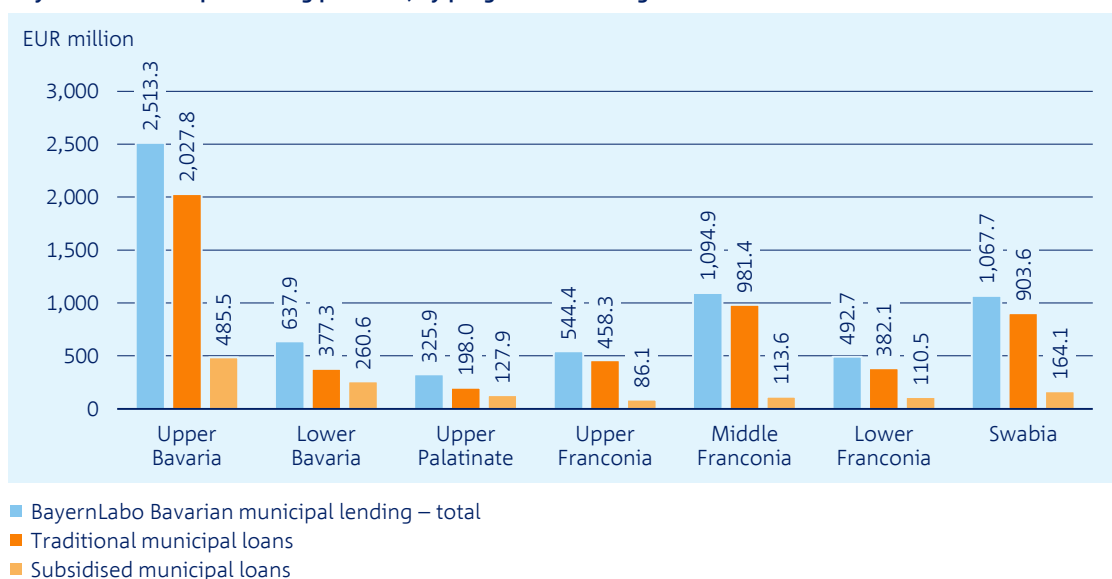


*Not including the municipal housing subsidy programme (KommWFP).*

The regional structure of the loan portfolio in BayernLabo's municipal lending business underscores the broad take-up of the offering by municipalities in all administrative districts and reflects the successful fulfilment of BayernLabo's mandate as municipal lending and development bank of the Free State of Bavaria. The differing intensity in take-up reflects the regional variation in demand.

Over 75 percent of Bavarian residents thereby benefit from investments that BayernLabo has helped finance.

## BayernLabo municipal lending portfolio, by programme and region



*Potential deviations in the total are due to rounding.*



New construction of vocational school centre, Weilheim.  
Investkredit Kommunal Bayern;  
Contractor: Weilheim-Schongau District Authority;  
Planning: Hitzler Ingenieur e. K., Munich;  
Photo: Weilheim District Office.

### Traditional municipal loans

BayernLabo offers local authorities, special-purpose associations and their legally dependent enterprises a variety of investment financing structures. Within the municipal budget, individual solutions can be selected as required, for example from the following options:

- Fixed-rate loans (instalment, annuity and bullet repayment variants) with an interest rate lock-in of up to 30 years
- Forward loans (to secure the current conditions for existing loans whose interest rate lock-in period is coming to an end in the foreseeable future)

At EUR 633.9 million, transactions with Bavarian municipalities in the traditional municipal loans business in 2021 were down compared with the previous year's exceptionally high level (EUR 710.6 million). At around 16 years, the average fixed-interest period for new loans in the traditional municipal loans area is in line with the average of previous years; the trend toward long fixed-interest periods thereby continues unabated. BayernLabo offers interest rate lock-ins/terms up to 30 years.

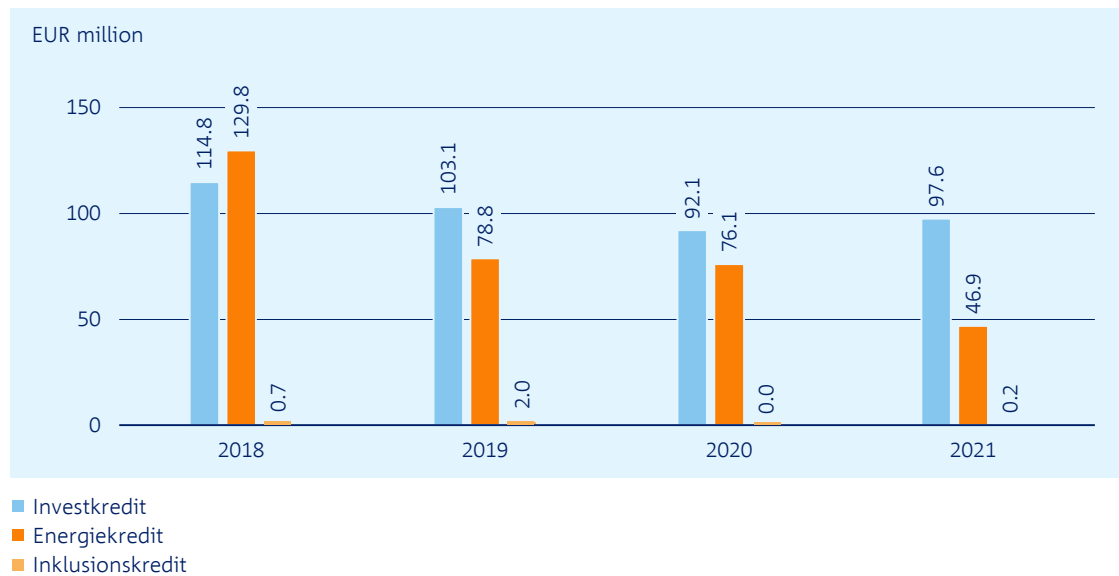
## Municipal development loans in conjunction with the development bank KfW

With regard to subsidised municipal loans, BayernLabo obtains funding for specific purposes usually from the KfW at a cost that is already low at German federal level. In addition to passing on these federal subsidies, BayernLabo generally also grants the municipalities further interest rate cuts.

However, the municipalities only benefit from the dual interest rate reductions at federal and state level if the application is submitted directly to BayernLabo under the Bavarian subsidy programmes for Bavarian municipal investment, energy and inclusion loans (Investkredit, Energiekredit and Inklusionskredit Kommunal Bayern).

**EUR 145 m  
for kindergar-  
tens, schools,  
city halls and  
much more!**

### Commitments in subsidised municipal lending



### Investkredit Kommunal Bayern (Bavarian municipal investment loan)

All investments of the capital budget can be financed under Investkredit Kommunal Bayern, providing they relate to the general municipal and social infrastructure.

This ranges from investment in kindergartens, schools and town halls to village and town planning to preventative disaster response. Per budget year, no more than 50 percent of the investment costs can be subsidised. Projects up to EUR 2 million may even qualify for a subsidy of up to 100 percent.

The KfW interest rate in the underlying IKK Investment Loan for Municipalities Programme is made more affordable by BayernLabo.



In 2021, the Investkredit Kommunal Bayern (Bavarian municipal investment loan) continued to hold its own as the most in-demand subsidised loan in conjunction with KfW. At EUR 97.6 million, the lending volume exceeded that of the previous year (EUR 92.1 million).

Since the lending programme was established in 2009, loan commitments amounting to EUR 1,834.0 million have been made. The areas of training and education and sports facilities account for the largest proportion of these.

### **Energiekredit Kommunal Bayern (Bavarian municipal energy loan)**

With this subsidy programme, BayernLabo has been helping to finance investments in energy-related modernisation of existing and energy-efficient construction of new municipal and social buildings since 2011.

The KfW interest rate in the underlying IKK Investment Loan for Municipalities Programme is made more affordable by BayernLabo.

In the last (half) year of its existence, the Energiekredit Kommunal Bayern (Bavarian municipal energy loan) reached EUR 46.9 million (previous year: EUR 76.1 million). Of this, new builds accounted for EUR 31.1 million and the modernisation of non-residential buildings accounted for EUR 15.8 million.

Many municipalities have secured funding under the old conditions until 30 June 2021.

Since they were launched in 2011, energy loans with a total volume of over EUR 771 million have been granted. As of 30 June 2021, the previous energy subsidy by KfW based on the German Energy Saving Directive (EnEV) was discontinued. As of 1 July 2021, funding is based on the German Federal Subsidy for Energy-efficient Buildings (BEG). For reasons of EU state aid law, KfW can no longer collaborate with BayernLabo.

In order to be able to continue to offer customers attractive conditions in this area, BayernLabo's own "development loan" is already being examined and developed under ESG aspects.

Photo on next page:  
New town hall with library and municipality hall, Kirchheim near Munich.  
Investkredit Kommunal Bayern (Bavarian municipal investment loan);  
Contractors: Kirchheim municipality, near Munich;  
Planning: Dürschinger Architekten & Partner mbB, Fürth;  
Photo: Werner Zanziger, Kirchheim.







### **Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)**

The Inklusionskredit Kommunal Bayern programme subsidises investment by municipalities and special-purpose associations in barrier reduction and the barrier-free expansion of municipal and social infrastructure.

For example, it can finance barrier removal at access points to existing buildings (non-residential buildings) and measures to overcome height differences in public areas (such as between public transport and the street).

With this programme, BayernLabo supports the Bavarian state government in making Bavaria barrier free. Costs for the professional execution of the measures, as well as for accompanying work required and costs for consulting and planning services are eligible for subsidies.

The KfW interest rate in the underlying IKK Low-Barrier Municipalities Programme is made even more affordable by BayernLabo.

A loan of EUR 160 thousand was drawn under the Bavarian Municipal Inclusion Loan.

### **The Municipal Housing Subsidy Programme – KommWFP**

The KommWFP, serviced as part of the Bavarian municipal lending business, has now become an important factor in municipal construction activities. For details, see section 04, Subsidised rental housing in apartment buildings.

### **Financing advisory services**

As part of financing advisory services, credit portfolios are analysed and structured with regard to how they could be optimised using BayernLabo products:

- Interest rate hedging against future adjustment to the terms and conditions with forward loan agreements
- Early adjustment of terms and conditions to reduce interest rate costs
- Even control or staggering of the interest adjustment dates

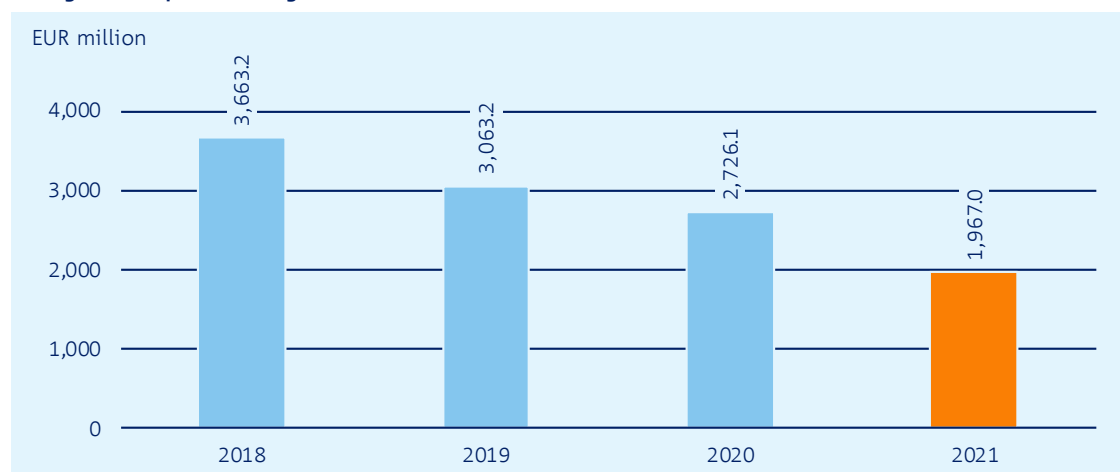


New construction of vocational school centre, Weilheim.  
 Investkredit Kommunal Bayern;  
 Contractor: Weilheim-Schongau District Authority;  
 Planning: Hitzler Ingenieur e. K., Munich;  
 Photo: Stefan Müller-Naumann, Munich.

### State government lending

Along with BayernLB as the principal bank, BayernLabo supports the Free State of Bavaria and has issued Schuldschein note loans to it in the amount of EUR 1,879.0 million.

#### Changes in the portfolio of government loans



A decorative graphic consisting of two overlapping triangles. The left triangle is blue and points downwards. The right triangle is orange and points upwards. They meet at a central point, creating a white space between them.

# 10 Financial report

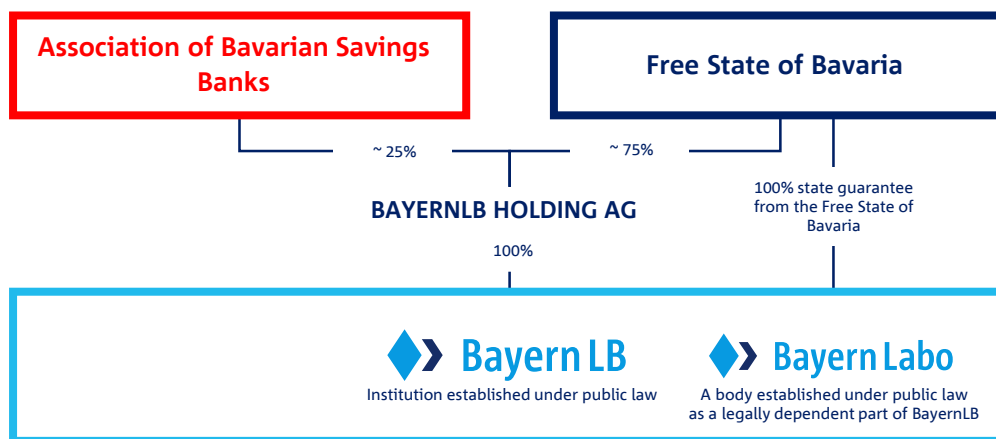
# Financial report

## Business structure

### Business model

Bayerische Landesbodenkreditanstalt (BayernLabo) is the subsidised housing and municipal bank of the Free State of Bavaria with its head office in Munich. The guarantor for BayernLabo is the Free State of Bavaria. Within Bayerische Landesbank, BayernLabo is a legally dependent but organisationally and financially independent body established under public law.

### BayernLabo in the BayernLB Group



As part of government housing policy and in accordance with EU state aid regulations, BayernLabo has the legal mandate as a specialised bank to subsidise projects to improve and strengthen the housing stock and settlement structure of Bavaria. As such, BayernLabo acts as a non-competitive partner to provide its customers with low-cost finance in the form of subsidy programmes, in particular for the creation or modernisation of owner-occupied and rental properties and places in residential homes. In addition to the state-subsidised programmes, BayernLabo also offers its own subsidy programmes, which it funds via the KfW and the capital market and discounts with its own funds.

As the municipal bank of the Free State of Bavaria, BayernLabo helps Bavarian local authorities and public-sector special-purpose and school associations to finance investment in general municipal and social infrastructure. To this end it offers traditional municipal loans and subsidised municipal loans, which are discounted with support from KfW.

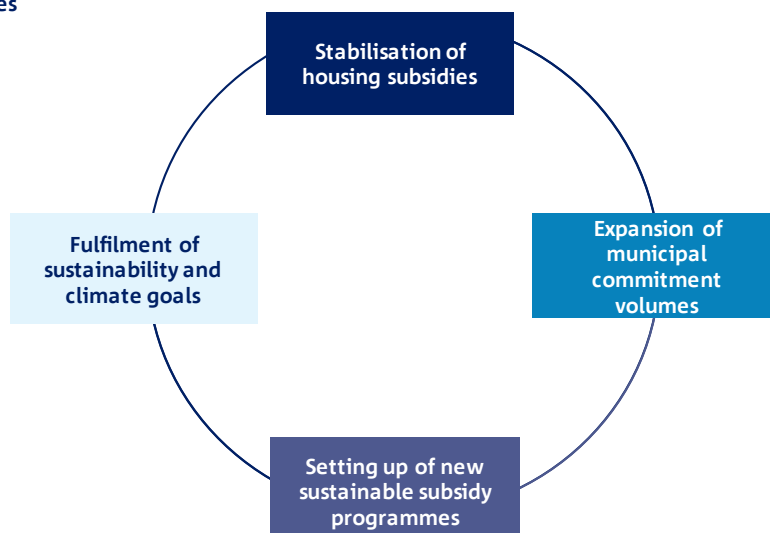
When obtaining funding on the capital market, BayernLabo benefits from the state guarantee for its liabilities and the related Aaa rating from Moody's Investors Service rating agency.

