

Annual Report 2024

BayernLabo at a glance

Income statement (HGB)

€ million	1 Jan – 31 Dec 2024	1 Jan – 31 Dec 2023
Net interest and net commission income	138	121
Administrative expenses	(70)	(69)
Net profit	55	25

Balance sheet (HGB)

€ million	31 Dec 2024	31 Dec 2023
Total assets	22,691	21,793
Credit volume	17,176	16,768
Liabilities (including issues)	13,674	13,369
Liabilities held in trust	6,381	5,998
Reported own funds	2,476	2,363

Current rating

Moody's	2024	2023
Long-term rating	Aaa	Aaa
Short-term rating	P-1	P-1
Outlook	Stable	Stable

Institutional Shareholder Services	2024	2023
ESG rating	Prime	Prime

New business

€ million	1 Jan – 31 Dec 2024	1 Jan – 31 Dec 2023
Loan and grant commitments	3,180	2,570
Number of homes and residential places subsidised	12,871	9,246

Human resources

Number	31 Dec 2024	31 Dec 2023
Total	226	213
Women	147	134
Men	79	79

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Foreword



Gero Bergmann

Dear readers of BayernLabo's 2024 Annual Report,

The year 2024 was a special one for BayernLabo – we were able to look back on 140 years of eventful history. Since it was founded in 1884 by King Ludwig II, the former Landeskulturrentenanstalt has developed into a modern, high-performance development bank that supports the Free State of Bavaria as a reliable partner in realising its housing and municipal policy objectives.

In our anniversary year, we achieved a record result with a total subsidy volume of €3.2 billion – €1.9 billion in subsidised housing and €1.3 billion in the municipal lending business. This success was realised thanks to the great commitment of our employees and the consistent expansion of our structures.

At the same time, we are pushing ahead with digitalisation. Numerous successful IT measures in 2024 not only implemented technological innovations, but also sustainably optimised our working methods and service quality.

In the context of a socially just transformation, construction and renovation that meets intergenerational needs is more important than ever. For example, we use the "sustainability grant" to promote special measures that extend beyond the requirements already stipulated by law or subsidy legislation, such as green façades, rainwater utilisation and mobility stations. For us, digitalisation and sustainability go hand in hand.

For 140 years, BayernLabo has been actively shaping Bavaria's development as a #homesubsidiser in the area of housing subsidisation and municipal financing – then, as now, with the aim of creating liveable, social and sustainable spaces for the people of Bavaria.

I wish you interesting reading!

Sincerely,

A handwritten signature in black ink, appearing to be 'G. Bergmann', written in a cursive style.

Gero Bergmann
Member of the Board of Management of Bayerische Landesbank



Christian Bernreiter
© StMB/Atelier Krammer

Dear readers,

The Bavarian state government has significantly expanded subsidised housing construction and provided approval funds totalling €2.2 billion over the last two years.

Our measures for more affordable housing are having an impact: with the Bavarian residential construction programme, the municipal housing subsidy programme and the BayernLoan, we subsidised around 8,700 rental apartments and owner-occupied homes. Added to this were almost 2,400 residential places for students and trainees, around 300 residential units for people with disabilities, the modernisation of over 1,000 apartments and residential places and the extension of almost 1,200 occupancy commitments. With a total of 13,600 apartments and residential units, the strong result achieved in 2023 was exceeded by around 50%.

As Chairman of the Construction Ministers Conference, I am lobbying the federal government to improve overall conditions in order to boost privately financed housing construction. The temporary reintroduction of declining balance amortisation in rental housing must remain in place permanently. Tax relief for owner-occupied housing is also essential in order to create more private properties. To protect the climate, we also need a shift from energy to emissions efficiency. By focusing on carbon emissions, we are enhancing the effectiveness of climate change mitigation measures, while at the same time reducing construction costs – a win-win situation for both the environment and housing construction.

Our goal remains clear: more affordable housing – both subsidised and privately financed. I would like to thank BayernLabo for its outstanding commitment. Let's shape Bavaria together.

Sincerely,

Christian Bernreiter, Member of the Bavarian State Parliament
State Minister of the Interior, for Building and Transport



Albert Füracker

Dear Reader,

In April 2024, BayernLabo celebrated its 140th anniversary. Since its foundation in 1884 by King Ludwig II, it can look back on impressive development and growth. The former Landeskulturrentenanstalt has now not only established itself as an important body of state housing policy, but also offers extensive financing options as a municipal lending bank. With constantly fresh impetus, it is a strong and reliable partner to the Free State of Bavaria in the implementation and realisation of its subsidised housing programmes.

The creation of affordable housing for all income groups is a high priority for the Bavarian state government. To this end, the so-called “housing construction billion” will be further stabilised and the supplementary budget for 2025 provides for an approval framework for state housing subsidies with a new record level of around €1.3 billion. Despite difficult macroeconomic conditions and a tight budget situation, it is important to the Free State of Bavaria to maintain and expand state housing subsidies at a high level.

Many thanks to all BayernLabo staff who, with their great commitment and valuable wealth of experience, make a significant contribution to the subsidisation of residential and urban development in Bavaria.

Sincerely,

A handwritten signature in blue ink that reads "Albert Füracker". The signature is written in a cursive, flowing style.

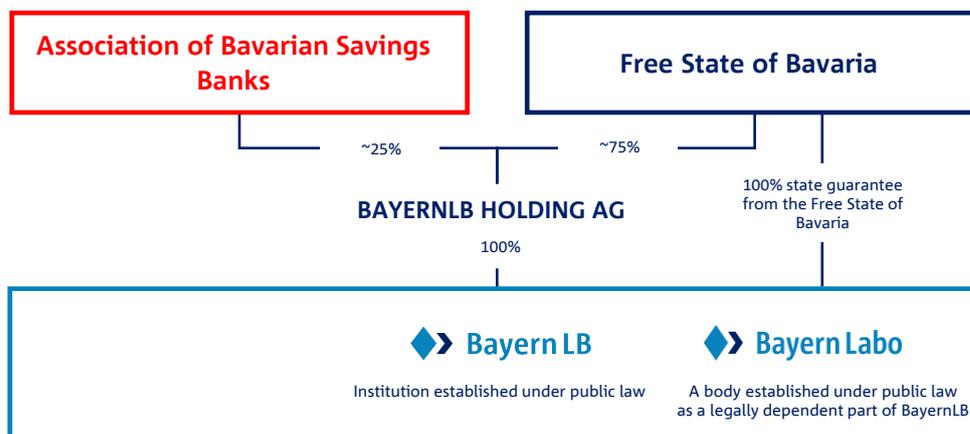
Albert Füracker, Member of the Bavarian State Parliament
State Minister of Finance and Regional Identity

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.