### Business strategy

BayernLabo's strategic goals are:

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## Strategic objectives



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### Stabilisation of subsidised housing in Bavaria

In addition to the Bavarian residential construction programme, subsidised housing is carried out especially through the ongoing provision of the "Bavarian low interest rate loan programme" and the "Bavarian modernisation programme," which are internally financed from BayernLabo's own funds at reduced interest rates. In addition, subsidised loans from the municipal housing subsidy programme are provided. BayernLabo also aims to leverage the advantage it derives from the state liability guarantee for its refinancing in the interests of its statutory mandate. In doing so, it relies on the support of the Free State of Bavaria as the client of its funding programmes.

### Expansion of municipal commitment volumes

BayernLabo also aims to continuously expand the volume of commitments in its traditional municipal lending business and to continue existing municipal development programmes, as well as to launch new ones, if required. This occurs especially in the context of sustainability and the energy transition, and in order to remove barriers and convert municipal infrastructure to meet the needs of the elderly and disabled.





Residential complex for students, Ingolstadt.  
Subsidies for student accommodation;  
Contractor: ST: GUNDEKAR-WERK EICHSTÄTT Wohnungs- und  
Städtebaugesellschaft mbH, Schwabach;  
Planning: Seibold + Seibold Architekten und Ingenieure Partnergesellschaft, Eichstätt;  
Photo: Werner Prokschi, ArchitekturPhotographie; Eichstätt.

### Setting up of new sustainable subsidy programmes

In addition to the state housing subsidy, new subsidy programmes will also be launched in 2022 that meet the sustainability criteria and the requirements of the Bayerische Landesbank Act (BayLaBG) as well as the "Verständigung II". This is to occur insofar as the Free State of Bavaria transfers new funding tasks to BayernLabo within the scope of the statutory catalogue of tasks. The ESG sustainability criteria comprise three aspects: environmental, social and governance. In accordance with its mandate, BayernLabo takes particular account of social aspects. Environmental aspects are further expanded by integrating the "Federal Subsidy for Energy-efficient Buildings (BEG component)" into BayernLabo's established subsidy programmes.

### Fulfilment of sustainability and climate goals

BayernLabo regards its emphasis on sustainability criteria as an essential contribution to the fulfilment of the sustainability and climate goals of the Free State of Bavaria within the context of its public mandate. In coordination with the Bavarian State Ministry of Finance and for Home Affairs and the Bavarian State Ministry of Housing, Construction and Transport, it will give even greater consideration to sustainability criteria in existing and, in particular, new funding programmes in order to help achieve the climate targets of the Paris Agreement and of the Free State of Bavaria.

## Sustainability strategy

In the future, the creation of affordable housing and the maintenance and expansion of sustainable, affordable municipal and social infrastructure will have to take even greater account of ecological aspects deriving from market transparency and regulatory requirements. BayernLabo utilises BayernLB's internal (ESG) assessment at programme level in order to quantify sustainability criteria. This enables sustainability risks and the positive impact of financing on the achievement of climate and sustainability goals in the portfolio to be identified at an advanced level. It also takes into account the requirements of the EU Taxonomy regulation. This combines issues of both environmental sustainability and social equity through the creation of affordable housing for low- to moderate-income households, as well as public services of general interest.

**ESG sustainability rating achieves Prime Status!**

The result of the ESG assessment shows that the proportion of sustainable financing in line with BayernLabo's mandate was close to 100 percent, with this being predominantly due to the fulfilment of social criteria. The proportion of businesses that meet both energy and social criteria is to be continuously evaluated and expanded.

In the Institutional Shareholder Services (ISS) ESG sustainability rating, BayernLabo achieved a top 10 ranking among the banks assessed in the peer group, and has been awarded "Prime Status". BayernLabo aims to at least maintain its current sustainability rating, despite constantly rising challenges, and to continually develop its capabilities.

In addition, the entire portfolio was mapped to the 17 United Nations Sustainable Development Goals (SDGs) for the first time in 2021. BayernLabo already fulfils six of these goals for its target groups through its social mandate.

### SDG mapping of BayernLabo's target groups

Bayern Labo	
Target groups	Sustainable Development Goals (SDGs)
<ul style="list-style-type: none"> <li>• Privat individuals</li> <li>• Housing associations, municipalities and other investors</li> <li>• Home operators</li> <li>• Condominium owners' associations</li> <li>• Bavarian municipal local authorities</li> <li>• Municipal special-purpose associations</li> <li>• School associations</li> <li>• Free State of Bavaria</li> </ul>	     

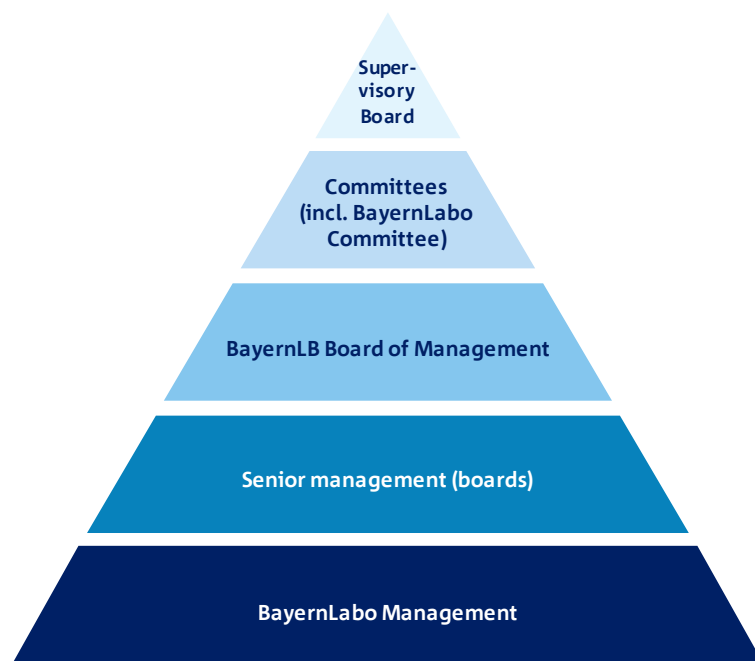
## Management and control

### Structure of risk management

BayernLabo is incorporated into BayernLB's risk-oriented management. Certain tasks are performed centrally by BayernLB:

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#### Management structure



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The Supervisory Board monitors and advises BayernLB's Board of Management. The BayernLabo Committee was formed from its ranks to deal with issues relating to BayernLabo. The Committee deals with all matters in respect of BayernLabo on behalf of the Supervisory Board and passes resolutions concerning BayernLabo's affairs which the Supervisory Board is responsible for.

BayernLabo is represented in and out of court by BayernLB's Board of Management, business is conducted by senior management. The overarching responsibility of the Bank's Board of Management pursuant to the German Banking Act (KWG) shall remain unaffected.

Various boards furthermore assist the BayernLB Board of Management in running the Bank and its activities. BayernLabo reports regularly to the BayernLabo Committee on business performance and its risk status. BayernLB monitors and reports risks directly. Performance and process-oriented risks (planning and performance of the annual results, new business, the loan portfolio, the investment and risk asset budgets) are managed by the Board of Management of BayernLB and management of BayernLabo.

## **Organisation of risk management**

BayernLabo's early risk detection system incorporates the specific features of a development bank. Its goal is to identify and record material risks or those that jeopardise existence so early that, if possible or necessary, countermeasures can be taken. BayernLabo regards the interests of trustors/guarantors the same as its own. BayernLabo does not manage its risks from the perspective of maximising revenues but that of minimising risk.

## **Internal control and risk management system**

In conjunction with BayernLB; BayernLabo has set up an internal control and risk management system, which is constantly reviewed and refined. It is based on written organisational rules and comprises both structural and procedural regulations.

The rules governing the accounting-related internal control system are set out in the Group accounting guidelines stipulated by BayernLB. These rules ensure the standards and requirements in relation to accounting are complied with.

The annual financial statements and management report are compiled in accordance with the directives for preparing the annual accounts, produced by directive of the BayernLB Board of Management, and submitted to the BayernLabo Committee for approval.

The spread of the Covid-19 virus did not have any material impact on BayernLabo's financial accounting as at the 31 December 2021 reporting date.

## **Risk-bearing capacity**

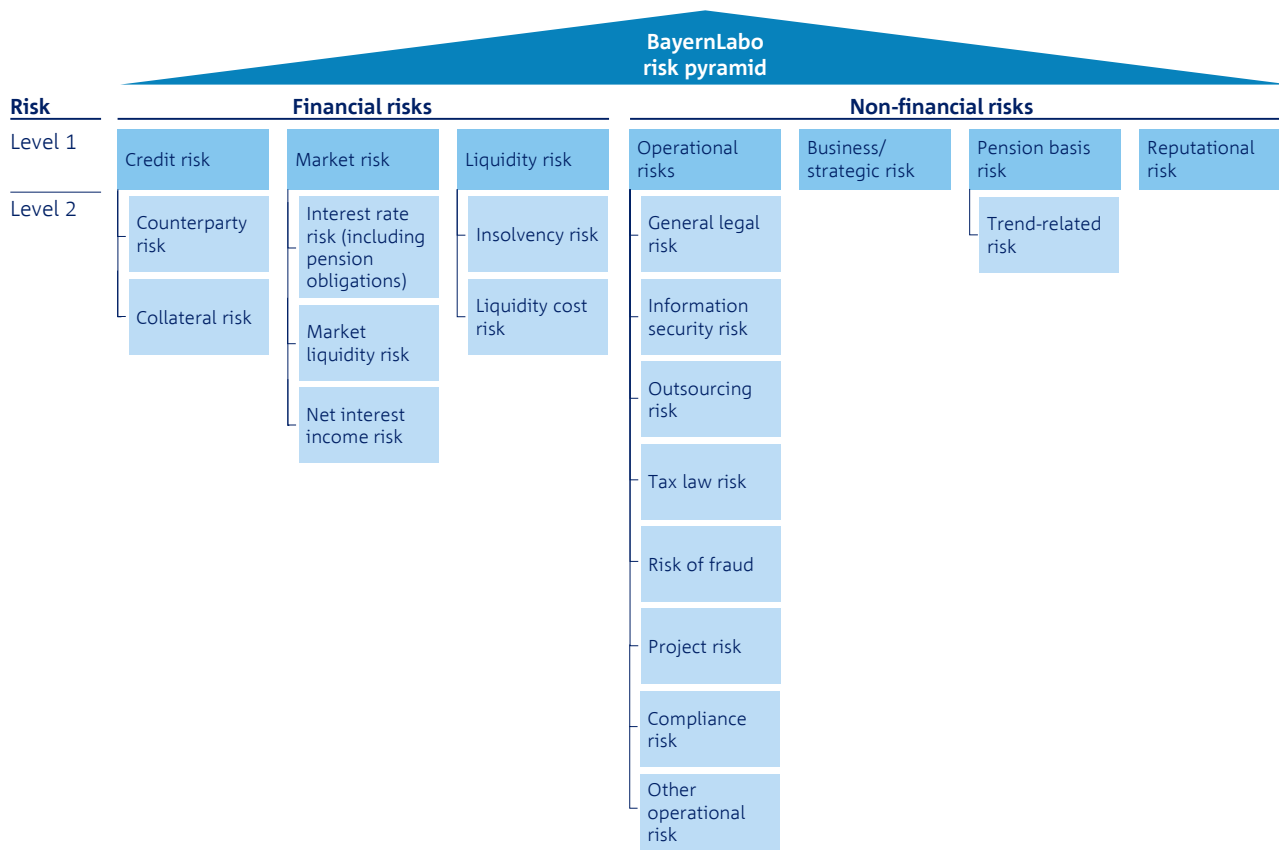
BayernLB's Group Risk Strategy sets out ceilings for risk capital requirement limits, which must be complied with by the institutions of the BayernLB Group and therefore also BayernLabo. In the case of credit risks, diversification is achieved by setting specific portfolio and individual limits.

## **Risks of BayernLabo**

BayernLabo's early risk detection system comprises the following risk fields (excerpt from BayernLabo's risk pyramid).



## Risk fields



In terms of the effect of the Covid-19 pandemic on BayernLabo's risk situation, it should be noted at the outset that there is currently no material impact on the risk types. Restrictions in business operations, such as due to people falling ill with Covid-19 or measures to comply with hygiene rules, were only minor. Equally, no additional restrictions are anticipated if the current situation continues.

In addition, new uncertainties for the economy and capital markets arose at the end of February 2022 with the escalation of the Ukraine conflict due to the invasion of the country by Russian troops. BayernLabo is constantly evaluating developments as part of its management and monitoring activities and considers itself to be well equipped due to the state liability guarantee as well as its solid capital and liquidity position.

### Credit risk

Credit risk at BayernLabo consists largely of counterparty risk. Counterparty risk is the risk of a possible loss in value of receivables which occurs due to a deterioration in the credit rating of a BayernLabo business partner and/or a change in value of collateral provided.

BayernLabo's credit business comprises loans in fiduciary business, state and municipally-guaranteed loans, Schuldschein note loans to the Free State of Bavaria, municipal loans and loans under



own liability. Fiduciary business in Bavaria and Thuringia, state-guaranteed own business and internally funded loans to German public-sector budgets account for the vast majority of the subsidised loans issued by BayernLabo. These loans do not pose a direct counterparty risk for BayernLabo.

BayernLabo does face counterparty risk in its own right especially for loans under its own liability with a total volume of EUR 341.0 million (including open commitments of EUR 43.6 million), in other words, a share of 1.6 percent of BayernLabo's entire credit business. Loans under own liability are only given to business partners where BayernLabo is confident of their credit rating as a result of loans already granted under a subsidy programme.

No direct write-down was required in the 2021 financial year. No provision for losses on individual loan accounts was formed under BayernLabo's own liability.

### **Market risk**

Market risk is the risk of financial losses due to volatility on the money, currency, capital, equity and commodity markets.

BayernLabo's market risk comprises in particular interest rate risk that arises when BayernLabo grants loans for which it has to borrow money on the money or capital market at its own risk (including funding from global loans with KfW or Landwirtschaftliche Rentenbank) and as a result of price changes for securities of the German government, states, development banks, the European Stability Mechanism (ESM) and the European Investment Bank (EIB) in its liquidity portfolio.

The interest rate risks from the pension obligations and the market price risks from the plan assets of the CTA are also included in the disclosure of market price risks, taking into account correlation/diversification effects. This reduces the economic risk capital requirement for BayernLabo significantly when considered as a whole.

### **Liquidity risk**

Liquidity risk is the risk that payment obligations cannot be met in full or as scheduled (insolvency risk) or, in the event of a liquidity crunch, funding can only be obtained at above-market rates or assets can only be sold at discounts to their market price (liquidity availability risk).

In light of its market position, BayernLabo, as a Aaa-rated Solva Zero issuer guaranteed by the Free State of Bavaria, does not anticipate any ad hoc or structural liquidity problems in a normal market environment.

### **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk. Operational risks are monitored locally by the OpRisk manager of BayernLabo in a process integrated into BayernLB's OpRisk system.

### **Business and strategic risk**

On the basis of its public development mandate BayernLabo formulates the basic premises of its business activities, which are then specified in the risk strategies with a view to risk-bearing capacity.

Strategic risk is the risk BayernLabo faces if surrounding circumstances, such as market conditions and the competitive environment, change. The future performance of non-competitive BayernLabo depends predominantly on the housing policy decisions by the German government and that of the Free State of Bavaria.

### **Pension risk**

The pension basis risk (relating to pensions, allowances and death benefits) is calculated and limited separately by BayernLB. The limit includes only the effects of unexpected trend factor changes (such as rate trends and medical care costs). Changes in the valuation interest rate for pension obligations are managed via the value-at-risk interest rate or the specific interest rate.

### **Reputational risk**

Reputational risk is the risk arising from negative public criticism or a negative image of BayernLabo itself, which can result in financial losses for the institution.

BayernLB has drawn up a Group-wide set of instructions for monitoring reputational risk. To this end a decentralised reputational risk manager (DRRM) has been appointed.

Photo next page:  
Residential complex, Munich.  
Income-based subsidies;  
Contractor: BayernHeim GmbH, Munich;  
Planning: Ortner & Ortner Baukunst in collaboration with Topotek 1, both Berlin;  
Photo: BayernHeim GmbH, Munich.





## Summary risk assessment

In light of its low-risk business model, BayernLabo's risk situation has remained mostly unchanged year on year.

According to BayernLabo's knowledge, no discernible risks exist at present that could have a sustained adverse effect on BayernLabo's business model and its state subsidy mandate.

## Course of business

BayernLabo's business performance in the 2021 financial year was characterised by a gratifyingly high level of building permits (up 3.3 percent) and stable commitments of subsidies for residential construction, despite the ongoing pandemic and an unchanged low interest rate situation in the wake of a macroeconomic recovery.