BayernLabo in the BayernLB Group (2024)



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.¹ 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 municipal and social infrastructure with customised traditional municipal loans and, in cooperation with Kreditanstalt für Wiederaufbau (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.²

To enable it to provide the financial resources for these subsidies, BayernLabo extends fiduciary loans and state-guaranteed equity loans on a non-competitive basis. It funds its own business

¹ Article 20 para. 1 of the Bayerische Landesbank Act (BayLaBG).

² Article 20 para. 3 BayLaBG

through Kreditanstalt für Wiederaufbau (KfW), the Landwirtschaftliche Rentenbank, the European Investment Bank, 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.³ Supervision is the responsibility of the Bavarian State Ministry of Finance and Regional Identity (StMFH).⁴

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 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 Housing, Construction and Transport (StMB) (StMB), sustainability criteria are integrated into the funding programmes in the best possible way, particularly in order to help achieve the climate targets of the Paris Agreement.

Corresponding sustainability goals are anchored within BayernLabo's business strategy. Ecological objectives are being promoted in parallel with social objectives. BayernLabo is closely integrated into the BayernLB Group in this respect, and Group-wide standards, guidelines and policies apply correspondingly (where relevant).

³ Article 22 para.2 BayLaBG.

⁴ Article 17 para. 1 BayLaBG.



New construction of the Kunterbunt children's centre in Herrsching
Investkredit Kommunal Bayern (Bavarian municipal investment loan)
Builder-owner: Municipality of Herrsching
Planner: Füllemann Architekten, Gilching
Photo: Municipality of Herrsching

For us, the following are crucial for a shared understanding of sustainability:

- the 17 global sustainable development goals of the UN Agenda 2030,
- the climate goals of the Paris Agreement,
- the goals described in Germany's National Sustainable Development Strategy and the German Sustainable Finance Strategy, as well as
- the Bavarian sustainability strategy.

Sustainability and a focus on the common good are realised throughout the business model through the creation of living space that is affordable and meets demand and intergenerational needs. The preservation of economically powerful and liveable urban centres and the strengthening of rural areas carry equal weight. BayernLabo attaches particular importance to transparency regarding the impact of the subsidised loans and consequently the systematic recording of their measurable contribution to sustainable development in the Free State of Bavaria. For this reason, the allocation of funding to the 17 United Nations Development Goals (SDGs) was further developed in 2024 and adjusted more closely to BayernLabo's requirements. Publication is planned for the first half of 2025.

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.

In addition to the promotion of new properties, the modernisation and refurbishment of existing buildings and the subsidisation of second-time purchases are a key component. Innovative new concepts are also to be increasingly taken into consideration as funding possibilities. In the area of municipal financing, the subsidisation of measures to adapt to climate change will play an increasingly important role in the future, in addition to climate protection services, which continue to be important.

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

02 Highlights



Space for the whole family: Financing your dream home with BayernLabo

Building a house once in a lifetime. Sarah and Christian Debler took the plunge and have been living with their children Nora, nine years old, and Matteo, five years old, in their own single-storey family home in the beautiful Swabian market town of Meitingen since the beginning of 2023. When Christian Debler inherited a plot of land in Meitingen from his grandmother in 2018, he and his wife Sarah quickly made the decision: Let's build! Both come from the region and lived in a two-bedroom owner-occupied apartment in the village. With two growing children, the apartment was starting to get cramped. The plot of land they inherited became the bedrock for their dream of owning their own home.



The happy family in their new home: parents Sarah and Christian Debler and their children Nora (nine years old) and Matteo (five years old)

“We wanted more space and, finally, a garden. That’s how I grew up. That’s what we wanted to offer our children. And they love it.”

Christian Debler, homeowner

As Christian and Sarah are very attached to their home region, they decided to build their dream home with local construction companies and craftsmen. They requested quotes from local companies and formed an idea of the costs involved. Then it was time to take care of the financing.



They sought advice from their bank, as well as from an independent financial services provider. The independent adviser drew their attention to subsidised financing opportunities offered by BayernLabo. “This took us by surprise,” remarks homeowner Christian Debler. “We didn’t think we’d get any subsidised financing. The Baukindergeld building subsidy for families with children was no longer available, and we didn’t know that subsidies were available from the Free State of Bavaria via BayernLabo. Our equity and income were suitable and up to 140 square metres of living space fitted the bill for us.”

The district administration office as the authorising agency to contact

The Augsburg District Administration Office was the agency responsible for authorising housing subsidies for the family. The first step was to check whether the project was eligible. In the Debler family's case, this was not easy, as the community of heirs, the partial inheritance and the existing property on the plot of land meant that several subsidies, such as those for a new replacement building, could be taken into consideration. However, the contact person was well versed and put together the best possible funding package for the Deblers' project.

Processing subsidised loans online

In addition to the main loan from the bank, which was arranged by the financial services provider, the Deblers received a subsidised loan from the Bavarian residential construction programme plus a child subsidy as well as a subsidised loan from the Bavarian low interest rate loan programme with favourable interest rates for a term of thirty years. Around one third of the total financing was covered by BayernLabo's low-interest subsidised loans, which are primarily intended to support young families in buying or building a house in Bavaria. Everything is processed by e-mail as well as in the BayernLabo service portal, where the family manages their subsidised loans completely online and has access to all documents and annual statements at all times.

"It's often only possible to finance a building project or property purchase with a loan from BayernLabo. We're very happy to have BayernLabo at our side as a reliable partner in supporting families on their path to funding."

Mona Wittke,
Deputy Head of Subsidised Housing,
Augsburg District Administration Office



Thanks to funding from BayernLabo, the Debler family is enjoying the warm summer days on their new terrace.



Their children Nora, who is nine years old, and Mattheo, who is five, love playing in the garden. Here they have enough space to romp around and let off steam together.

Making the most of favourable interest rates and subsidies

“The first instalment was paid out in time for the start of building works in March 2022, with subsequent instalments being paid as construction progressed. BayernLabo also paid the child subsidy right from the outset. That was great, because that’s exactly when you need it. We opted for BayernLabo’s subsidised loans because they’re unbeatably cheap. You can’t get these low interest rates anywhere else,” is how Christian Debler summed up both the loans as well as the disbursement process.

After a year of building works, the house is finished. Today, each child has its own room and the family has plenty of space in which to both live and work. Christian Debler often works from home so that he can also be there for his family during the daytime. In such a big house, that’s no longer a problem.

“Here in our own home, everyone now has their own space and place to withdraw to. Family life is great, but you also need time and space for yourself.”

Sarah Debler, homeowner

Weather permitting, everyone spends a lot of time outside in the garden. Mattheo loves playing football and Nora is a girl scout who loves nature. The family barbecues, plays and relaxes. They all feel very comfortable in their own home – their house, which they realised in large part with the low-interest subsidised loans and grants from the Free State of Bavaria and BayernLabo.