**High level of building permits and stable funding commitments!**

## Macroeconomic and sector-specific environment

In 2021, the coronavirus pandemic once again had a huge impact on economic growth both worldwide and in Germany. Following the wide-ranging restrictions on professional and private travel, social life and business activity (lockdowns) at the start of the year, a dynamic recovery commenced in May<sup>5</sup> as the restrictions were gradually lifted. The high vaccination rate proved to be extremely effective against the virus. After very few restrictions remained in Germany and many other developed countries during the summer semester, industry, trade and construction ran into supply-side problems after demand in certain areas spiked and supply chains were disrupted (especially in Asia). International sea trade was particularly affected. The consequences included protracted delivery times for raw materials, intermediates and finished products as well as tangible price increases at all levels of the value chain and with imports. By the end of 2021, producers reported little improvement. At the end of the year, consumer demand was dampened by a massive wave of new viral infections caused by the global spread of the delta and omicron variants and by regional lockdowns and interruptions in production.

Following the pandemic-induced recession of 2020, Germany experienced a recovery in its economic output in 2021, which expanded by 2.7 percent (adjusted for working days, year on year).<sup>6</sup> After industry became the driving force of the German economy especially in the second half of 2020,

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<sup>5</sup> See the publication by the Bavarian state government in 2021, <https://www.bayern.de/bericht-aus-der-kabinettssitzung-vom-04-05-2021>.

<sup>6</sup> See German Federal Statistical Office 2022, [https://www.destatis.de/DE/Themen/Wirtschaft/Volkswirtschaftliche-Gesamtrechnungen-Inlandsprodukt/\\_inhalt.html;jsessionid=248EF90A85F62ADB36BB657042ACEB65.live741](https://www.destatis.de/DE/Themen/Wirtschaft/Volkswirtschaftliche-Gesamtrechnungen-Inlandsprodukt/_inhalt.html;jsessionid=248EF90A85F62ADB36BB657042ACEB65.live741).



Residential complex, Putzbrunn.  
Municipal Housing Subsidy Programme;  
Contractors: Baugesellschaft München-Land GmbH  
for the administrative district of Munich and the municipality of Putzbrunn;  
Planner and photo: Höss Amberg + Partner Architekten mbH, Munich.

supply bottlenecks for semiconductors, raw materials and intermediate products slowed the manufacturing sector tangibly. Production fell until the autumn.<sup>7</sup> However, this was expected to prove only temporary due to higher order book positions and very significant order volumes. From the second quarter, as the lockdown rules were gradually unwound, construction, the services sector and retail took on the role of engines of the economy. However, private consumption was not strong enough to compensate for the poor start to the year owing to the lockdown, despite growth being strong during the summer semester. Savings rates, which rose sharply in the previous year, remained at above-average levels very high. The government, which turned on the spending taps despite the high budget deficit, represented a further key factor in the expansion of GDP. This was also true of investment activity, which nevertheless somewhat disappointed the high expectations raised at the beginning of the year. Investment in construction proved resilient and increased further. The main reasons for this were that building activity was not so restricted and property prices continued to rise in many segments. Exports, which are long-term drivers of capital expenditure, made a significant net negative contribution to growth and were softened by the disruption to international transport routes and Germany's specialisation in high-price capital goods as well as the cyclical automotive industry. Rising domestic demand fuelled imports.

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<sup>7</sup> See German Federal Statistical Office 2022, <https://www.destatis.de/DE/Themen/Wirtschaft/Konjunkturindikatoren/Produktion/kpi111.html;jsessionid=8698F1F3A7EC42D5C89DB425F492E3AA.live731>



The German labour market again performed very well in the second year of the pandemic. The unemployment rate decreased from 5.9 to 5.7 percent.<sup>8</sup> This was helped by the continued significant recourse made to short-time working as a labour market policy instrument, which was subject to simplified access regulations throughout the year. Towards the end of the year, the number of short-time workers even reduced significantly.

Prices in Germany were stoked by the recovery in demand, supply bottlenecks and the rising cost of raw materials. High inflation even became one of the leading stories of the economy during the year. Over the course of 2021, average consumer prices were 3.1 percent<sup>9</sup> higher than the previous year. Energy prices were driven particularly by Brent crude oil, which rose from below USD 20 per barrel in March 2020 to over USD 85 in October 2021<sup>10</sup> as the global economy recovered, as well as by the high cost of natural gas and electricity. Added into the mix were special factors such as the baseline effect caused by the temporary 3 percentage point cut in VAT<sup>11</sup> between July and the end of 2020, and the new carbon tax introduced in January 2021.

The eurozone also experienced soaring inflation in 2021. At 2.6 percent, the inflation target of the European Central Bank (ECB), which the central bank set at 2 percent (symmetrically) in mid-2021 as part of its strategy process, was clearly exceeded.<sup>12</sup> In spite of this, it largely retained its ultra-expansive stance and made no adjustments to base rates. While the Asset Purchase Programme (APP) launched at the end of 2019 continued with a monthly purchase volume of EUR 20 billion, monthly bond purchases in the Pandemic Emergency Purchase Programme (PEPP) averaged EUR 70 billion per month in 2021, higher than in the second half of 2020. Accordingly, the PEPP remained the main instrument for bond purchases by private and public debtors; in the selection of securities, it requires less consideration of the ECB's capital key than does the APP. It is hoped this will particularly help the highly indebted southern European countries which have been affected the most by the pandemic. Targeted Longer-Term Refinancing Operations (TLTRO III), which mainly benefit banks by maintaining lending to households and businesses in the form of concessional interest rates, encountered less demand than in 2020, although few banks took advantage of the opportunity to repay tenders early as of September. Then, at the end of the year, as the economy continued to recover from the pandemic and inflation increased, the ECB confirmed an end to the PEPP for March 2022, thereby taking its first step towards a normalisation of its monetary policy.

Economic output in Bavaria grew at a slightly above-average rate in the first half of 2021, despite high infection figures, a more restrictive pandemic policy on the part of the state government and a strong focus on the cyclically sensitive automotive industry.<sup>13</sup> The Free State of Bavaria

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<sup>8</sup> See German Federal Employment Agency 2022, [https://www.rbeitsagentur.de/datei/arbeitsmarktbericht-dezember-2021\\_ba147290](https://www.rbeitsagentur.de/datei/arbeitsmarktbericht-dezember-2021_ba147290).

<sup>9</sup> See German Federal Statistical Office 2022, press release no. 005.

<sup>10</sup> See Brent oil price, taken from Refinitiv Eikon on 11 January 2022.

<sup>11</sup> See economic package provided by the German government, 29 June 2020, <https://www.bundesregierung.de/breg-de/aktuelles/corona-steuerhilfegesetz-1759296>.

<sup>12</sup> See German Federal Statistical Office 2022, <https://www.destatis.de/DE/Themen/Wirtschaft/Konjunkturindikatoren/Basisdaten/vpi001j.html>.

<sup>13</sup> See German federal and state statistics offices 2022, <http://www.statistikportal.de/de/vgrdl/ergebnisse-laender-ebene/bruttoinlandsprodukt-bruttowertschoepfung>.

benefited from the fact that a high share of its exports<sup>14</sup> are delivered to economically robust foreign markets such as China, the US and Eastern Europe. The Bavarian government's assistance programmes also cushioned the impact of the pandemic on small and medium-sized enterprises.

On the labour market front, Bavaria retained its top ranking in Germany, with an unemployment rate of 3.5 percent.<sup>15</sup>

The construction sector remained an important pillar of the Bavarian economy in 2021. Although residential construction sales decreased by 6.3 percent in December 2021 compared to the strong prior-year month, new orders grew by 15.6 percent over the same period.<sup>16</sup> Accordingly, a slight increase in housing completions is expected for 2021 as a whole. This shows how well the construction industry has coped with the pandemic crisis to date, and how construction projects have been completed without major delays. Despite these successes, the high level of demand cannot be met. As no further significant expansion in completions can be expected in the next few years, upward pressure on the price level will remain.

As a consequence, even in the second year of the pandemic, with the overall economy recovering and the market environment remaining difficult, the ongoing willingness in Bavaria to invest in housing construction and municipal facilities remained unchanged. The ongoing positive trend in housing permits continued. In the year under review, building permits were issued or approval waiver proceedings were concluded for 80,344 homes; in the previous year the figure stood at 77,743. The annual requirement of 70,000 building permits was thereby exceeded.

Following on from the "Bavarian Housing Pact" of September 2015, the Bavarian state government decided in 2018 on a package of measures for more housing in order to relieve the tight housing situation, with its rising property and rental prices. In addition to a large number of measures, the Bavarian Baukindergeld Plus and the Bavarian Home Ownership Subsidy were introduced with a time limit until 31 December 2020, which BayernLabo approved and handled on behalf of the Bavarian State Ministry of Housing, Construction and Transport. The municipal subsidised housing programme (KommWFP), which was originally set to expire on 31 December 2019, was initially extended for a further four years until 31 December 2023, and is expected to continue until 2025.

During 2021, the German federal government launched the Federal Subsidy for Energy-efficient Buildings (BEG), which replaced the Energy-efficient Construction and Renovation (EBS) grant, and supports the achievement of the 2030 climate targets in the building sector. The aim is to promote greater energy efficiency and the use of renewable energies for new construction and renovation. This change has led to a realignment or adjustment of some of BayernLabo's programmes.

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<sup>14</sup> See Bayerisches Landesamt für Statistik 2022, <https://www.statistikdaten.bayern.de/genesis/online?language=de&sequenz=tabelleErgebnis&selectionname=51000-003>.

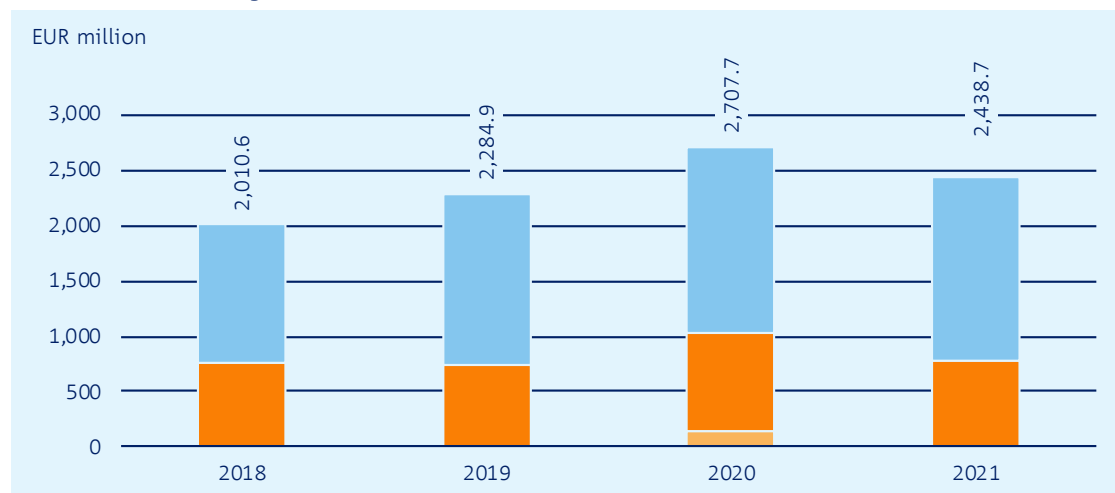
<sup>15</sup> See German Federal Employment Agency, monthly report December 2021.

<sup>16</sup> See Bayerisches Landesamt für Statistik 2022, *Bauhauptgewerbe in Bayern*.

## New commitments

In 2021, BayernLabo approved commitments and grants totalling EUR 2,438.7 million.

### New commitments and grants



#### Commitments and grants in 2021/2020

- Housing subsidies EUR 1,660.1 million (FY 2020: EUR 1,679.0 million)
- Municipal lending EUR 778.6 million (FY 2020: EUR 878.7 million)
- Government loans EUR 0.0 million (FY 2020: EUR 150.0 million)

*Potential deviations in the total are due to rounding.*

BayernLabo's total approval amount decreased by EUR 269.0 million (9.9 percent) compared with the previous year. While loan commitments for subsidised housing increased by EUR 129.3 million (12.4 percent) to EUR 1,171.7 million, the corresponding grants decreased by EUR 148.1 million (23.2 percent). In addition, new commitments in the municipal lending business decreased by EUR 100.1 million (11.4 percent) to EUR 778.6 million. In addition, no government loan was concluded with the Free State of Bavaria in 2021 (previous year: EUR 150.0 million).

Photo on next page:  
Residential complex, Neufahrn bei Freising.  
Municipal Housing Subsidy Programme;  
Contractor: Municipality of Neufahrn bei Freising;  
Planner and photo: BÜRO4 WAGNER + PARTNER ARCHITEKTEN, Dietersheim.



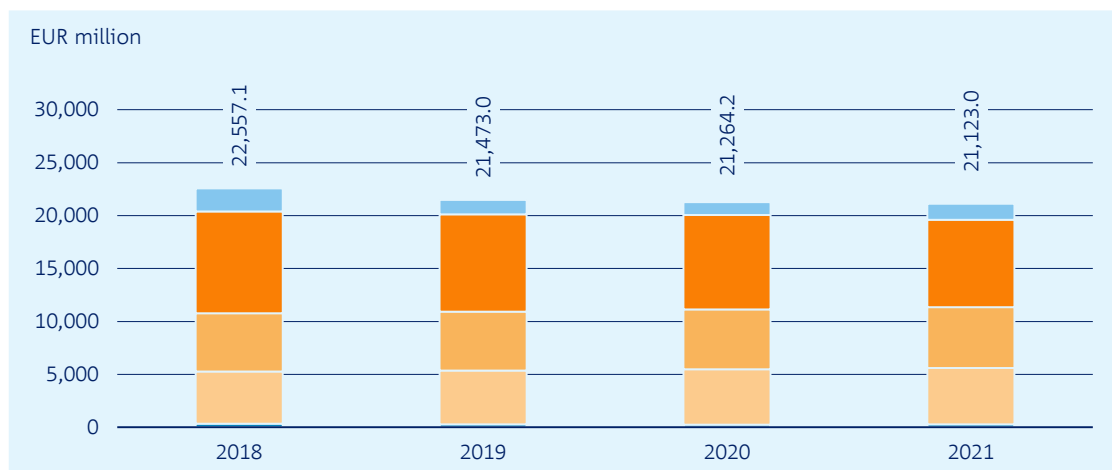




## Existing business

BayernLabo's lending business decreased by EUR 141.2 million to EUR 21,123.0 million in the 2021 financial year.

### Changes in existing business



### Existing business in 2021/2020

- Due to banks EUR 1,507.7 million (FY 2020: EUR 1,204.5 million)
- Government and municipal loans EUR 8,265.6 million (FY 2020: EUR 8,906.5 million)
- Guaranteed business EUR 5,746.3 million (FY 2020: EUR 5,664.2 million)
- Fiduciary business EUR 5,306.0 million (FY 2020: EUR 5,235.9 million)
- Own liabilities EUR 297.4 million (FY 2020: EUR 253.1 million)

The state and municipal loan business was down by 7.2 percent to EUR 8,265.6 million. The reduction is due particularly to the government lending business with the Free State of Bavaria (EUR 1,895.9 million), where the high scheduled repayments of Schuldschein note loans (EUR 750.0 million) were not offset by any new transactions. By contrast, the municipal lending business (EUR 6,298.6 million) expanded by a further 1.9 percent due to a further growth in disbursement volumes.

In guaranteed proprietary business, the total portfolio increased by 1.4 percent to EUR 5,746.3 million. The growth continued to be based to a large extent on developments in the Municipal Subsidised Housing Programme, where significant growth in the portfolio (by EUR 70.7 million to EUR 317.9 million) was achieved with a sustained increase in new disbursements. By contrast, the credit volume guaranteed by the Free State of Thuringia (EUR 156.9 million) continues to decrease, as only the portfolio has been managed since 2002.

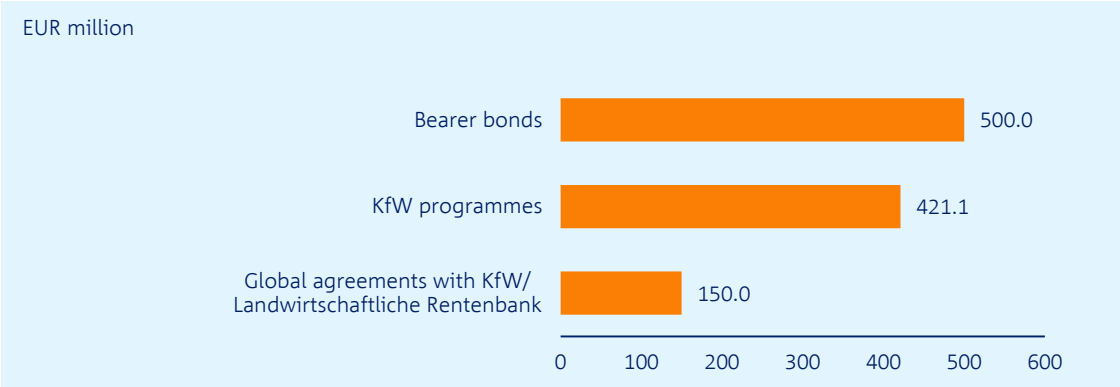
The loan portfolio in the fiduciary business grew by 1.3 percent to EUR 5,306.0 million. With repayments remaining comparatively low, the growth in the portfolio was again due to very high disbursements of EUR 409.2 million (previous year: EUR 410.3 million) in the Bavarian fiduciary business.

Following reductions in previous financial years, the volume of receivables held as own liabilities also increased for the first time. In particular, a significantly higher volume of disbursements compared with previous years led to the 17.5 percent increase to EUR 297.4 million.

**Funding**

BayernLabo refinances itself on the capital market, from KfW subsidy programmes, from general funding from the KfW or the Landwirtschaftliche Rentenbank and, in the short term, by borrowing fixed deposits at BayernLB. The total amount of refinancing in the financial year increased significantly by EUR 273.1 million (34.2 percent) to EUR 1,071.1 million (previous year: EUR 798 million).

**Composition of funding in 2021**



BayernLabo issued bearer bonds (social bonds) on the capital market in the amount of EUR 500.0 million (previous year: EUR 150.0 million).

BayernLabo used the funding volume from KfW development programmes of EUR 421.1 million (previous year: EUR 240.0 million) for all internally funded programmes that are compatible with KfW development programmes. As well as proprietary KfW funds, this also includes subsidies from the German federal government. BayernLB passes them on to its end borrowers. BayernLabo also makes its own subsidy contribution here by waiving part of the principal bank margin for KfW programmes in the principal bank process and/or further discounting the KfW end borrower interest rate in KfW direct loan programmes.

BayernLabo concludes global contracts with the KfW and/or Landwirtschaftliche Rentenbank as required, which can be used for the funding of the municipal loan business. Refinancing of EUR 150.0 million (previous year: EUR 300.0 million) was provided for this purpose.

## Results of operations and financial position (HGB)

### Results of operations

BayernLabo's profitability this year was again impacted by the persistently low interest rates and a continued high volume of repayments in the lending business. Relief derived from a reduction in expenses in connection with personnel obligations and in the risk provisions/gains or losses on measurement. As a consequence, a profit on ordinary activities of EUR 37.3 million (previous year: EUR 14.9 million) was achieved.

Healthy  
profitability  
continues!

### Results of operations

EUR million	2021	2020	Change	
			absolute	in %
Net interest income	59.3	63.1	(3.8)	(6.0)
Net commission income	23.6	24.8	(1.2)	(4.8)
<b>Gross profit</b>	<b>82.9</b>	<b>87.9</b>	<b>(5.0)</b>	<b>(5.7)</b>
Staff costs	(40.5)	(48.9)	8.4	17.2
Operating expenses	(24.4)	(25.8)	1.4	5.4
Net of other operating expenses and income	4.6	2.5	2.1	84.0
<b>Gains or losses before risk provisions</b>	<b>22.6</b>	<b>15.7</b>	<b>6.9</b>	<b>43.9</b>
Risk provisions/gains or losses on measurement	14.7	(0.8)	15.5	>100
<b>Gains or losses on ordinary activities</b>	<b>37.3</b>	<b>14.9</b>	<b>22.4</b>	<b>&gt;100</b>

### Gross profit

Gross profit reduced slightly, by 5.7 percent to 82.9 million, compared with the previous year (EUR 87.9 million).

Net interest income, as the net balance of interest income and interest expenses, decreased slightly, as expected, by 6.0 percent, or by EUR 3.8 million.

Net commission income was down slightly year-on-year, by 4.8 percent to EUR 23.6 million. Sources of commission income include income from administrative cost contributions in fiduciary business. Commission expenses arise from guarantee fees payable by BayernLabo to the Free State of Bavaria.

### Expenses

Administrative expenses decreased by 13.1 percent, or by EUR 9.8 million, to EUR 64.9 million in the year under review (previous year: EUR 74.7 million). This reduction is attributable to staff costs, which at EUR 40.5 million were EUR 8.4 million, or 17.2 percent, lower than in the previous year. The reduction was mainly the consequence of a EUR 10.7 million decrease in the

addition to pension obligations (EUR 14.0 million). The background to this was that a reduction in the discount rate was offset by positive effects from experience-based assumptions, leading to lower expenses overall.

Operating expenses of EUR 24.4 million, which were marked particularly by ongoing IT costs, reduced EUR 1.4 million year-on-year (5.4 percent).

The positive balance of other operating income and expenses of EUR 4.6 million increased by EUR 2.1 million compared with the previous year. This item includes, among other items, the reimbursement of costs by the Free State of Bavaria for activities in connection with the Bavarian Baukindergeld Plus and the Bavarian Home Ownership Subsidy, as well as grants from the Free State of Bavaria for the digitalisation service portal.

The risk provisions/gains or losses on measurement item was significantly influenced by special effects in the year under review.

Residential complex, Kempten.  
IBS funding with indirect occupancy;  
Contractor: Sozialbau Kempten Wohnungs- und Städtebau GmbH, Kempten;  
Planning: Hagspiel Stachel Uhlig Architekten part mbB, Kempten;  
Photo: Government of Swabia.





## Gains or losses

The profit from ordinary activities for 2021 amounts to EUR 37.3 million (previous year: EUR 14.9 million).

## Financial position

BayernLabo's total assets decreased very slightly by 0.2 percent, or by EUR 40.9 million, to EUR 21,091.7 million in the year under review.

### Assets (selected items)

EUR million	2021	2020	Change	
			absolute	in %
Loans and advances to banks	1,507.7	1,204.5	303.2	25.2
Loans and advances to customers	13,659.6	14,192.3	(532.7)	(3.8)
Bonds, notes and other fixed-income securities	314.0	279.0	35.0	12.5
Assets held in trust	5,307.5	5,237.6	69.9	1.3

As part of asset/liability management, loans and advances to banks increased by EUR 303.2 million to EUR 1,507.7 million as at 31 December 2021.

The portfolio of loans due from customers decreased by a total of EUR 532.7 million to EUR 13,659.6 million. This was primarily the result of scheduled repayments in the government lending business of EUR 750.0 million, which were offset by portfolio growth in subsidised municipal housing (EUR 70.7 million).

Assets held in trust reported an increase of EUR 69.9 million to EUR 5,307.5 million, which is attributable to growth in the portfolio of fiduciary business in Bavaria.

### Liabilities (selected items)

EUR million	2021	2020	Change	
			absolute	in %
Liabilities to banks	5,102.0	5,326.6	(224.6)	(4.2)
Liabilities to customers	3,550.0	3,776.8	(226.8)	(6.0)
Securitised liabilities	4,823.8	4,483.0	340.8	7.6
Liabilities held in trust	5,307.5	5,237.6	69.9	1.3
Provisions	41.8	109.1	(67.3)	(61.7)
Own funds	2,254.8	2,189.7	65.1	3.0



Residential complex, Essenbach.  
Municipal Housing Subsidy Programme;  
Contractor: Essenbach market;  
Planning: Feigl + Dumps Architekten, Landshut;  
Photo: Georg Huber, Government of Lower Bavaria (Regierung von Niederbayern).

A reduction in liabilities due to banks (KfW, Landwirtschaftliche Rentenbank and BayernLB) of EUR 224.6 million to EUR 5,102.0 million and a reduction in liabilities due to customers of EUR 226.8 million to EUR 3,550.0 million were offset by an increase in securitised liabilities due to new issues of EUR 340.8 million to EUR 4,823.8 million.

Provisions for pensions and similar obligations decreased by 82.7 percent, or by EUR 64.2 million, to EUR 13.4 million in the year under review due to the further outsourcing of benefit obligations under the Contractual Trust Agreement (CTA).

### Summary assessment

BayernLabo achieved a healthy level of profitability in the 2021 financial year. The financial position was sound and the liquidity base was comfortable throughout the reporting period.

### Human resources

Well qualified and motivated staff are key to BayernLabo's future success. Here, the development and performance dialogue between managers and employees represents a crucial instrument to ensure a common direction. This regulates the consistent transformation of the objectives derived from the business strategy and risk culture down to employee level.

In addition, continuous training programmes ensure that employees can successfully meet existing and future challenges. In particular, this constructively supports digital cultural change.

To prevent typical physical and mental health problems, sports activities, seminars and regular digital health days are offered to employees.

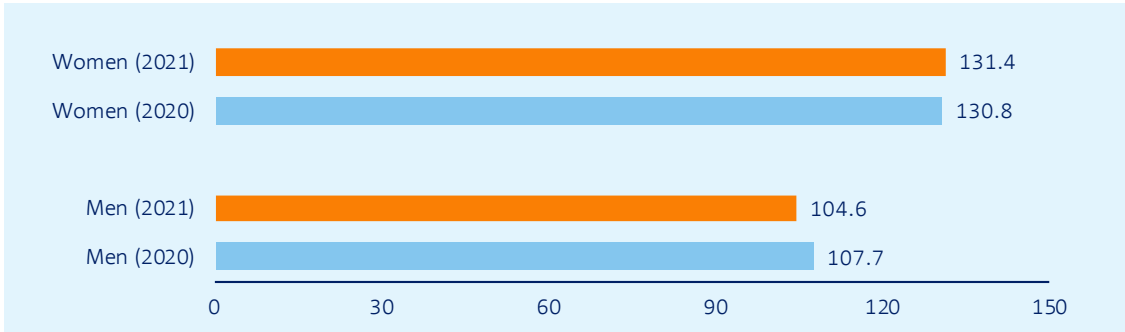
This offering was maintained or improved over the course of the Covid-19 pandemic as BayernLabo provided the related digital requirements.

A majority of employees had been working from home since March 2020, meaning that flexibly adapted work processes kept workflows running smoothly. At peak times, over 80 percent of the employees were working remotely. For employees on site, safe working conditions were ensured while adhering to stringent hygiene measures.



As at 31 December 2021, a total of 265 employees, equivalent to 236.0 full time equivalents (FTEs), were employed at BayernLabo (as at 31 December of the previous year: 271 employees or 238.5 FTEs).

**Gender breakdown at BayernLabo (full-time equivalents)**



The part-time ratio of 35.1 percent decreased slightly compared with the previous year (36.9 percent). In the financial year under review, 93 employees took advantage of the part-time programme. This continued high rate reflects great flexibility on the part of both the employees and the company.

BayernLabo is also characterised by a high level of employee loyalty with an average length of service of 19.7 years.

A decorative graphic at the top of the page consists of two overlapping triangles. On the left, a blue triangle points downwards and to the right. On the right, a larger orange triangle points downwards and to the left, overlapping the blue one.

# 11 Outlook



# Outlook

## Economic environment

In terms of the economy, 2022 will be dominated by the war between Russia and Ukraine, as well as by the pandemic.<sup>17</sup> However, thanks to progress in vaccination, which in some countries is likely to be achieved only through the introduction of compulsory vaccination, the immediate economic impact of the pandemic should become less significant in the summer. Over the course of the year, the indirect effects of the pandemic – disrupted supply chains on the supply side and pent up consumption and capital spending on the demand side – are likely to relinquish their sway over the economy, thereby helping to slow the inflationary dynamic. The path of scaling back very loose monetary policy measures already taken by some central banks at the end of 2021 is likely to continue in 2022, albeit at a moderate pace. The ECB is also likely to follow suit and raise its deposit rate again for the first time toward the end of 2022. However, the unexpected war between Russia and Ukraine and the sanctions imposed by the West represent a historic turning point that is likely to have a serious impact on geopolitical and economic developments in the short and long term.

In advanced economies, the eurozone is again likely to lag tangibly behind the USA in terms of GDP growth in 2022. This can be explained not only by the delayed lifting of coronavirus restrictions compared with other regions, but also by the economic stimulus programmes that took effect later. Due to the closer connections with Russia and the Ukraine, the potential negative impact on the economy in the eurozone could be worse than in the US.

In 2021, Germany's economic recovery was less dynamic than in the rest of the eurozone due to the lower share of personal services. Due to being more affected by disrupted global supply chains as well as vaccination deficits, Germany will now also lag behind in 2022. The initiatives of the new coalition government to increase investment in decarbonisation and digitalisation are likely to be only partially realised for the time being due to capacity constraints (construction sector and skilled workers) and will only take effect in subsequent years. Like many other countries, Germany is consequently unlikely to make the necessary contributions in 2022 to achieve the targeted carbon reduction by 2030. By contrast, private consumption should expand significantly as a consequence of an improved labour market, and become an engine of the economy again, despite high inflation.

Despite the inflation-inducing increase in VAT expiring, the country will experience an increase in the cost of living on par with the eurozone (6.4 percent compared with 7.1 percent) in 2022. Both rates lie well above the ECB target. This is due, firstly, to the tighter labour market as well as the consumption and investment backlog, which has not yet been cleared. Secondly, the new government's policy is driving inflation through sharply rising levies on carbon emissions and a jump in the minimum wage. This is likely to more than offset the price-dampening effect of the reduction in the surcharge from the German Renewable Energies Act (EEG). The war in Ukraine is also pushing up prices through higher prices for energy, industrial and agricultural commodities, as well as supply chain adjustments.

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<sup>17</sup> See BayernLB Research, *Perspektiven*, November 2021 (updated in BayernLB Research, *Perspektiven*, March 2022).

Due to its more intensive trade links with the USA and China, Bavaria is still somewhat more dependent on global and geopolitical developments than the German economy as a whole. Russia is also more important as a trading partner than on average in Germany, especially for energy imports. The region also benefits from its strong industrial base, although a large part of this comprises the cyclical automotive industry, which has been affected more than other sectors of the economy by supply chain disruptions and a collapse in demand. Moreover, it has to manage the task of transitioning to electric mobility over the course of several years. This had a particular impact in both 2021 and early 2022. Over the course of the year – as soon as the supply problems fade into the background by mid-year at the earliest – these sectors should recover. Overall, economic output in Bavaria should thereby expand at a faster rate than the average for Germany. The unemployment rate will also decrease tangibly.

### Risks and opportunities in 2022

The greatest economic risks for 2022 relate to the war in Ukraine and the coronavirus pandemic. An aggressive or resistant coronavirus mutation and, as a consequence, long-lasting lockdowns, jeopardise the continued existence of small and medium-sized companies in particular. In addition, the war in Ukraine and the EU's subsequent sanctions against Russia are exacerbating existing challenges in international goods markets. Supply problems could prove persistent and jeopardise the recovery. The expiration of government support measures could still lead to a wave of insolvencies. In particular, a sudden natural gas trade embargo against Russia would have severe economic consequences for Germany. Ultimately, high inflation also harbours the risk that monetary policy will hit the brakes too hard and interest rates will rise appreciably. A setback in highly valued financial markets and rising risk aversion in the real estate market could then have a negative impact on the economy. Most recently, military risk in Europe has also increased in light of the war in Ukraine.

Economic opportunities in the forecast include expansive monetary and fiscal policy proving more effective than anticipated, the coronavirus pandemic being brought to an end more quickly, and political tensions between the USA, China and Russia easing. In the electrical and mechanical engineering industries, a rapid reduction in order book positions could lead to a significant expansion of production as supply chain problems are increasingly resolved.

### BayernLabo's future performance

The less dynamic growth rates in Germany and the additional burdens associated with the pandemic, as well as the conflict in Ukraine, are not expected to exert any immediate effects on BayernLabo. The willingness in Bavaria to invest in housing and municipal facilities remains undiminished.

On the basis of BayernLabo's solid business model and clearly defined business strategy, risks are only assumed to a very limited extent and, conversely, opportunities arising from unexpected developments can be leveraged.

BayernLabo identifies opportunities, especially if the economic conditions related to interest rates turn out better than expected. Above all, a rise in interest rates would make BayernLabo an

even more attractive business partner in the lending business on the market and this would in turn boost net interest income.

In addition, SDG mapping will be further expanded and BayernLabo's product portfolio will be evaluated in order to establish BayernLabo as a sustainable financing partner.