We finance joy: Construction of the Kunterbunt children's centre in Herrsching

Supporting local authorities and municipal special-purpose and school associations in financing their investment projects is BayernLabo's second important pillar as a subsidiser of local communities. In this function as the municipal lending bank of the Free State of Bavaria, BayernLabo was brought on board by the municipality of Herrsching to support the construction of its new facility for the care of children between the ages of one and ten. The cosy Kunterbunt children's centre, built in solid wood, was handed over to the sponsoring association at a successful inauguration ceremony in September 2024.

"It's heart-warming to see that children and teachers alike feel at home in their new surroundings thanks to our support."

Wolfgang Schmidt, Head of the Bavarian Municipal Lending Department, BayernLabo



Children, teachers, dignitaries and BayernLabo celebrated the opening of the new children's centre in Herrsching in September 2024.

The Kunterbunt children's centre, with its 80 kindergarten and 49 crèche and after-school care places, offers a welcoming space for development, play, socialising, hot meals and supporting children. As such it provides the physical framework for meeting the important community concern of providing the best possible childcare. Planned by Fülleemann Architekten from Gilching, the municipality of Herrsching financed the €7.4 million project with state subsidies and by utilising the low-interest Investkredit Kommunal Bayern development loan from BayernLabo (the Bavarian municipal investment loan). With its solid timber construction, the children's house fulfils all the requirements for comfort and sustainability. Renewable energy is used to supply electricity and heat to the children's centre. The rooftop photovoltaic system and heat pump enable completely self-sufficient operation if required.



The building, encompassing a total area of 865 square metres, was designed by architect Achim Fülleemann and his colleague, architect Claudia Frank, in an extremely practical and creative way. The entrance area with a large open staircase offers space for playing and events. On the ground floor there is a kitchen, a multi-purpose room with gym equipment, a workroom, a parents' meeting room and a spacious office. There is even an integrated lift. The first-floor balcony is directly accessible from the playground via a staircase and has a slide leading into the garden.

Together for children and the community

At the opening ceremony there was plenty of sunshine, pizza, games – and above all children’s laughter! Children, educational staff, parents, friends, dignitaries and the mayor of Herrsching celebrated the completion of the wooden building, which is regarded as an architectural jewel and which was then blessed by the two local priests. Wolfgang Schmidt, Head of BayernLabo’s Bavarian Municipal Lending Department, was also invited. As a co-financing partner of the municipality of Herrsching, we supported the new building, which cost a total of €7.4 million, with an Investkredit Kommunal Bayern (Bavarian municipal investment loan) loan of €1.6 million, thereby helping to ensure that 130 children in the crèche, kindergarten and after-school care centre are currently in the best possible hands in a space that offers a cosy, healthy atmosphere and a huge outdoor area. This is how subsidised regional lending makes sense and is fun.

“The children all arrive at the centre in the morning with a beaming face. The atmosphere here is unique. It’s impossible not be cheerful here.”

Michaela Becker
Head of the Kunterbunt Children’s Centre



The rooms and outdoor area are designed to be playful and encourage children to socialise, play and learn in an active and focused manner.



The Kunterbunt am Fendlbach children’s centre association is a highly deserving parents’ initiative that has been in existence for decades and sees the centre as a place for the whole family. Parents are actively involved here, whether as members of the supervisory board, advisory board or in various working groups. Together with the management board, they organise an extremely lively club life for their children.



Outstanding milestones in the project business – a review of a successful year

“2024 was shaped by IT measures that not only drove technological innovation, but also sustainably optimised the way we work. Together with our specialist departments and BayernLB’s IT, we have mastered complex challenges and implemented targeted solutions for our subsidised lending business.”

Ulrike Scavone, Team Leader Technical Requirements Management

Service portal and customer portal merged

One of the central measures was the “PoWer” migration project. BayernLabo’s service portal, where customers can manage their applications online, was technologically merged with BayernLB’s customer portal by way of an in-house development. Implementing this project enables more efficient utilisation of IT resources and establishes a forward-looking technological basis built around the organisation's first cloud model.

Migrating the customer database in the municipal business

In 2024, we implemented numerous measures to further develop and optimise our existing systems. One important success was the migration of the customer database in the municipal business, where an Access database was replaced by a modern SAP solution. This has improved data quality and streamlined the processing of applications.



Electronic file optimised

In addition, we forged ahead with optimising the electronic file. This not only enhanced performance and improved the filing structure, but also eliminated the need for manual files.

Further development of the service portal

Another focus was on implementing a large number of enhancements for our service portal. Following its successful launch in 2023, the service

portal was further modernised and made more efficient for our customers and the authorising agencies in Bavaria.

Focus project: Requesting energy certificates for new customers

The Bavarian State Government's goal is to achieve climate neutrality in Bavaria by 2040. This will require far-reaching measures, including in the building sector. Data transparency and digitalisation are vital to enable the necessary decarbonisation of real estate. Frameworks such as the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD) require the disclosure of relevant information and key data. BayernLabo is also putting in place the measures needed for this.

By requesting energy performance certificates for new customers, we are implementing BayernLabo's sustainability goals in addition to regulatory requirements. At the same time, we are taking our sustainability data management to a new level and setting the course for the future. Energy performance certificate data makes the assessment of the energy efficiency of buildings transparent. Recording and analysing such data establishes a solid foundation, allowing us, for example, to develop future subsidy measures more precisely.

Technical integration into existing systems enables data to be collected, processed and analysed efficiently. Together with the project team, we have taken a further step towards sustainability and digitalisation: an AI solution to read energy certificates is to be implemented in 2025.



Cornerstone of the future: Preliminary studies to replace DocFamily and introduce S/4HANA

Preliminary studies to replace the DocFamily output management system and introduce S/4HANA laid the foundation for BayernLabo's future.

DocFamily is our software for creating our business documents – in other words, it is our customer correspondence system. The operating software company had announced that it would discontinue maintenance contracts for DocFamily at the beginning of 2026. A preliminary study was conducted in 2024 to ensure a smooth transition to a new service provider. The aim was to select a suitable successor product and develop a clear roadmap for the replacement.



In parallel, the preliminary study for the introduction of S/4HANA laid the foundation for implementing a future-viable technological SAP basis so that SAP will continue to be available as the central credit management system. This analysis highlighted the technical and procedural requirements as well as the introduction of CMS (Collateral Management System), in which bank collateral can be managed.

In addition to the technical requirements, both preliminary studies also analysed the resources required and dependencies on other projects. They not only create transparency concerning the challenges and opportunities of upcoming projects, but also provide specific recommendations for action and timetables for successful implementation. Both implementation projects will start in 2025. They are of strategic importance and form the basis of our future processes.

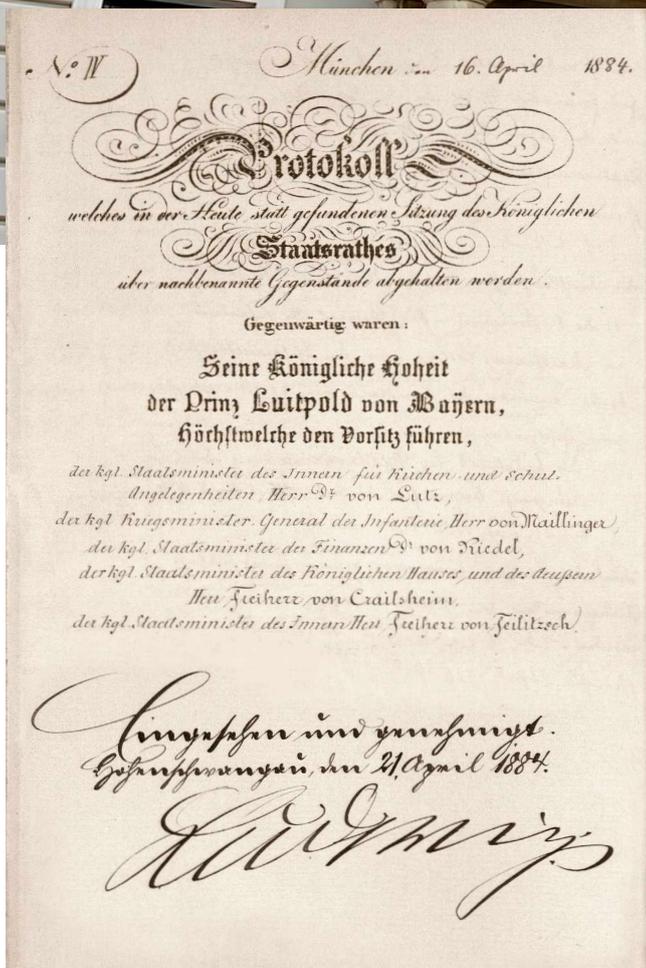
Further preliminary studies

Other future-oriented topics included preliminary studies on the digitalisation of land charge orders and on the requirements of the German Accessibility Act. We will utilise this preliminary work in the coming years to implement digital and legally compliant solutions.



“The successful project year 2024 can be described perfectly with the words ‘Innovation meets collaboration!’ We can only master the challenges of the constantly changing digital world and shape the future of BayernLabo if we come together.”

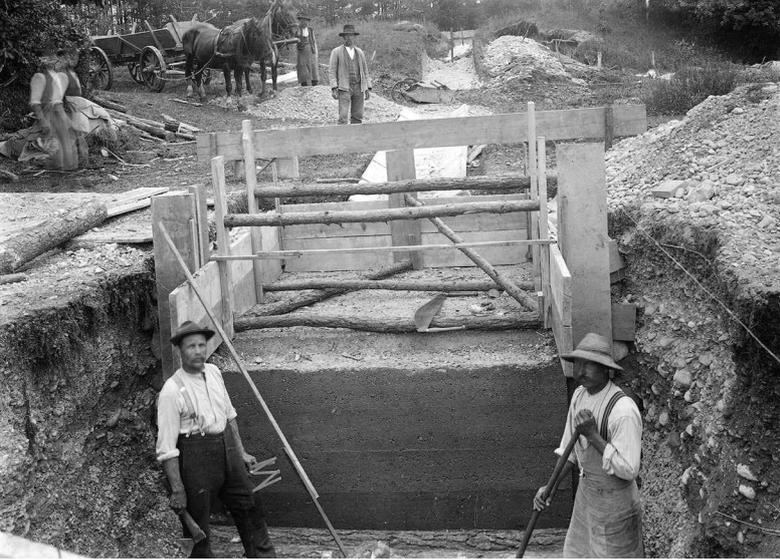
Ulrike Scavone, Team Leader Technical Requirements Management



BayernLabo celebrates its 140th anniversary

The year 2024, which marked the 140th anniversary of the founding of the Bayerische Landesagentur, was all about success. BayernLabo achieved a record subsidisation result of €3.2 billion, of which €1.9 billion was in subsidised housing with 12,871 subsidised homes and €1.3 billion in municipal lending. The digitalisation of our work and service processes and our alignment with the criteria and framework conditions to reflect environmental, sustainability and corporate governance (ESG) issues are

in full progress. The 226 staff have been led by Dr Ulrich Klein (CEO) and Christian Wunderlich (Member of BayernLabo Management) since 2019. This eventful success story began in 1884.



Founding of the Landeskultur- rentenanstalt

On 21 April 1884, King Ludwig II signed the act that established the Königlich-Bayerische Landeskultur-
rentenanstalt. Its beginnings were modest, as neither a dedicated office

building nor full-time staff were available. The institution's work was in the hands of a commission of senior officials from the Ministry of the Interior, the Ministry of Finance and the Ministry of Justice. Their task was to raise capital for so-called "cultural" enterprises such as hydraulic engineering measures and the reclamation of barren land.

Funding focus on social housing

At the turn of the century, a great housing shortage prevailed in urban centres, as many people moved from the countryside to the cities to find jobs in industry. Back in 1908, the construction of small apartments for the socially disadvantaged population laid the foundation for the subsidisation of social housing – a sector that is still important today.

Reform of the Landeskulturrentenanstalt: more bank – less state

In 1929, the Landeskulturrentenanstalt was fundamentally reformed. Business had grown and the institution was in urgent need of fresh funds. To gain access to capital market funding, it was necessary for the Landeskulturrentenanstalt to become a separate legal entity. It remained a state institution with a non-profit mandate, but became a legally independent institution for the first time in its history.

In 1931, the Landeskulturrentenanstalt moved into its own office building, the Palais Preysing-Neuhaus at Prannerstrasse 25, and as the number of staff grew enormously during the 1930s, further offices were rented in the adjacent building. In 1939, the Landeskulturrentenanstalt employed a total of 153 staff.



WWII

A few years later, in April 1944, the Palais and adjacent building were destroyed in an air raid. Most of the offices had been relocated in good time from Munich to the Aiterbach recreation centre on Lake Chiemsee. Following the war, the Landeskulturrentenanstalt was housed in barracks.



Landeskulturrentenanstalt becomes Bayerische Landesbodenkreditanstalt

An acute shortage of housing prevailed after the war. The aim of the Landeskulturrentenanstalt was to increase residential construction financing and make it the focus of its business activities. With the Bayerische Landesbodenkreditanstalt Act of 19 April 1949, the Landeskulturrentenanstalt became a body charged with implementing the Bavarian state's housing policy and was given a new name. The term "institution" ("Anstalt") was retained in order to denote its non-profit status.



In the 1950s, this was followed by unprecedented growth in revenue and the number of staff employed. In 1954, the company moved into its new headquarters at Kapellenstrasse 4 with 420 staff.

"Labo" becomes West Germany's largest mortgage bank

Until the mid-1960s, subsidised social housing was the main focus of business activities. With Bavaria's transformation from a predominantly agricultural economy into an "industrialised state", the financing of the energy sector in-

creasingly came to the fore. With total assets of around three billion deutschmarks, Bayerische Landesbodenkreditanstalt was West Germany's largest public mortgage bank in 1959.