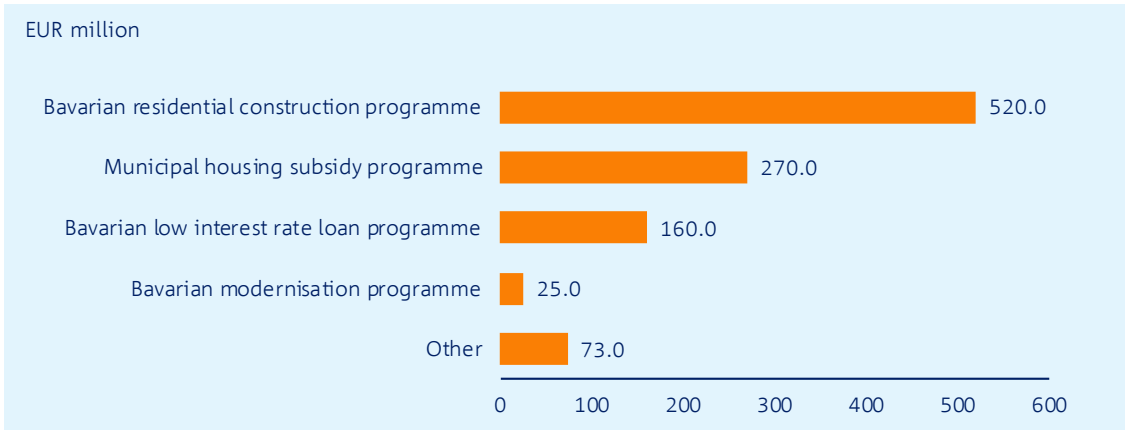
In 2022, the new Housing Subsidy Regulations (WFB) will take effect on 1 April, as well as the implementation of the German government's new "2022 Social Housing Administrative Agreement and 2022 Climate-compatible Social Housing Administrative Agreement". The latter regulates the use of German federal financial assistance amounting to one billion euros granted by the federal government under the 2022 Emergency Climate Protection Programme for the energy-efficient construction of new builds and the energy-efficient refurbishment of social housing. As a consequence, Efficiency House Standard 55 must be complied with for new builds, and the Efficiency House Standard 85 for modernisations.

The owner, the Free State of Bavaria, generally stipulates the development programmes and the respective quotas for BayernLabo; the latter has no influence on volumes.

**Housing development**

The joint efforts of the German government, states and municipalities, as well as the incentives provided by the Bavarian state government, are intended to encourage private and municipal investors to create affordable housing for the long term with an even greater focus on energy efficiency. However, the low level of interest rates, high real estate prices, the shortage of building land and the heavy workload of construction and trades companies continue to severely hamper growth in commitments.

**Planning of new commitments and grants for 2022**



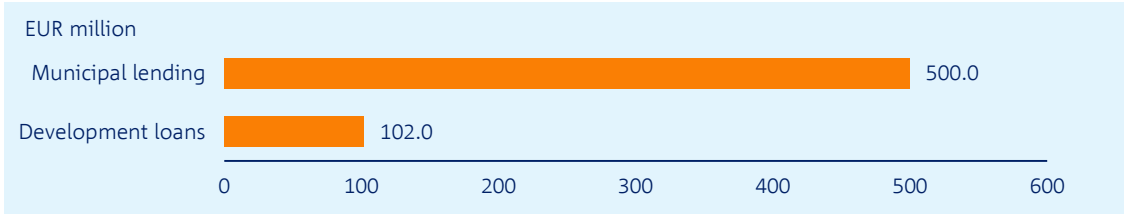
A total of EUR 520.0 million has been budgeted for the Bavarian residential construction programme for 2022, and around EUR 270.0 million for the Municipal Subsidised Housing Programme.

BayernLabo will provide an internally funded contribution of up to EUR 5.0 million to subsidise the Bavarian low interest rate loan programme (EUR 160.0 million), the Bavarian modernisation programme (EUR 25.0 million) and the municipal subsidised loan business, to be charged to the 2022 annual result. This will enable BayernLabo to continue offering tailored subsidy quotas for the respective development programmes. BayernLabo manages the utilisation of grants by adjusting the end borrower rate and the respective discounted interest rate on an ongoing basis. In addition, the Free State of Bavaria continues to provide additional investment grants under the Bavarian modernisation programme.

Further commitments and grants are included in the amount of EUR 73.0 million.

**Municipal lending business**

**Planning of new commitments and grants for 2022**



BayernLabo is planning a new business volume of EUR 500.0 million in traditional municipal lending. The pandemic is not expected to have a significant impact on the municipal lending business in the coming year. On average, manageable shortfalls in income due to tax shortfalls or additional expenses will also be compensated for at least half by the Free State of Bavaria for 2022. Investment activity and demand for municipal loans will remain unchanged.

A lending volume of EUR 102.0 million is planned for the subsidised loan business. Following the discontinuation of the Energiekredit Kommunal Bayern (Bavarian municipal energy loan), this volume will in the future be accounted for almost exclusively by the Investkredit Kommunal Bayern (Bavarian municipal investment loan).

The range of subsidy products in the area of energy-efficient refurbishment and sustainable new construction of municipal buildings is to be supplemented by a separate development loan, the "Municipal Energy Loan – New", which will take ESG aspects into account. Both the overall framework and the derivable volumes are currently still under discussion.





# 12 Notes

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# 1 State-subsidised business in 2021 at a glance

Tab. 1.1 State housing subsidies

Subsidies as per BayWoFG	Ownership measures	Rental homes	Total homes			Residential places		
			2021	2020	Change	2021	2020	Change
<b>Amortising loans</b>								
Owner-occupied homes								
New builds	310	–	310	402	(92)	–	–	–
Purchases	658	–	658	1,062	(404)	–	–	–
Rental housing								
Income-based subsidies	–	3,953	3,953	3,224	729	–	–	–
Expenditure-based subsidies	–	28	28	19	9	–	–	–
Disability plan							–	–
	<b>968</b>	<b>3,981</b>	<b>4,949</b>	<b>4,707</b>	<b>242</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Conditionally non-repayable loans</b>								
Subsidies for student accommodation								
	–	–	–	–	–	1,316	273	1,043
Disability plan								
	–	–	–	–	–	91	160	(69)
Structural adaptations for sick and severely disabled people								
	2,607	207	2,814	2,904	(90)	–	–	–
	<b>2,607</b>	<b>207</b>	<b>2,814</b>	<b>2,904</b>	<b>(90)</b>	<b>1,407</b>	<b>433</b>	<b>974</b>
Subsidy only as a grant in the disability plan								
	–	–	–	–	–	217	256	(39)
<b>Total</b>	<b>3,575</b>	<b>4,188</b>	<b>7,763</b>	<b>7,611</b>	<b>152</b>	<b>1,624</b>	<b>689</b>	<b>935</b>



Tab. 1.2 Internally funded subsidies

Low-interest rate loans from own funds and funds of the KfW/German government	Ownership measures	Rental homes	Total homes			Residential places		
			2021	2020	Change	2021	2020	Change
<b>Bavarian low interest rate loan programme</b>								
Combined subsidy	[822]	–	[822]	[1,105]	[(283)]	–	–	–
Individual subsidy	201	–	201	225	(24)	–	–	–
	<b>201</b>	<b>–</b>	<b>201</b>	<b>225</b>	<b>(24)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Loan programme to create energy-efficient rental housing</b>		[965]	[965]	[790]	[175]	–	–	–
<b>Bavarian modernisation programme</b>								
Rental housing	–	757	757	819	(62)	–	–	–
In-patient care facilities	–	–	–	–	–	208	–	208
Condominium owners' associations	–	242	242	460	(218)	–	–	–
Leasehold flats	–	56	56	250	(194)	–	–	–
	<b>–</b>	<b>1,055</b>	<b>1,055</b>	<b>1,529</b>	<b>(474)</b>	<b>208</b>	<b>–</b>	<b>208</b>
<b>Municipal housing subsidy programme</b>								
Combined subsidy (loans and grants)	–	521	521	688	(167)	–	–	–
Subsidy only as a grant	–	106	106	545	(439)	–	–	–
	<b>–</b>	<b>627</b>	<b>627</b>	<b>1,233</b>	<b>(606)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>201</b>	<b>1,682</b>	<b>1,883</b>	<b>2,987</b>	<b>(1,104)</b>	<b>208</b>	<b>–</b>	<b>208</b>

The homes in square brackets receive additional subsidies under the Bavarian residential construction programme. These figures are shown for information purposes only and are not included in the totals.

Tab. 1.3 Other subsidies

Low-interest rate loans from own funds and funds of the KfW/German government	Ownership measures	Rental homes	Total homes			Residential places		
			2021	2020	Change	2021	2020	Change
Loans for promoting affordable housing	–	475	475	169	306	–	–	–
<b>Total</b>	<b>–</b>	<b>475</b>	<b>475</b>	<b>169</b>	<b>306</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 2 Rental properties

### Bavarian residential construction programme – income-based subsidies (IBS)

Tab. 2.1 Breakdown of property and occupancy-related subsidies by area of approval

Granted for new builds and conversions in	As a property-related subsidy	As an occupancy-related subsidy
	EUR million	EUR million
Munich	19.6	53.2
Nuremberg	33.0	21.0
Augsburg	14.2	12.2
Upper Bavaria	41.3	42.7
Lower Bavaria	15.1	11.4
Upper Palatinate	18.4	19.8
Upper Franconia	23.0	15.8
Middle Franconia	35.9	26.3
Lower Franconia	18.9	15.6
Swabia	18.2	10.8
<b>Jointly</b>	<b>237.6</b>	<b>228.8</b>

Tab. 2.2 Subsidies for construction of new rental homes by area of approval

	Subsidised homes		Average loan per home	Total costs		Average home size	Average rent per m <sup>2</sup>	Grants in fiduciary business
	RU	Loans		per home	per m <sup>2</sup> of residential area			
	EUR	EUR		EUR	EUR			
Munich	997	72,226,800	72,444	313,336	4,983	63	6.24	18,715,700
Nuremberg <sup>1</sup>	558	53,014,050	95,007	337,950	4,414	77	5.65	8,802,900
Augsburg	177	26,405,600	149,184	338,231	5,336	63	7.73	3,365,900
Upper Bavaria	486	83,482,400	171,774	507,019	7,588	67	6.18	9,862,300
Lower Bavaria	262	25,984,000	99,176	239,118	3,697	65	5.29	5,142,000
Upper Palatinate	288	37,853,040	131,434	311,622	4,953	63	6.44	5,449,800
Upper Franconia	304	38,654,300	127,152	255,580	3,708	69	5.62	6,286,700
Middle Franconia	446	62,242,600	139,557	278,643	4,132	67	5.62	9,039,500
Lower Franconia	211	30,989,900	146,872	394,954	5,896	67	5.97	4,401,700
Swabia <sup>1</sup>	216	28,997,900	134,250	313,991	4,623	68	6.40	4,400,800
<b>Jointly</b>	<b>3,945</b>	<b>459,850,590</b>	<b>116,565</b>	<b>333,570</b>	<b>4,975</b>	<b>67</b>	<b>6.00</b>	<b>75,467,300</b>
Subsequent and residual approvals <sup>2</sup>	8	6,540,200						<b>624,100</b>
<b>Total</b>	<b>3,953</b>	<b>466,390,790</b>						<b>76,091,400</b>
The subsidies for subsequent and residual approvals are composed as follows:								
Lower Franconia	8	1,960,100						168,600
<b>Total</b>	<b>8</b>	<b>1,960,100</b>						<b>168,600</b>

1 Of which subsidised with "indirect occupancy": Amberg: 13 indirectly committed homes (6 new builds not bound).

2 Following reduction by the additional subsidy.

**Tab. 2.3 Rent per square metre of residential area per month**

Rent in EUR	Percentage	
	2021	2020
Under 3.50	–	–
3.50 – 3.99	–	0.1
4.00 – 4.49	0.2	0.7
4.50 – 4.99	2.9	8.4
5.00 – 5.49	13.1	14.8
5.50 – 5.99	29.5	35.4
6.00 – 6.49	38.8	17.5
6.50 and more	15.5	23.1
	<b>100.0</b>	<b>100.0</b>

**Tab. 2.4 Occupancy commitments**

Including for	2021		2020	
	RU	%	RU	%
Young married couples	–	–	–	–
Large families	222	5.6	115	3.6
Elderly persons	62	1.6	152	4.7
Severely disabled	37	0.9	36	1.1
Pregnant women	–	–	–	–
Single parents	–	–	4	0.1
Recognised refugees	–	–	–	–
Other persons with unsuitable accommodation	3,624	91.9	2,915	90.5
	<b>3,945</b>	<b>100.0</b>	<b>3,222</b>	<b>100.0</b>

**Tab. 2.5 Financing**

in %	2021	2020
Borrowing (capital market and other borrowing)	21.5	22.8
Federal and state funds	40.7	45.4
Other funding from public funds	12.1	7.9
Genuine subsidies from own funds	24.1	21.7
Replacement subsidies from own funds	1.6	2.2
	<b>100.0</b>	<b>100.0</b>

**Tab. 2.6 Contractors**

	Rental homes		Loans	
	Number	%	EUR	%
Private-sector contractors	81	2.1	9,341,400	2.0
Housing companies	2,301	58.3	261,628,190	56.9
Other contractors	201	5.1	29,270,800	6.4
Public-sector contractors	1,362	34.5	159,610,200	34.7
<b>Jointly</b>	<b>3,945</b>	<b>100.0</b>	<b>459,850,590</b>	<b>100.0</b>

## Bavarian residential construction programme – expenditure-based subsidies (EBS)

Tab. 2.7 Details of subsidies (new builds and conversions)

Construction projects		Subsidised		Average loan per home	Total costs		Average home size	Average rent per m <sup>2</sup>	General grant
		homes	Loans		per home	per m <sup>2</sup> of residential area			
		RU	EUR	EUR	EUR	EUR	m <sup>2</sup>	EUR	EUR
92224 Amberg, Haager Weg F.1423/370	New builds	16	2,572,800	160,800	208,243	4,165	50	7.00	259,300
95478 Kemnath, Bgm.-Högl-Str. 3	New builds	12	1,357,500	113,125	301,781	3,651	83	6.73	297,500
<b>Upper Palatinate</b>		<b>28</b>	<b>3,930,300</b>	<b>140,368</b>	<b>248,331</b>	<b>3,880</b>	<b>64</b>	<b>6.88</b>	<b>556,800</b>
<b>Bavaria</b>		<b>28</b>	<b>3,930,300</b>	<b>140,368</b>	<b>248,331</b>	<b>3,880</b>	<b>64</b>	<b>6.88</b>	<b>556,800</b>
Subsequent and residual approvals			–						–
<b>Total</b>			<b>3,930,300</b>						<b>556,800</b>

## Bavarian residential construction programme – income- and expenditure-based subsidies (IBS and EBS)

Tab. 2.8 Breakdown of subsidised rental homes to IBS and EBS occupancy commitments

	Subsidised rental homes	Of which with a 25-year occupancy commitment	Of which with a 40-year occupancy commitment
Munich <sup>1</sup>	997	118	879
Nuremberg	558	558	–
Augsburg	177	68	109
Upper Bavaria	486	107	379
Lower Bavaria	262	262	–
Upper Palatinate	316	261	55
Upper Franconia	304	258	46
Middle Franconia	446	267	179
Lower Franconia	211	121	90
Swabia	216	216	–
<b>Jointly</b>	<b>3,973</b>	<b>2,236</b>	<b>1,737</b>

<sup>1</sup> The figure does not include eight rental homes approved subsequently.