Merger with Bayerische Gemeindebank Girozentrale

Since the late 1950s, the steady expansion of the German and Bavarian banking sectors has been accompanied by the deregulation of financial markets, which has led to a significant increase in competition. Due to its statutory structure and the resulting even stiffer competition, Landesbodenkreditanstalt was not easily able to expand its own business activities to become a universal bank.

In 1972, Bayerische Landesbodenkreditanstalt merged with Bayerische Gemeindebank Girozentrale to form Bayerische Landesbank Girozentrale. Since then, BayernLabo has been a legally dependent institution of Bayerische Landesbank.

Housing and urban development in Thuringia

In 1991, following German reunification, the Landesbodenkreditanstalt took over (through the trust agreement with the Free State of Thuringia) housing and urban development subsidisation in Thuringia for an initial period and managed the loan portfolio until it expired.



Change of name to BayernLabo

When the guarantor's liability was abolished, Bayerische Landesbank was restructured and has operated under the name "BayernLB" since 2005. Bayerische Landesbodenkreditanstalt changed its name to "BayernLabo". As it operates under a public law mandate and pursues a non-competitive business model, BayernLabo was not affected by the cancellation of the guarantor's liability.

The Free State of Bavaria is 100% unconditionally, indefinitely and irrevocably liable for BayernLabo. BayernLabo's long-term bonds are rated Aaa by Moody's, reflecting these bonds' state guarantee.

Municipal bank of the Free State of Bavaria

As the municipal bank of the Free State of Bavaria, BayernLabo has been supporting Bavarian municipalities and public-law special-purpose and school associations in financing their investment projects since 2006. In addition to individually customised traditional municipal loans, it offers special development programmes for investments in municipal infrastructure. The municipal lending business is BayernLabo's second important pillar as an institution that provides subsidised loans within its home region.



Opening of the Grafenau subsidies office

The Grafenau subsidies office was established in 2016 as part of the Bavarian state government's homeland strategy. Its aim was to relocate authorities and state institutions to the regions in order to promote the further development of rural areas. Dr Markus Söder opened BayernLabo's new subsidies office as the then Minister of Finance and Regional Identity.

Development to date

In recent years, unforeseeable events such as the influx of refugees in 2015/2016, the coronavirus pandemic in 2020 as well as events in Ukraine in 2022 and the Middle East in 2023 have influenced the global economy and overall conditions for BayernLabo's subsidised loan business.

The tight housing market has been and is being countered with improved subsidy conditions, packages of measures from both the Free State of Bavaria and the German government as well as new subsidy programmes. BayernLabo is heavily involved in the implementation of these measures and will continue to cooperate constructively and in a spirit of trust with the relevant state authorities in the future as a body charged with implementing state housing policy and as the municipal bank of the Free State of Bavaria.

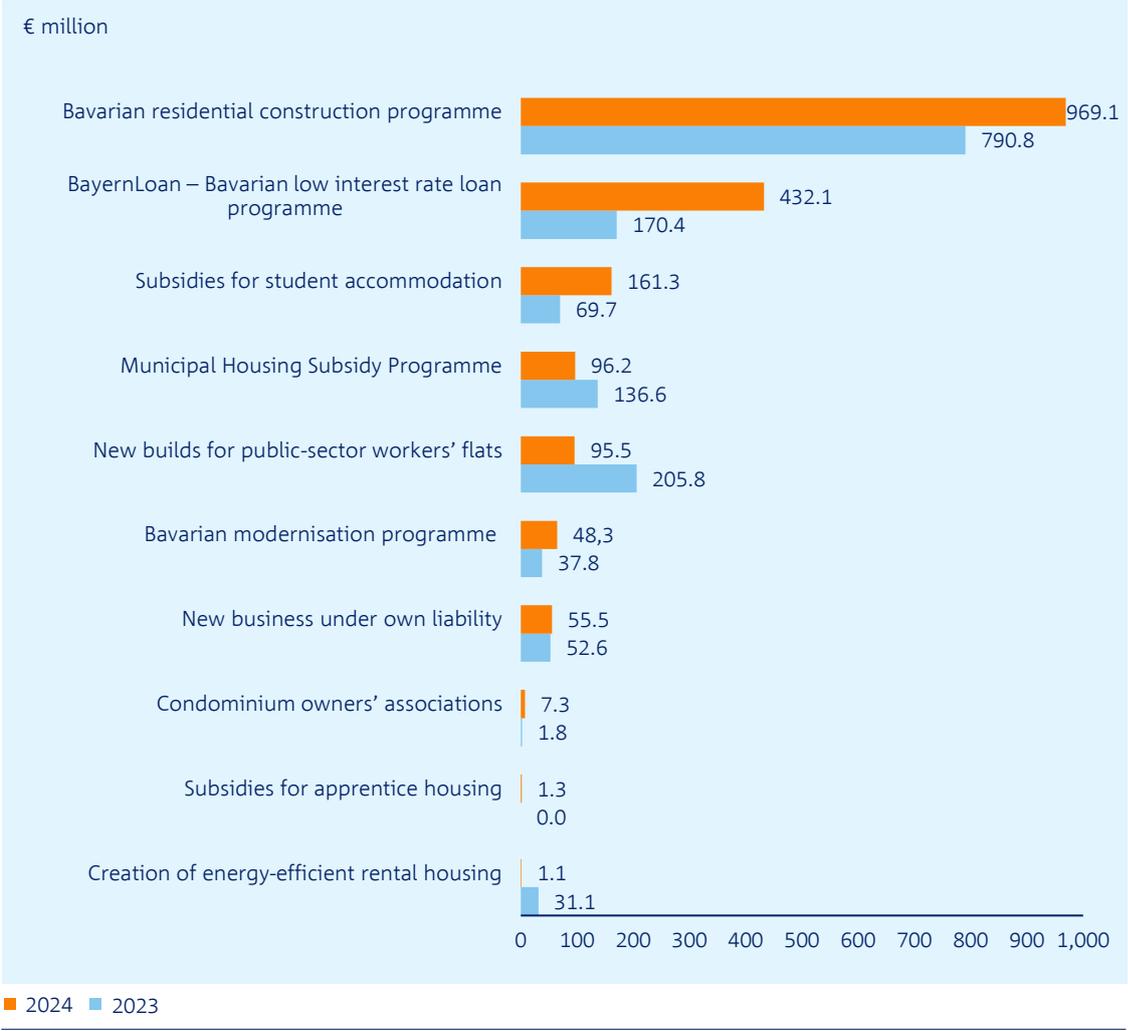
03 Subsidised housing at a glance

Subsidised housing at a glance

The Free State of Bavaria and BayernLabo support citizens in a variety of ways, because not all people can afford suitable and family-compatible housing on their own. Customised subsidised housing programmes are helping to create socially anchored and affordable housing while also taking ecological aspects into greater consideration.