## Subsidies for student accommodation

Tab. 2.9 Total subsidised loans

	Places in student halls of residence		State funds	
	Number	EUR	EUR	Type
80803 Munich, Kaiserplatz 13	120	3,543,600		Expansion/ Conversion
86154 Augsburg, Zirbelstr. 53 c	65	2,600,000		New build
86179 Augsburg, Leharstr. 6	255	3,646,500		Renovation
85072 Eichstätt, Spindeltal 13	5	–		Subsidy in 2017
94032 Passau, Leonhard-Paminger-Str. 23–31	356	11,930,000		Expansion/ Conversion
94036 Passau, Gütlbauerweg 4 a	19	826,500		New build
97074 Würzburg, Gneisenaustr. 24 a–g	354	7,410,000		Expansion/ Conversion
97074 Würzburg, Mariannahillstr. 6	142	3,218,000		Expansion/ Conversion
<b>Jointly</b>	<b>1,316</b>	<b>33,174,600</b>		

## Municipal housing subsidy programme

Tab. 2.10 Municipal housing subsidy programme (KommWFP)

Administrative district	Grant subsidy		Combined subsidy			Total costs EUR
	Subsidised rental housing	Grants	Subsidised rental housing	Loans	Grants	
		EUR		EUR	EUR	
Upper Bavaria	44	5,732,100	413	99,415,500	67,629,100	206,932,230
Lower Bavaria	11	872,700	3	459,100	262,100	3,957,384
Upper Palatinate	10	883,700	–	–	–	3,324,400
Upper Franconia	10	439,800	16	1,777,700	1,194,400	10,902,138
Middle Franconia	–	–	–	–	–	–
Lower Franconia	–	–	–	–	–	–
Swabia	31	2,252,400	89	15,333,200	8,955,400	37,851,282
<b>Jointly</b>	<b>106</b>	<b>10,180,700</b>	<b>521</b>	<b>116,985,500</b>	<b>78,041,000</b>	<b>262,967,434</b>



## Bavarian modernisation programme

Tab. 2.11 Total subsidies by area of approval

	Rental homes			
	Flats	%	Loans	Grants
Munich	–	–	–	–
Nuremberg	35	4.6	803,100	200,700
Augsburg	–	–	–	–
Upper Bavaria	200	26.4	23,733,300	1,394,800
Lower Bavaria	–	–	80,300	–
Upper Palatinate	31	4.1	1,070,700	164,600
Upper Franconia	113	14.9	7,798,800	833,100
Middle Franconia	226	29.9	17,021,700	1,748,300
Lower Franconia	104	13.7	13,151,000	740,300
Swabia	48	6.3	2,158,100	261,500
<b>Jointly</b>	<b>757</b>	<b>100.0</b>	<b>65,817,000</b>	<b>5,343,300</b>

Tab. 2.11 Continued: Total subsidies by area of approval

	Care home places			
	Flats	%	Loans	Grants
Munich	–	–	–	–
Nuremberg	–	–	–	–
Augsburg	–	–	–	–
Upper Bavaria	–	–	–	–
Lower Bavaria	119	57.2	1,736,000	434,000
Upper Palatinate	–	–	–	–
Upper Franconia	–	–	–	–
Middle Franconia	89	42.8	17,021,700	1,748,300
Lower Franconia	–	–	–	–
Swabia	–	–	–	–
<b>Jointly</b>	<b>208</b>	<b>100.0</b>	<b>18,757,700</b>	<b>2,182,300</b>

# 3 Owner-occupied homes

## Bavarian residential construction programme – new builds and conversions

Tab. 3.1 Loan commitments and average by area of approval and grants approved for households with children

	Subsidised homes		Loans		Average loan per home EUR	Grants for households with children EUR	Additional grants EUR
	Number	%	EUR	%			
Munich	23	7.4	1,148,000	6.9	49,913	205,000	–
Nuremberg	3	1.0	210,000	1.3	70,000	25,000	30,000
Augsburg	1	0.3	90,000	0.5	90,000	10,000	–
Upper Bavaria	52	16.8	3,773,200	22.6	72,562	650,000	60,000
Lower Bavaria	13	4.2	660,000	4.0	50,769	130,000	–
Upper Palatinate	22	7.1	924,600	5.5	42,027	235,000	–
Upper Franconia	28	9.0	1,634,000	9.8	58,357	340,000	–
Middle Franconia	59	19.0	3,482,000	20.9	59,017	535,000	–
Lower Franconia	25	8.1	1,062,200	6.4	42,488	280,000	57,900
Swabia	84	27.1	3,701,100	22.2	44,061	835,000	30,000
<b>Jointly</b>	<b>310</b>	<b>100.0</b>	<b>16,685,100</b>	<b>100.0</b>	<b>53,823</b>	<b>3,245,000</b>	<b>177,900</b>
Subsequent and residual approvals			55,000			5,000	–
<b>Total</b>			<b>16,740,100</b>			<b>3,250,000</b>	<b>177,900</b>

Potential deviations in the total are due to rounding.

Tab. 3.2 Ownership forms by area of approval

	Flats in family homes		Owner-occupied flats		All homes	
	Number	%	Number	%	Number	%
Munich	–	–	23	7.4	23	7.4
Nuremberg	2	0.6	1	0.3	3	1.0
Augsburg	1	0.3	–	–	1	0.3
Upper Bavaria	51	16.5	1	0.3	52	16.8
Lower Bavaria	11	3.5	2	0.6	13	4.2
Upper Palatinate	22	7.1	–	–	22	7.1
Upper Franconia	27	8.7	1	0.3	28	9.0
Middle Franconia	54	17.4	5	1.6	59	19.0
Lower Franconia	25	8.1	–	–	25	8.1
Swabia	81	26.1	3	1.0	84	27.1
<b>Jointly</b>	<b>274</b>	<b>88.4</b>	<b>36</b>	<b>11.6</b>	<b>310</b>	<b>100.0</b>

Potential deviations in the total are due to rounding.

**Tab. 3.3 Cost per square metre of residential area per month for home ownership measures**

Cost in EUR	Percentage		
	2021	2020	2019
Under 4.50	0.6	2.5	0.8
4.50 – 5.49	–	1.2	1.3
5.50 – 6.49	1.9	3.2	4.5
6.50 – 7.49	2.9	5.2	9.3
7.50 – 8.49	5.5	12.7	17.1
8.50 – 9.49	16.5	17.7	16.3
9.50 – 10.49	21.9	18.9	18.9
10.50 – 11.49	18.1	15.7	12.9
11.50 – 12.49	11.6	8.0	8.1
12.50 – 13.49	7.7	7.5	5.2
13.50 – 14.49	3.9	4.2	3.4
14.50 and more	9.4	3.2	2.2
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Tab. 3.4 Average loans by ownership forms**

EUR	2021	2020
<b>Subsidised with amortising loans</b>		
Flats in family homes	53,290	55,700
Owner-occupied homes	57,136	53,156

**Tab. 3.5 Total costs and home sizes**

	2021 (2020)		
	Total costs per home	Total costs per m <sup>2</sup> of residential area	Home size
Flats in family homes	529,056 (480,301)	3,858 (3,537)	137 (136)
Of which single-family homes	530,708 (484,595)	3,853 (3,568)	138 (136)
Of which two-family homes	495,894 (393,910)	3,974 (2,924)	125 (135)
Owner-occupied flats	512,852 (444,173)	5,280 (4,646)	97 (96)

**Tab. 3.6 Financing**

in %	Owner-occupied flats		
	Family homes	flats	Jointly
Borrowing (capital market and other borrowing)	54.8	54.1	54.7
Federal and state funds	12.2	12.8	12.3
Other funding from public funds	12.8	14.2	13.0
Genuine subsidies from own funds	20.0	18.9	19.9
Replacement subsidies from own funds	0.2	–	0.1
	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Bavarian residential construction programme – purchase

**Tab. 3.7 Subsidies for the purchase of existing homes by area of approval**

	Flats in family homes	Owner-occupied flats	Total homes		Amortising loans		Average loan per home	Grants for households with children	Additional grants
	RU	RU	RU	%	EUR	%	EUR	EUR	EUR
	Munich	2	2	4	0.6	199,000	0.6	49,750	40,000
Nuremberg	27	16	43	6.5	3,484,400	11.1	81,033	420,000	1,268,600
Augsburg	6	1	7	1.1	660,000	2.1	94,286	75,000	210,000
Upper Bavaria	40	15	55	8.4	3,523,000	11.3	64,055	545,000	1,619,100
Lower Bavaria	28	4	32	4.9	1,685,500	5.4	52,672	435,000	907,800
Upper Palatinate	28	3	31	4.7	1,083,500	3.5	34,952	335,000	856,600
Upper Franconia	61	5	66	10.0	2,821,800	9.0	42,755	730,000	1,621,000
Middle Franconia	148	19	167	25.4	7,087,800	22.7	42,442	1,690,000	4,792,800
Lower Franconia	76	15	91	13.8	3,442,500	11.0	37,830	1,005,000	2,385,300
Swabia	128	34	162	24.6	7,278,800	23.3	44,931	1,585,000	4,793,000
<b>Jointly</b>	<b>544</b>	<b>114</b>	<b>658</b>	<b>100.0</b>	<b>31,266,300</b>	<b>100.0</b>	<b>47,517</b>	<b>6,860,000</b>	<b>18,574,200</b>
Subsequent and residual approvals					30,000			5,000	2,400
<b>Total</b>					<b>31,296,300</b>			<b>6,865,000</b>	<b>18,576,600</b>

Potential deviations in the total are due to rounding.

## Bavarian low interest rate loan programme

**Tab. 3.8 Approval amount and total costs by administrative district – combined subsidy**

Administrative district	New builds			Purchases		
	Approval amount	Total costs	RU	Approval amount	Total costs	RU
	EUR	EUR	Number	EUR	EUR	Number
Upper Bavaria (including Munich)	9,954,500	41,060,399	65	7,771,500	26,947,791	52
Lower Bavaria	850,000	3,267,500	8	2,614,100	9,828,593	26
Upper Palatinate	2,960,200	9,904,241	19	3,451,400	11,380,618	27
Upper Franconia	2,540,100	9,092,455	20	3,394,300	12,659,732	44
Middle Franconia (including Nuremberg)	7,356,500	27,519,441	57	21,480,800	80,531,895	186
Lower Franconia	2,395,800	9,303,981	20	6,988,100	26,714,300	75
Swabia (including Augsburg)	11,138,100	41,436,313	73	19,002,600	70,161,346	150
<b>Jointly</b>	<b>37,195,200</b>	<b>141,584,330</b>	<b>262</b>	<b>64,702,800</b>	<b>238,224,275</b>	<b>560</b>

**Tab. 3.9 Approval amount and total costs by administrative district – individual subsidy**

Administrative district	New builds			Purchases		
	Approval amount	Total costs	RU	Approval amount	Total costs	RU
	EUR	EUR	Number	EUR	EUR	Number
Upper Bavaria (including Munich)	10,530,400	38,616,082	56	1,635,800	5,798,493	9
Lower Bavaria	452,000	1,658,269	3	100,300	344,300	1
Upper Palatinate	1,082,100	4,191,600	7	1,245,500	4,012,153	8
Upper Franconia	458,600	1,429,000	3	343,000	1,162,400	3
Middle Franconia (including Nuremberg)	6,013,600	20,030,399	32	3,118,900	9,483,447	19
Lower Franconia	1,117,500	3,916,472	7	642,400	2,018,391	5
Swabia (including Augsburg)	4,997,100	17,439,066	26	3,962,900	14,459,741	22
<b>Jointly</b>	<b>24,651,300</b>	<b>87,280,888</b>	<b>134</b>	<b>11,048,800</b>	<b>37,278,925</b>	<b>67</b>



**Tab. 3.10 List according to end of condition – Combined funding**

Administrative district	10-year interest rate lock-in		15-year interest rate lock-in		30-year interest rate lock-in	
	RU	Approval amount	RU	Approval amount	RU	Approval amount
Munich	3	397,000	22	3,837,300	2	524,400
Nuremberg	–	–	18	2,234,200	20	2,420,900
Augsburg	1	166,500	4	321,700	3	413,600
Upper Bavaria	4	498,500	29	4,703,100	57	7,765,700
Lower Bavaria	1	92,700	19	1,768,800	14	1,602,600
Upper Palatinate	3	273,500	10	1,369,500	33	4,768,600
Upper Franconia	2	208,600	28	2,345,900	34	3,379,900
Middle Franconia	9	985,500	73	8,175,200	123	15,021,500
Lower Franconia	1	41,000	45	3,762,400	49	5,580,500
Swabia	5	710,300	87	11,606,600	123	16,922,000
<b>Jointly</b>	<b>29</b>	<b>3,373,600</b>	<b>335</b>	<b>40,124,700</b>	<b>458</b>	<b>58,399,700</b>

**Tab. 3.11 Structure after end of conditions lock-in – individual subsidy**

Administrative district	10-year interest rate lock-in		15-year interest rate lock-in		30-year interest rate lock-in	
	RU	Approval amount	RU	Approval amount	RU	Approval amount
Munich	8	1,249,000	19	3,246,000	–	–
Nuremberg	1	135,200	5	698,700	–	–
Augsburg	–	–	3	727,500	2	483,000
Upper Bavaria	4	693,200	19	3,935,000	15	3,043,000
Lower Bavaria	–	–	1	100,000	3	452,300
Upper Palatinate	1	190,000	8	1,292,900	6	844,700
Upper Franconia	–	–	5	668,600	1	133,000
Middle Franconia	1	258,000	25	4,700,300	19	3,340,300
Lower Franconia	–	–	7	1,073,500	5	686,400
Swabia	2	300,300	29	5,131,100	12	2,318,100
<b>Jointly</b>	<b>17</b>	<b>2,825,700</b>	<b>121</b>	<b>21,573,600</b>	<b>63</b>	<b>11,300,800</b>

**Tab. 3.12 New construction and acquisition by area category – combined subsidy**

	New builds		Purchases	
	RU	EUR	RU	EUR
Region category 1	23	3,855,800	8	1,333,900
Region category 2	55	7,664,400	209	26,421,000
Region category 3	66	9,815,400	161	18,893,500
Region category 4	118	15,859,600	182	18,054,400
<b>Jointly</b>	<b>262</b>	<b>37,195,200</b>	<b>560</b>	<b>64,702,800</b>

**Tab. 3.13 New builds and purchases by region category – individual subsidy**

	New builds		Purchases	
	RU	EUR	RU	EUR
Region category 1	31	5,176,000	1	250,000
Region category 2	39	8,023,000	26	4,707,600
Region category 3	27	5,277,100	22	3,432,300
Region category 4	37	6,175,200	18	2,658,900
<b>Jointly</b>	<b>134</b>	<b>24,651,300</b>	<b>67</b>	<b>11,048,800</b>

### Income limit for subsidisation of owner-occupied homes

**Tab. 3.14 Income limit for subsidisation of owner-occupied homes with examples of corresponding annual gross income from 1 May 2018**

Household size	Annual income limit	Corresponds to annual net income of around
	EUR	EUR
1-person household	22,600	33,400
2-person household	34,500	51,000
Plus for each additional person	8,500	12,570
For every child	2,500	3,700

*In the examples the following requirements were taken into account for a working-class household: sole earner, deduction of a flatrate for income-related expenses of EUR 1,000 and 30 percent for the deduction of taxes and contributions to health and nursing care insurance, to life insurance and pension insurance. For certain groups of people (e.g. severely disabled people, young married couples), additional tax allowances can be deducted from income.*

## Bavarian Home Ownership Subsidy and Bavarian Baukindergeld Plus

Tab. 3.15 Bavarian owner-occupied housing allowance – Types of ownership and types of measures by area of approval

	Initial purchase			Expansion		
	Single-family home	Two-family home	Owner-occupied flat	Single-family home	Two-family home	Owner-occupied flat
Munich	34	7	87	–	1	–
Nuremberg	47	1	42	1	1	1
Augsburg	21	2	14	–	–	–
Upper Bavaria	1,345	163	321	31	46	24
Lower Bavaria	1,377	76	159	21	51	15
Upper Palatinate	1,133	72	148	5	59	5
Upper Franconia	748	29	68	3	19	9
Middle Franconia	914	44	211	9	26	12
Lower Franconia	915	61	95	15	35	5
Swabia	1,086	109	197	7	31	19
<b>Jointly</b>	<b>7,620</b>	<b>564</b>	<b>1,342</b>	<b>92</b>	<b>269</b>	<b>90</b>

Tab. 3.15 Continued: Bavarian Home Ownership Subsidy – forms of ownership and types of measures by area of approval

	Purchase of existing apartments			Total homes	Total volume
	Single-family home	Two-family home	Owner-occupied flat	Number	EUR
Munich	54	5	191	379	3,790,000
Nuremberg	171	11	231	506	5,060,000
Augsburg	74	8	172	291	2,906,000
Upper Bavaria	857	152	661	3,600	35,982,000
Lower Bavaria	852	120	230	2,901	29,010,000
Upper Palatinate	750	138	219	2,529	25,290,000
Upper Franconia	1,057	138	192	2,263	22,630,000
Middle Franconia	954	139	376	2,685	26,850,000
Lower Franconia	925	194	258	2,503	25,030,000
Swabia	873	141	453	2,916	29,160,000
<b>Jointly</b>	<b>6,567</b>	<b>1,046</b>	<b>2,983</b>	<b>20,573</b>	<b>205,708,000</b>

The Bavarian Home Ownership Subsidy helped households comprising 59,167 people (of which 21,844 children) to own their own homes.

**Tab. 3.16 Bavarian Baukindergeld Plus – forms of ownership and types of measures by area of approval**

	Initial purchase			Expansion		
	Single-family home	Two-family home	Owner-occupied flat	Single-family home	Two-family home	Owner-occupied flat
Munich	19	2	33	–	–	–
Nuremberg	30	–	11	–	–	1
Augsburg	16	1	1	–	–	–
Upper Bavaria	644	61	77	2	1	–
Lower Bavaria	527	32	31	–	–	1
Upper Palatinate	426	22	14	–	–	–
Upper Franconia	358	19	17	–	–	–
Middle Franconia	411	22	43	–	–	–
Lower Franconia	443	32	33	1	–	–
Swabia	503	36	47	–	–	1
<b>Jointly</b>	<b>3,377</b>	<b>227</b>	<b>307</b>	<b>3</b>	<b>1</b>	<b>3</b>

**Tab. 3.15 Continued: Bavarian Baukindergeld Plus – forms of ownership and types of measures by area of approval**

	Purchase of existing apartments			Total homes	Total volume
	Single-family home	Two-family home	Owner-occupied flat	Number	EUR
Munich	22	3	50	129	699,000
Nuremberg	75	3	51	171	873,900
Augsburg	26	5	44	93	528,000
Upper Bavaria	336	65	173	1,359	7,470,900
Lower Bavaria	273	29	43	936	4,983,000
Upper Palatinate	242	39	41	784	4,021,500
Upper Franconia	390	40	34	858	4,602,000
Middle Franconia	354	58	77	965	4,966,500
Lower Franconia	347	57	45	958	5,190,900
Swabia	325	50	103	1,065	5,982,900
<b>Jointly</b>	<b>2,390</b>	<b>349</b>	<b>661</b>	<b>7,318</b>	<b>39,318,600</b>

*Bavarian Baukindergeld Plus helped households comprising 27,772 people (of which 13,197 children) to own their own homes.*

## 4 Subsidisation of condominium owners' associations

Tab. 4.1 Total subsidies by area of approval

	Flats	%	Loans
Munich	–	–	1,700,000
Nuremberg	–	–	–
Augsburg	–	–	–
Upper Bavaria	222	<b>91.7</b>	4,176,000
Lower Bavaria	–	–	–
Upper Palatinate	–	–	12,000
Upper Franconia	20	<b>8.3</b>	150,000
Middle Franconia	–	–	–
Lower Franconia	–	–	–
Swabia	–	–	–
<b>Jointly</b>	<b>242</b>	<b>100.0</b>	<b>6,038,000</b>



# 5 Subsidisation of facilities for people with disabilities

Tab. 5.1 Subsidies for construction of new residential spaces by area of approval

	Residential places subsidised with loans/grants <sup>1</sup>						Residential places subsidised only with grants <sup>2</sup>		
	Subsidised residential places	Non-repayable loans	Amortising loans	Average loan per residential place	Grants	Average grant per residential place	Number	EUR	Average per residential place
	Number	EUR	EUR	EUR	EUR	EUR			EUR
Munich	–	–	–	–	–	–	–	–	–
Nuremberg	–	–	–	–	–	–	–	–	–
Augsburg	–	–	–	–	–	–	–	–	–
Upper Bavaria	19	1,578,300	301,320	98,927	1,205,280	63,436	48	6,866,000	143,042
Lower Bavaria	24	1,000,200	–	41,675	2,174,200	90,592	24	3,045,750	126,906
Upper Palatinate	–	–	–	–	–	–	35	4,325,900	–
Upper Franconia	–	–	–	–	–	–	24	3,052,450	127,185
Middle Franconia	24	2,500,000	–	104,167	1,868,000	77,833	54	7,263,900	134,517
Lower Franconia	24	2,600,000	–	108,333	1,482,700	61,779	32	2,695,500	84,234
Swabia	–	–	–	–	–	–	–	–	–
<b>Jointly</b>	<b>91</b>	<b>7,678,500</b>	<b>301,320</b>	<b>87,690</b>	<b>6,730,180</b>	<b>73,958</b>	<b>217</b>	<b>27,249,500</b>	<b>125,574</b>
Subsequent and residual approvals			–						
<b>Total</b>			<b>301,320</b>						

1 Of which 67 residential places for sheltered workshop employees, 24 residential places for attendees of vocational education institutions, 0 places in residences with an integrated daily structure and 0 residential places from the special investment programme for conversion of complex facilities.

2 Of which 5 places for attendees of vocational education institutions, 38 places in vocational education institutions, 24 places in residences with structured day facilities and 150 residential places from the special investment programme for conversion of complex facilities.

**Tab. 5.2 Total costs and size of residential places by areas of approval**

	Residential places <sup>1</sup> new builds	Total costs of new builds		Average size of residential place
		per residential place	per m <sup>2</sup> of residential area	
		EUR	EUR	
	Number			m <sup>2</sup>
Munich	–	–	–	–
Nuremberg	–	–	–	–
Augsburg	–	–	–	–
Upper Bavaria	19	327,105	4,777	68
Lower Bavaria	24	218,021	4,941	44
Upper Palatinate	–	–	–	–
Upper Franconia	–	–	–	–
Middle Franconia	24	306,836	5,987	56
Lower Franconia	24	358,409	6,348	51
Swabia	–	–	–	–
<b>Jointly</b>	<b>91</b>	<b>301,246</b>	<b>5,544</b>	<b>54</b>

*1 Not including residential places subsidised solely with grants.*

## 6 BayernLabo municipal subsidy programmes in conjunction with the KfW

**Tab. 6.1** Tab. 6.1 Investkredit Kommunal Bayern (Bavarian municipal investment loan) (subsidisation of investments in general municipal and social infrastructure)

Administrative district	Number	Approval amount	Total costs
		EUR	EUR
Upper Bavaria	26	42,651,000	99,274,000
Lower Bavaria	10	14,396,000	39,269,000
Upper Palatinate	8	8,734,800	20,285,500
Upper Franconia	8	9,170,000	15,445,000
Middle Franconia	1	570,000	1,335,000
Lower Franconia	8	7,675,000	18,605,000
Swabia	5	14,450,000	27,096,000
<b>Jointly</b>	<b>66</b>	<b>97,646,800</b>	<b>221,309,500</b>

**Tab. 6.2** Energiekredit Kommunal Bayern (Bavarian municipal energy loan) (subsidisation of investments in energy-related modernisation of municipal and social infrastructure)

Administrative district	Number	Approval amount	Total costs
		EUR	EUR
Upper Bavaria	12	28,515,800	48,746,800
Lower Bavaria	5	7,656,000	12,386,000
Upper Palatinate	3	3,330,000	8,123,000
Upper Franconia	2	1,110,000	2,426,000
Middle Franconia	3	2,140,000	10,239,000
Lower Franconia	1	450,000	498,000
Swabia	4	3,674,000	11,327,000
<b>Jointly</b>	<b>30</b>	<b>46,875,800</b>	<b>93,745,800</b>

# 7 BayernLabo loan and grant commitments

Tab. 7.1 Loan and grant commitments from BayernLabo

	2021							
	Loan and grant commitments (1 of 4)				Homes and residential places			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
		EUR	EUR	EUR	RU	RU	RU	RU
<b>A – Subsidies for rental housing</b>								
<b>Bavarian residential construction programme – amortising loan</b>								
Disability plan – new builds	–	301,320	–	–	–	–	–	–
Income-based subsidies – new builds	123	347,693,190	118,697,600	76,091,400	–	–	3,953	–
Expenditure-based subsidies – new builds	2	–	3,930,300	556,800	–	–	28	–
	<b>125</b>	<b>347,994,510</b>	<b>122,627,900</b>	<b>76,648,200</b>	–	–	<b>3,981</b>	–
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>								
Disability plan – new builds – combined subsidy	4	7,678,500	–	6,730,180	–	–	–	91
Disability plan – new builds – grants	13	–	–	27,249,500	–	–	–	217
Loans to structurally adapt properties for people with disabilities	207	1,730,220	–	–	–	–	207	–
Loans to build student halls of residence	7	33,174,600	–	–	–	–	–	1,316
	<b>231</b>	<b>42,583,320</b>	–	<b>33,979,680</b>	–	–	<b>207</b>	<b>1,624</b>
<b>Municipal housing subsidy programme</b>								
Combined subsidy	27	–	116,985,500	77,490,200	–	–	521	–
Grant subsidy	18	–	–	10,731,500	–	–	106	–
	<b>45</b>	–	<b>116,985,500</b>	<b>88,221,700</b>	–	–	<b>627</b>	–
<b>Bavarian modernisation programme</b>								
Subsidies for rental homes	26	–	65,817,000	5,343,300	–	–	757	–
Subsidies for places in nursing homes	2	–	2,334,000	583,500	–	–	–	208
Condominium owners' association	9	–	6,038,200	–	–	–	242	–
	<b>37</b>	–	<b>74,189,200</b>	<b>5,926,800</b>	–	–	<b>999</b>	<b>208</b>
<b>Other subsidies</b>								
Creation of energy-efficient rental housing (EERH)	[31]	–	100,328,160	–	–	–	[965]	–
New business under own-liability	9	–	73,941,000	–	–	–	–	–
Loans for promoting affordable housing	5	82,103,150	–	9,760,100	–	–	475	–
Modernisation of leasehold flats	9	–	2,744,000	–	–	–	56	–
	<b>23</b>	<b>82,103,150</b>	<b>177,013,160</b>	<b>9,760,100</b>	–	–	<b>531</b>	–
<b>Total A – Subsidies for rental housing</b>	<b>461</b>	<b>472,680,980</b>	<b>490,815,760</b>	<b>214,536,480</b>	–	–	<b>6,345</b>	<b>1,832</b>

The homes in square brackets already receive subsidies under the Bavarian residential construction programme. These figures are shown for information purposes only and are not included in the totals.

Tab. 7.1 Continued: BayernLabo loan and grant commitments

	2020						
	Loan and grant commitments (2 of 4)			Homes and residential places			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes
	EUR	EUR	EUR	RU	RU	RU	RU
<b>A – Subsidies for rental housing</b>							
<b>Bavarian residential construction programme – amortising loan</b>							
Disability plan – new builds	–	1,472,030	–	–	–	–	–
Income-based subsidies – new builds	137	337,859,580	103,594,200	69,332,180	–	–	3,224
Expenditure-based subsidies – new builds	3	350,700	1,689,200	433,900	–	–	19
	<b>140</b>	<b>339,682,310</b>	<b>105,283,400</b>	<b>69,766,080</b>	–	–	<b>3,243</b>
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>							
Disability plan – new builds – combined subsidy	13	8,238,500	–	14,705,230	–	–	–
Disability plan – new builds – grants	16	–	–	28,422,376	–	–	–
Loans to structurally adapt properties for people with disabilities	219	1,764,010	–	–	–	–	219
Loans to build student halls of residence	3	9,542,300	–	–	–	–	–
	<b>251</b>	<b>19,544,810</b>	–	<b>43,127,606</b>	–	–	<b>219</b>
<b>Municipal housing subsidy programme</b>							
Combined subsidy	43	–	117,295,600	81,035,000	–	–	688
Grant subsidy	17	–	–	58,353,700	–	–	545
	<b>60</b>	–	<b>117,295,600</b>	<b>139,388,700</b>	–	–	<b>1,233</b>
<b>Bavarian modernisation programme</b>							
Subsidies for rental homes	30	–	54,068,155	5,385,855	–	–	819
Subsidies for places in nursing homes	–	–	–	–	–	–	–
Condominium owners' association	16	–	7,768,281	–	–	–	460
	<b>46</b>	–	<b>61,836,436</b>	<b>5,385,855</b>	–	–	<b>1,279</b>
<b>Other subsidies</b>							
Creation of energy-efficient rental housing (EERH)	[32]	–	73,318,700	–	–	–	[790]
New business under own-liability	6	–	20,484,690	–	–	–	–
Loans for promoting affordable housing	3	36,014,500	–	2,943,300	–	–	169
Modernisation of leasehold flats	22	–	14,596,900	–	–	–	250
	<b>31</b>	<b>36,014,500</b>	<b>108,400,290</b>	<b>2,943,300</b>	–	–	<b>419</b>
<b>Total A – Subsidies for rental housing</b>	<b>528</b>	<b>395,241,620</b>	<b>392,815,726</b>	<b>260,611,541</b>	–	–	<b>6,393</b>

The homes in square brackets already receive subsidies under the Bavarian residential construction programme. These figures are shown for information purposes only and are not included in the totals.



Tab. 7.1 Continued: BayernLabo loan and grant commitments

	2021							
	Loan and grant commitments (3 of 4)				Homes and residential places			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
	EUR	EUR	EUR	RU	RU	RU	RU	
<b>B – Home ownership subsidies</b>								
<b>Bavarian residential construction programme – amortising loan</b>								
New build	310	10,231,100	6,509,000	3,427,900	274	36	–	–
Purchase of existing homes	658	20,678,200	10,618,100	25,441,600	544	114	–	–
	<b>968</b>	<b>30,909,300</b>	<b>17,127,100</b>	<b>28,869,500</b>	<b>818</b>	<b>150</b>	–	–
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>								
Loans to structurally adapt properties for people with disabilities	2,607	22,541,095	–	–	2,299	308	–	–
	<b>2,607</b>	<b>22,541,095</b>	–	–	<b>2,299</b>	<b>308</b>	–	–
<b>Bavarian low interest rate loan programme</b>								
Combined subsidy – new builds	[262]	–	37,195,200	–	[230]	[32]	–	–
Combined subsidy – purchases	[560]	–	64,702,800	–	[467]	[93]	–	–
Individual subsidy – new builds	134	–	24,651,300	–	97	37	–	–
Individual subsidy – purchases	67	–	11,048,800	–	54	13	–	–
	<b>201</b>	–	<b>137,598,100</b>	–	<b>151</b>	<b>50</b>	–	–
<b>Other subsidies</b>								
Bavarian Home Ownership Subsidy	20,573	–	–	205,708,000	–	–	–	–
Bavarian Baukindergeld Plus	7,318	–	–	39,318,600	–	–	–	–
Debt restructuring of subsidised loans (inventories)	1	–	35,692	–	–	–	–	–
	<b>27,892</b>	–	<b>35,692</b>	<b>245,026,600</b>	–	–	–	–
<b>Total B – Home ownership subsidies</b>	<b>31,668</b>	<b>53,450,395</b>	<b>154,760,892</b>	<b>273,896,100</b>	<b>3,268</b>	<b>508</b>	–	–
<b>C – State and municipal loan business</b>								
Municipal loans	222	–	633,877,868	–	–	–	–	–
Investkredit Kommunal Bayern (Bavarian municipal investment loan)	67	–	97,646,800	–	–	–	–	–
Energiekredit Kommunal Bayern (Bavarian municipal energy loan)	30	–	46,875,800	–	–	–	–	–
Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)	1	–	160,000	–	–	–	–	–
State lending business with the Free State of Bavaria	–	–	–	–	–	–	–	–
<b>Total C – State and municipal loan business</b>	<b>320</b>	–	<b>778,560,468</b>	–	–	–	–	–
<b>State-subsidised business in 2021</b>	<b>32,449</b>	<b>526,131,375</b>	<b>1,424,137,120</b>	<b>488,432,580</b>	<b>3,268</b>	<b>508</b>	<b>6,345</b>	<b>1,832</b>

The homes in square brackets already receive subsidies under the Bavarian residential construction programme. These figures are shown for information purposes only and are not included in the totals.

Tab. 7.1 Continued: BayernLabo loan and grant commitments

	2020							
	Loan and grant commitments (4 of 4)				Homes and residential places			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
	EUR	EUR	EUR	RU	RU	RU	RU	
<b>B – Home ownership subsidies</b>								
<b>Bavarian residential construction programme – amortising loan</b>								
New build	402	12,477,400	9,920,500	4,711,300	359	43	–	–
Purchase of existing homes	1,061	28,217,250	24,784,800	40,566,900	893	169	–	–
	<b>1,463</b>	<b>40,694,650</b>	<b>34,705,300</b>	<b>45,278,200</b>	<b>1,252</b>	<b>212</b>	–	–
<b>Bavarian residential construction programme – conditionally non-repayable loans</b>								
Loans to structurally adapt properties for people with disabilities	2,685	23,330,748	–	–	2,379	306	–	–
	<b>2,685</b>	<b>23,330,748</b>	–	–	<b>2,379</b>	<b>306</b>	–	–
<b>Bavarian low interest rate loan programme</b>								
Combined subsidy – new builds	[296]	–	36,827,800	–	[259]	[37]	–	–
Combined subsidy – purchases	[809]	–	81,974,400	–	[682]	[127]	–	–
Individual subsidy – new builds	132	–	22,420,900	–	117	15	–	–
Individual subsidy – purchases	93	–	14,179,300	–	78	15	–	–
	<b>225</b>	–	<b>155,402,400</b>	–	<b>195</b>	<b>30</b>	–	–
<b>Other subsidies</b>								
Bavarian Home Ownership Subsidy	24,404	–	–	244,024,000	–	–	–	–
Bavarian Baukindergeld Plus	16,285	–	–	86,603,400	–	–	–	–
Debt restructuring of subsidised loans (inventories)	14	–	248,496	–	–	–	–	–
	<b>40,703</b>	–	<b>248,496</b>	<b>330,627,400</b>	–	–	–	–
<b>Total B – Home ownership subsidies</b>	<b>45,076</b>	<b>64,025,398</b>	<b>190,356,196</b>	<b>375,905,600</b>	<b>3,826</b>	<b>548</b>	–	–
<b>C – State and municipal loan business</b>								
Municipal loans	291	–	710,577,522	–	–	–	–	–
Investkredit Kommunal Bayern (Bavarian municipal investment loan)	76	–	92,145,500	–	–	–	–	–
Energiekredit Kommunal Bayern (Bavarian municipal energy loan)	41	–	76,065,000	–	–	–	–	–
Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)	–	–	–	–	–	–	–	–
State lending business with the Free State of Bavaria	1	–	150,000,000	–	–	–	–	–
<b>Total C – State and municipal loan business</b>	<b>409</b>	–	<b>1,028,788,022</b>	–	–	–	–	–
<b>State-subsidised business in 2021</b>	<b>46,013</b>	<b>459,267,018</b>	<b>1,611,959,944</b>	<b>636,517,141</b>	<b>3,826</b>	<b>548</b>	<b>6,393</b>	<b>689</b>

The homes in square brackets already receive subsidies under the Bavarian residential construction programme. These figures are shown for information purposes only and are not included in the totals.