The Bavarian state government also stepped up its efforts to counteract the downward trend in the sector in 2024. In order to provide an effective incentive for home ownership and the creation of affordable rental housing given the very difficult market environment, the Free State of Bavaria has improved subsidy options in coordination with BayernLabo. Among other measures, income limits were increased by around 25% and the interest rate reduction in the “BayernLoan – Bavarian low interest rate loan programme” and the Bavarian modernisation programme was extended.

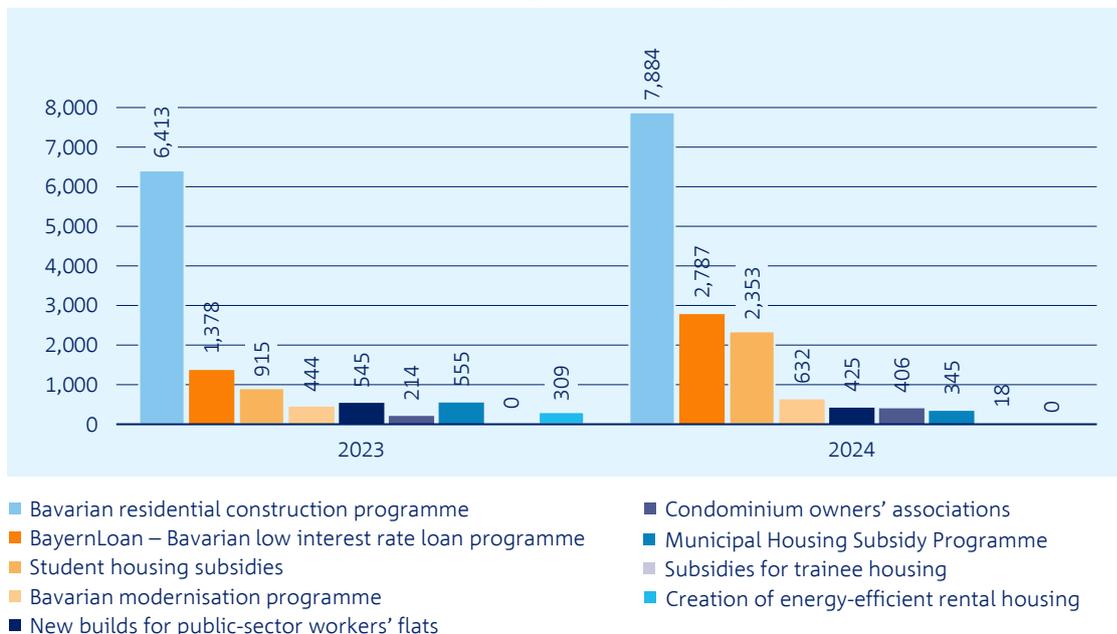
Loan and grant commitments



**12,871
residential units
subsidised with
€1.9 billion**

In 2024, BayernLabo approved a total of €1,867.7 million (FY 2023: €1,496.6 million) in loans and grants for subsidised housing, and subsidised 12,871 residential units (FY 2023: 9,246) (see sections 4 to 9 as well as the Notes). The volume of new contracts was up year-on-year due to the improvements in funding opportunities despite the geopolitically uncertain situation and higher interest rates.

Subsidised homes and places in residences (including combined subsidy¹)

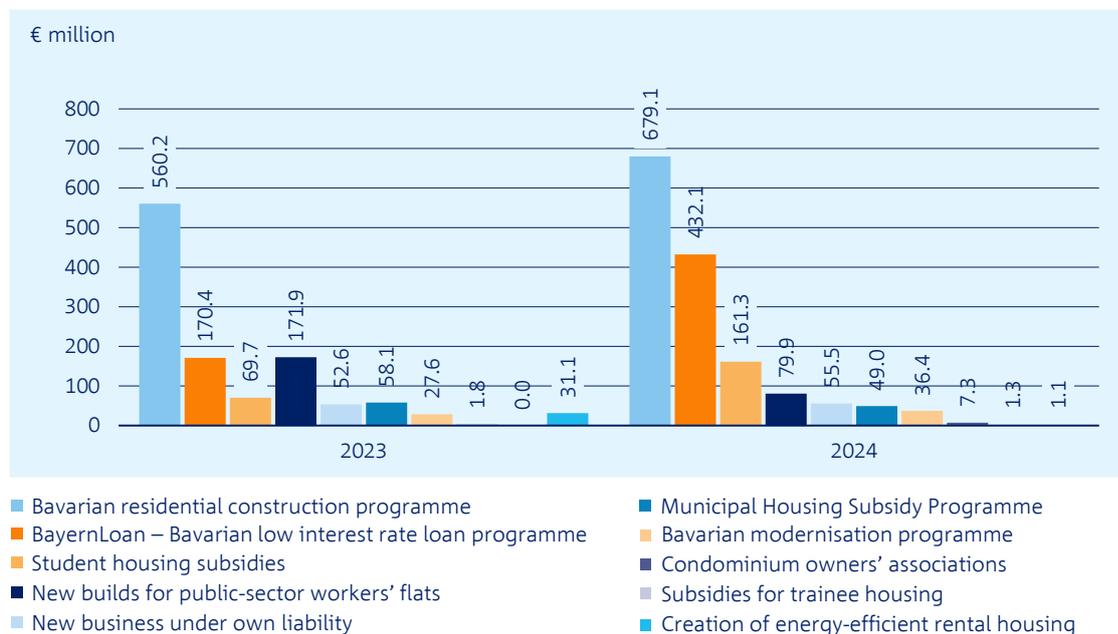


¹ Combined subsidy: Owner-occupied homes are subsidised under both the Bavarian residential construction programme and the BayernLoan – Bavarian low interest rate loan programme. In the rental housing sector, apartments are subsidised both under the Bavarian residential construction programme and the loan programme to create energy-efficient rental housing.

Photo on next page:
Kaulbachstraße residential complex – student accommodation in Munich
Subsidies for student housing
Builder-owner: Studierendenwerk München Oberbayern
Planner: Hetterich Architekten BDA, Würzburg
Photo: Franziska Schrödinger, Schrödinger Media, Munich



Loan commitments



Sustainability in subsidised housing

Climate-compatible construction and refurbishment offers concepts and helpful tools to make our built environment liveable and future-orientated. In order to enable broad implementation in social housing construction as well, the Free State of Bavaria provides various support modules.