## 8 Legal basis

Directive for the subsidisation of investments for the creation of special forms of housing in the meaning of Section 42a SGB XII (former inpatient facilities) for people with disabilities as part of the conversion of complex facilities; announcement of the Bavarian State Ministry for Family Affairs, Labour and Social Affairs of 1 October 2021, Ref. II1/6334.01-1/107 (BayMBL. No. 738).

The Bayerische Landesbank Act (BayLaBG) in the version as published in the notification dated 1 February 2003 (GVBl. p. 54, rect. p. 316, BayRS 762-6-F), most recently amended by Section 1 (328) of the Regulation dated 26 March 2019 (GVBl. p. 98), which came into effect as at 1 May 2019.

The statutes of Bayerische Landesbank dated 24 June 2013, published in the Bavarian State Gazette No. 26 on 28 June 2013 and last amended as published in the Bavarian State Gazette on 17 April 2020.

Bavarian Subsidised Housing Act (BayWoFG) dated 10 April 2007 (GVBl. p. 260, BayRS 2330-2-B), most recently amended by Section 1 (266) of the Regulation dated 26 March 2019 (GVBl. p. 98).

The Second Housing Act (II. WoBauG) in the version as published on 19 August 1994 (BGBl. I p. 2137), most recently amended by the law of 19 June 2001 (BGBl. I p. 1149). The 2nd WoBauG was overridden by Article 2 of the Act to Reform Housing Law dated 13 September 2001 (BGBl. I p. 2376) as at 1 January 2002, although parts of it continue to apply in accordance with Section 48 of the Subsidised Housing Act and Article 24 of the Bavarian Subsidised Housing Act.

Subsidised Social Housing Act (WoFG) dated 13 September 2001 (BGBl. I p. 2376), most recently amended by Article 42 of the act of 20 November 2019 (BGBl. I p. 1626).

Act to Ensure the Purpose of Social Housing in Bavaria (Bavarian Controlled Tenancy Act [BayWoBindG]) in the version published on 23 July 2007 (GVBl. p. 562, 781; 2011 p. 115, BayRS 2330-3-B), most recently amended by Section 1 (267) of the Regulation dated 26 March 2019 (GVBl. p. 98).

Provisions of the Subsidised Housing Programme 2012 (WFB 2012) as published in the notification by the Bavarian State Ministry of the Interior regarding the provisions of the Subsidised Housing Programme 2012 (2012) dated 11 January 2012 (AllMBl. p. 20), most recently amended by the notification published on 3 December 2021 (BayMBL. No. 912).

Housing Calculation Regulation (Second Calculation Regulation [II. BV]) in the version published on 12 October 1990 (BGBl. I p. 2178), most recently amended by Article 78 (2) of the Second Act on the Revision of Federal Law under the Authority of the Federal Ministry of Justice (zweites Gesetz über die Bereinigung von Bundesrecht im Zuständigkeitsbereich des BMJ) dated 23 November 2007 (BGBl. I p. 2614).

Regulation on Calculating Residential Space (WoFlV) dated 25 November 2003 (BGBl. I p. 2346).

Regulation on the Structure of Operating Costs (BetrKV) dated 25 November 2003 (BGBl. I p. 2346, 2347), amended by Article 15 of the Telecommunications Amendment Act (Gesetz zur Änderung telekommunikationsrechtlicher Regelungen) dated 3 May 2012 (BGBl. I p. 958).

Announcement of the Bavarian State Ministry of the Interior on the Bavarian low interest rate loan programme to promote home ownership of 3 January 2005 (AllMBl. S. 9), last amended by notice dated 2 December 2021 (BayMBl. No. 909).

Regulation to Implement Social Laws (AVSG) dated 2 December 2008 (GVBl. p. 912, 982, BayRS 86-8-A/G), most recently amended by Sections 1 and 2 of the Regulation dated 26 November 2020 (GVBl. p. 641) and by the Regulation dated 1 December 2020 (GVBl. P. 643)).

Guidelines for the loan programme to create energy-efficient rental housing (EnMWR), as published by the Bavarian State Ministry for Housing, Construction and Transport dated 26 August 2019, ref. 31-4764.4-4 (BayMBl. No. 358), expired on 31 December 2021.

Guidelines for awarding a grant to build or buy residential property for own use (Bavarian Home Ownership Subsidy – Bayerische Eigenheimzulagen-Richtlinien – EHZR), as published by the Bavarian State Ministry for Housing, Construction and Transport dated 7 August 2018, ref. 31-4740-7-2 (AllMBl. p. 554), expired on 31 December 2020.

Guidelines for awarding Baukindergeld Plus to build or buy owner-occupied homes for families with children and single parents in Bavaria (Baukindergeld Plus Guidelines – BayBauKGPR), as published by the Bavarian State Ministry for Housing, Construction and Transport dated 14 September 2018, ref. 31-4740.4-2-2 (AllMBl. p. 905), expired on 31 December 2020.

Guidelines for the loan programme of Bayerische Landesbodenkreditanstalt to subsidise the modernisation of buildings of condominium owners' associations (WEG Modernisierungsprogramm – BayModWEG), as published by the Bavarian State Ministry for Housing, Construction and Transport dated 8 August 2018, ref. 31-4764-3 (AllMBl. p. 558), amended by the publication dated 9 July 2019 (BayMBl. No. 279).

Guidelines on awarding grants from the Free State of Bavaria to promote sports outside of school (sport subsidy guidelines – Sportförderrichtlinien), as published by the Bavarian State Ministry of the Interior, Construction and Transport regarding the guidelines on awarding grants from the Free State of Bavaria to promote sports outside of school (sport subsidy guidelines – Sportförderrichtlinien – SportFör) dated 30 December 2016 (AllMBl.2017 p. 14), most recently amended by the publication dated 8 December 2021 (BayMBl. No. 930).

Guidelines for the Bavarian modernisation programme (BayModR), as published by the Bavarian State Ministry of the Interior dated 30 March 2009 (AllMBl. p. 136), most recently amended in the publication dated 3 December 2021 (BayMBl. No. 913).

Guidelines for Subsidies for Student Accommodation (StudR 2021), as published by the Bavarian State Ministry of the Interior, for Construction and Transport dated 22 June 2021 (BayMBl. No. 506).

Guidelines for supplementary subsidies under state housing assistance (Bavarian supplementary subsidy guidelines – Bayerische Zusatzförderungsrichtlinien – BayZfR) dated 30 September 2005 (FMBl. p. 181), most recently amended by the publication dated 22 May 2019 (BayMBl. No. 205).

Guidelines for assuming state guarantees to subsidise housing (Article 1 (1) No. 3 BÜG), as published jointly by the Bavarian State Ministry of Finance and of the Interior dated 5 March 2003 (FMBl. p. 112), most recently amended by the publication dated 3 February 2010 (FMBl. p. 84).

Guidelines for the municipal development programme to create rental housing in Bavaria, as published by the Bavarian State Ministry of the Interior, Construction and Transport dated 22 December 2015 (AllMBl. p. 3), most recently amended in the publication dated 27 November 2019 (BayMBl. No. 531).

Provisions for subsidising the construction and purchase of homes for public sector employees of the Bavarian State Ministry of Finance, Regional Development and Regional Identity dated 8 November 2017 (Gz. 15 – VV 8070- 2/1).

Requirements for funding modernisations and renovations of state employees' housing, finalised 14 July 2017.



# 9 Administrative bodies

## BayernLabo Committee

Pursuant to Section 24a of BayernLB's statutes, a committee must be formed from the BayernLB Supervisory Board to deal with matters pertaining to BayernLabo. This committee will take all decisions relating to BayernLabo that are within the remit of the Supervisory Board.

### Harald Hübner

Chairman of the BayernLabo Committee  
Deputy Secretary  
Bavarian State Ministry of Finance and Regional Identity, Munich, Germany

### Judith Steiner

Deputy Chairwoman  
of the BayernLabo Committee  
Under Secretary  
Bavarian State Ministry of Finance and Regional Identity, Munich, Germany

### Dr Roland Fleck

Managing Director  
NürnbergMesse GmbH, Nuremberg

### Dr Kurt Gribl

Former Lord Mayor, Augsburg, Germany

### Dr Thomas Langer

Under Secretary  
Bavarian State Ministry of Economic Affairs,  
Regional Development and Energy, Munich,  
Germany

## Board of Management of BayernLB (including allocation of responsibilities as from 1 May 2021)

### Stephan Winkelmeier

CEO  
Corporate Center  
Group Treasury  
Deutsche Kreditbank Aktiengesellschaft  
Group Treasury

### Marcus Kramer

CRO  
Risk Office

### Dr Markus Wiegelmann

CFO/COO  
Financial Office  
Operating Office

### Gero Bergmann (from 1 April 2021)

Real Estate & Savings Banks/Financial Institutions  
Bayerische Landesbodenkreditanstalt  
Real I.S. AG Gesellschaft für Immobilien  
Assetmanagement  
BayernInvest Kapitalverwaltungsgesellschaft mbH

### Johannes Anschott (from 1 April 2021)

Corporates & Markets

### Dr Edgar Zoller (until 30 April 2021)

Deputy CEO  
Most recent area of responsibility:  
Real Estate & Savings Banks/Financial Institutions  
Bayerische Landesbodenkreditanstalt  
Real I.S. AG Gesellschaft für Immobilien  
Assetmanagement  
BayernInvest Kapitalverwaltungs-  
gesellschaft mbH

### Michael Bücker (until 31 March 2021)

Most recent area of responsibility:  
Corporates & Markets

Pursuant to Section 24 (1) of BayernLB's statutes, the following members of the Board of Management are responsible for managing BayernLabo:

### Gero Bergmann (from 1 May 2021)

Head of BayernLabo segment

### Dr Edgar Zoller (until 30 April 2021)

Head of BayernLabo segment

### Johannes Anschott (from 1 May 2021)

Representative for BayernLabo

### Michael Bücker (until 31 March 2021)

Representative for BayernLabo

## BayernLabo's Management

Pursuant to Article 19 of the Bayerische Landesbank Act (BayLaBG), BayernLabo's business is managed by a management team. In the reporting year the management team consisted of:

### Dr Ulrich Klein

Spokesperson of BayernLabo Management

### Christian Wunderlich

Member of the BayernLabo Management

### Dr Jürgen Hartwig

Member of the BayernLabo Management

# 10 Your contact

## The management team



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**Spokesperson for the BayernLabo Management**

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## Subsidies for owner-occupied housing – new business



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## Municipal loans



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## Investor Relations



**Florian Ruhland**  
**Department Manager**

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# 11 Picture credits

Gero Bergmann, member of the Board of Management of BayernLB, Photo: BayernLB	Page 4
Christian Bernreiter, Bavarian State Minister for Housing, Construction and Transport Photo: StMB	Page 5
Albert Füracker, Bavarian Minister of State for Finance and Home Affairs Photo: StMFH	Page 6
Dr Edgar Zoller, BayernLB, Photo: BayernLB	Page 13
Gero Bergmann, member of the Board of Management of BayernLB, Photo: BayernLB	Page 13
Dr Ulrich Klein, Spokesperson for the BayernLabo Management Photo: BayernLabo	Page 14
Dr Jürgen Hartwig, member of the BayernLabo Management Photo: BayernLabo	Page 14
Christian Wunderlich, member of the BayernLabo Management Photo: BayernLabo	Page 14
Inauguration of the BayernLabo support centre in Grafenau Photo: BayernLabo	Page 15
BayernLabo in Grafenau Photo: BayernLabo	Page 15
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Contractor: Lebenshilfe Wohnstätten GmbH Augsburg  
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Residential complex for students, Regensburg  
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Contractor: Studentenwerk Niederbayern/Oberpfalz, Regensburg  
Planning: Behnisch Architekten Partnerschaft mbB, Munich  
Photo: David Mathiessen Fotografie, Stuttgart

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New construction of vocational school centre, Weilheim  
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Contractor: Weilheim-Schongau District  
Planning: Hitzler Ingenieur e. K., Munich  
Photo: Weilheim District Office

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New town hall with library and civic hall, Kirchheim near Munich  
Investkredit Kommunal Bayern (Bavarian municipal investment loan)  
Contractor: municipality of Kirchheim bei München  
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Subsidies for student accommodation  
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## 12 List of abbreviations

II. BV	Second Regulation on Housing Calculations in Accordance with the Second Housing Act (Second Calculation Regulation)
II. WoBauG	Second Housing Act (Housing and Family Homes Act)
AllMBL	General Ministerial Gazette
APP	Asset Purchase Programme
Art.	Article
BayBauKGPR	Baukindergeld-Plus Guidelines
BayernLabo	Bayerische Landesbodenkreditanstalt
BayernLB	Bayerische Landesbank
BayLaBG	Bayerische Landesbank Act
BayMBL	Bavarian Ministerial Gazette
BayModR	Guidelines for the Bavarian modernisation programme
BayModWEG	Guidelines for the Loan Programme of the Bayerische Landesbodenkreditanstalt to Promote the Modernisation of Buildings of Condominium Owners' Associations (WEG Modernisation Programme)
BayRS	Bavarian collection of laws
BayWoBindG	Act to Ensure the Purpose of Social Housing in Bavaria (Bavarian Controlled Tenancy Act)
BayWoFG	Bavarian Subsidised Housing Act
BayZfR	Guidelines for supplementary subsidies under state housing assistance (Bavarian supplementary subsidy guidelines)
BEG	Federal Subsidy for Energy-efficient Buildings
BetrKV	Regulation on the Structure of Operating Costs (Operating Costs Regulation)
BGBL	Federal Law Gazette
BMJ	Federal Ministry of Justice
BÜG	Act on the Assumption of State Guarantees and Guarantees by the Free State of Bavaria
CTA	Contractual Trust Agreement
DRRM	Decentralised Reputational Risk Manager

EBS	1. Energy-efficient building and refurbishment 2. Expenditure-based subsidies
ECB	European Central Bank
EHZR	Guidelines for the granting of a subsidy for the construction or acquisition of housing for owner-occupied purposes (Bavarian Home Ownership Subsidy)
EIB	European Investment Bank
EnEV	German Energy Saving Ordinance
EnMWR	Guidelines for the Energy-efficient Rental Housing Loan Programme
ESG	Environmental Social Governance
ESM	European Stability Mechanism
EU	European Union
FMBl.	Official Gazette of the Bavarian State Ministry of Finance, Regional Development and Home Affairs
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GEG	Act on Energy Saving and the Use of Renewable Energies for Heating and Cooling in Buildings (Building Energy Act)
GVBl.	Law and Ordinance Gazette
HGB	German Commercial Code
IBS	Income-based subsidies
ICMA	International Capital Markets Association
ISS	Institutional Shareholder Services
KfW	Kreditanstalt für Wiederaufbau
KommWFP	Municipal Housing Subsidy Programme
OZG	Act to Improve Online Access to Administrative Services (Online Access Act)
PEPP	Pandemic Emergency Purchase Programme
Ref.	Reference number
SDGs	Sustainable Development Goals
SGB	German Social Code



SportFÖR	Guidelines on the Granting of Allowances by the Free State of Bavaria for the Promotion of Extracurricular Sports (Sports Promotion Guidelines)
StMB	Bavarian State Ministry for Housing, Construction and Transport
StMFH	Bavarian State Ministry of Finance and Home Affairs
StudR	Guidelines for subsidies for student accommodation
SWG	Stadt- und Wohnbau GmbH Schweinfurt
TLTRO	Targeted Longer-Term Refinancing Operations
UN	United Nations
WFB	Subsidised housing provisions
WoFG	Subsidised Social Housing Act
WoFlV	Regulation on Calculating Residential Space

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