In the area of subsidised rental housing, particularly sustainable measures that extend beyond the requirements already stipulated by law or subsidy legislation have been subsidised with the “sustainability grant” funding module:

- **Local renewable energy generation** offers considerable potential for growth, particularly in the buildings sector, and can thereby exert an impact at consumer level.
- **Climate change adaptation measures** support the necessary proactive approach to handling the effects of climate change.
- **Renewable raw materials** emit almost no greenhouse gases and open up opportunities to realise a circular economy.
- **Comprehensive resource utilisation** reduces emissions-related environmental impacts and the consumption of finite resources throughout all phases of a building’s life cycle.
- **Socio-cultural measures** strengthen social cohesion in the building and neighbourhood and thereby enable social, economic and ecological synergies between residents.

In 2024, a total of €31.4 million was approved as part of the sustainability grant, funding additional costs incurred for particularly sustainable construction measures. This reflects almost 140,000 square metres of living space (equivalent to approximately 20 football pitches), for which additional ecological and/or social components have been made possible.

Among other projects, tree planting to provide shade to prevent living space from heating up, mobility stations, the use of recycled concrete, timber and hybrid construction methods, green façades and roofs, increased rainwater utilisation, heat pumps and photovoltaic systems as well as the establishment of community gardens and residents' meeting points were subsidised.

Verifiable additional costs compared to conventional projects are always eligible for funding.

A total of 90% of the mineral raw materials extracted in Germany are utilised in building. The construction sector accounts for more than 50% of waste generated in Germany as a whole. Given the finite nature of resources, the sparing use of raw materials represents one of the most urgent challenges. Using resources more sparingly and recycling and reusing building materials and components can make an important contribution to the protection of the environment. The “grey energy” already tied up in existing buildings is thereby further utilised.

Further information about this topic can be found in the handout on sustainability in subsidised housing.⁵

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 **“local centre grant” is the third funding component.** The aim is to utilise existing urban structures and make them more concentrated. In this way, existing infrastructures are to be better utilised and the direct and indirect sealing of undeveloped areas by residential construction projects is to be minimised. Projects in fully integrated urban development areas receive an additional grant. This incentivises land conservation and contributes to lively and consequently livable locations throughout Bavaria.

In the **Bavarian modernisation programme** (BayMod), the Free State of Bavaria subsidises measures in existing rented residential buildings, such as age-appropriate or barrier-free conversions or energy efficiency measures.

Increased subsidies for the use of existing buildings in the municipal housing subsidy programme (KommWFP) and in subsidies for owner-occupied housing also provide incentives for the sustainable utilisation of existing buildings in such programmes.

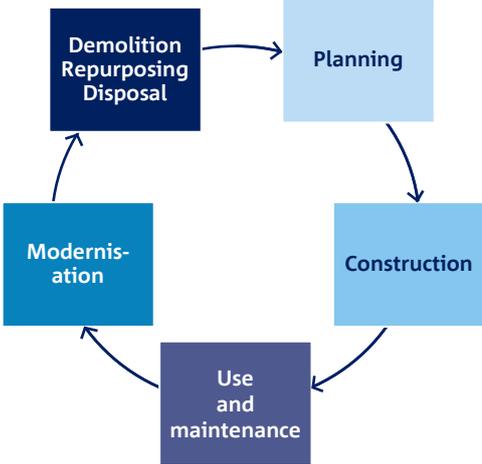


€31.4 million
in subsidies
for particularly
sustainable
measures

⁵ See https://www.stmb.bayern.de/assets/stmi/wohnen/foerderung/handreichung_nachhaltigkeit_in_der_wohnraumfoerderung.pdf

Environmentally and climate-compatible construction, energy, resource and cost efficiency, as well as the demands posed by demographic trends, represent important aspects of sustainability. A building's entire service life is a crucial consideration in this context.

Building life cycle



Holistic and integral planning plays an important role in this context. For builder-owners and landlords, the economic viability of buildings is paramount, both for construction and for management and ultimately for demolition, as they bear the cost and financing risk. Durable and robust materials and constructions as well as occupant-friendly and low-maintenance technology form an important basis for the economic efficiency of buildings.

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, more than half of households rent their place of residence. Rental prices have exploded in recent years, especially in cities experiencing net inflows of young people. For some time, 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.

Among other achievements, the Free State of Bavaria had ensured a significant improvement in the conditions for subsidised rental housing. The doubling of the property-based loan is a key building block for rental housing construction.

To create an incentive to build new apartments with social commitment, the general grant was increased by €100 to up to €600 per square metre of living space in 2024. A supplementary grant was awarded for extensions to existing buildings in the “ready for sustainable renewal and expansion” supplementary subsidy module and a local centre grant was awarded for the construction of rental apartments in the town centre. The sustainability grant was introduced in 2022 to promote particularly sustainable measures.

Residential neighbourhood in Katzwang

Income-based subsidy – experimental residential construction

Builder-owner: St. Gundekar-Werk Eichstätt, Wohnungs- und Städtebaugesellschaft mbH

Planner: Köppen Rumetsch Architekten GmbH, Nuremberg; Foto: © Maria Bayer, Nuremberg

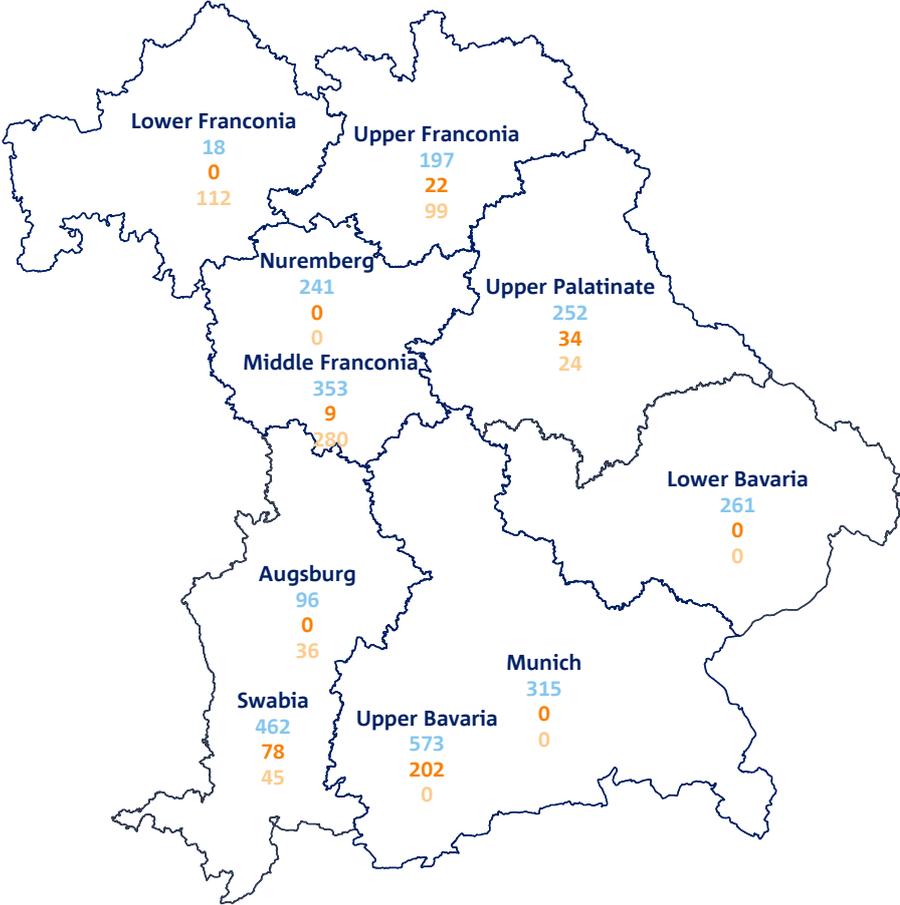


Grants for income-based and expenditure-based subsidies:

Grants	General grant	Ready for sustainable renewal and expansion grant	Local centre grant	Sustainability grant
up to €.../m ²	600	150	100	200

In 2024, as in previous years, BayernLabo supported the financing of rental housing in apartment buildings through the Bavarian residential construction programme and with the municipal housing subsidy programme. In addition, low-interest capital market loans and additional subsidies were granted as part of the Bavarian modernisation programme. A total of 3,709 rental homes were subsidised, which were distributed across the individual regions as follows:

Rental homes (without structural adaptation) subsidised in 2024



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

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

With the income-based subsidy, the Free State of Bavaria together with BayernLabo offers low-interest loans and additional grants for the construction, modification or extension, as well as initial purchase and extension of buildings with sustainable improvements to the housing stock.



The subsidisation of rental apartments consists of a property subsidy for private and public developers, housing companies and building cooperatives or purchasers, as well as an additional subsidy for tenant households. Property subsidies establish 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 additional subsidy provides tenant households with rent relief depending on their household income.

The property subsidy comprises the property-based loan, the occupancy-based loan and supplementary grants.

As an alternative to the 25- and 40-year rent control and occupancy commitment, a 55-year option was also on offer during the reporting period. This protects tenants and provides planning certainty for builder-owners, as the favourable terms of the subsidy are locked in for 25, 40 or 55 years.

Property-based subsidy

The doubling of the property-based loan from 25% to an average of 50% of the upper cost limit was also a key component for rental housing construction in 2024. The loan is staggered according to the interest rate lock-in period. A 55-year lock-in, for example, makes up to €1,860 per square metre of living space available. The property-based loan carried interest of 0.50% in the year under review. This loan amount increased by up to 15% for wheelchair-compatible homes.

Loan of up to
€1,860 per
square metre
with a 55-year
commitment

Occupancy-based subsidies

The occupancy-based loan carried interest of 2.75% in the year under review. This loan makes a pro rata contribution to covering the supplementary subsidy, which is to be provided for tenants depending on their household income. The amount of such loans depends on the occupancy structure of the subsidised property agreed between the landlord and the authorising agency.

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 supplementary subsidy is approved and disbursed by district offices or independent cities.

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

In addition to the income-based subsidy (IBS), an additional expenditure-based subsidy (EBS) is available.

The amount of the subsidy is linked to the net result from the statement of income and expenditures. 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, particular in structurally weak regions. An interest rate of 0.50% is charged on the subsidised loan. The occupancy commitment was 25, 40 or 55 years. In addition, a loan waiver of 0.5% is granted for each full calendar year in which the entire subsidised living space is used as intended after the commitments have expired.



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

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

In addition to subsidies for rental housing, BayernLabo promoted the creation of energy-efficient rental homes by providing fixed-term low-interest loans. Subsidies were 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.

The municipal housing subsidy programme – KommWFP

With the municipal housing subsidy programme (KommWFP), the Free State of Bavaria, in cooperation with BayernLabo, supports municipalities in planning and building housing in their own right. The programme enables such municipalities to create affordable housing for low-income households by building new homes and converting, modernising and realising first-time purchases of newly built properties. The municipal housing subsidy programme gives cities, market towns, municipalities and districts a great degree of freedom.



In addition to the state grant of up to 45% of the investment costs (including purchasing the land), the programme offers optional development loans from BayernLabo of up to 60% of the investment costs (also including purchasing the land).

The low-interest loan is granted by BayernLabo with a fixed interest rate over a period of 10, 20 or 30 years, and full repayment within the selected fixed interest rate period with one redemption-free year. Alternatively, two further more liquidity-friendly options are offered with 10 or 20 years of fixed interest rate periods and 30-year terms.

The municipalities' own share amounts to at least 10% of the investment costs and can also be provided in the form of the building plot.



Since the KommWFP was set up in 2016 it has subsidised 6,968 residential units. The programme, which originally ran until 31 December 2019, was initially extended until 31 December 2026 and is to continue gradually until 2030.

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, but without placing too great a financial burden on tenants and loan recipients. This is where the Bavarian modernisation programme comes in. The Bavarian state government, in cooperation with BayernLabo, had increased investment incentives through improved subsidies. The interest rate was significantly reduced and the general grant was raised from €200 to €300 per square metre of living space. For particularly sustainable projects, the sustainability grant amounts to up to €200 per square metre of living space (such grants amount to a maximum of 25% of the loan).



To promote the modernisation of rental housing and places in authorised residential care homes, BayernLabo grants loans for up to 100% of the costs eligible for subsidisation financed from its own funds and with the support of the KfW. The current interest rate can be found at bayernlabo.de.

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-, 15- 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 10, 15 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% plus interest saved.

Photo on next page:
Residential new build in Schwandorf
Municipal housing subsidy programme
Builder-owner: City of Schwandorf
Planner: Quadrat 45°, Roding
Photo: Architekt Florian Brunner, Quadrat 45°, Roding



05 Subsidisation of owner-occupied houses and apartments

Subsidisation of owner-occupied houses and apartments

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 106) in the construction of a new home or the purchase of an owner-occupied home under the Bavarian residential construction programme and the BayernLoan – Bavarian low interest rate loan programme. The programmes can be approved individually or in combination and facilitate financing in several ways: In the Bavarian residential construction programme, borrowers are supported with low-interest construction loans and grants, in the Bavarian Loan – Bavarian low interest rate loan programme (until 31 August 2024) and in the Bavarian low interest rate loan programme (from 1 September 2024) 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.

With the Bavaria Housebuilding Booster, which the Bavarian state government approved in January 2023, the existing subsidy programmes were significantly improved and families were given even better support when building or buying their own home. Its key elements comprise the increase in income limits by around 25%, the increase in subsidies in the Bavarian residential construction programme and a further interest rate reduction by the Free State of Bavaria in the BayernLoan – Bavarian low interest rate loan programme.

The BayernLoan – Bavarian low interest rate loan programme was offered with 10-, 15- and 30-year fixed interest rate periods. Current interest rate information can be found at bayernlabo.de.



Subsidy combinations for own homes

Individual subsidy



Combined subsidy





New build single-family home
 Builder-owner: Debler family, Meitingen
 Planner: Architekt Ulrich Stadler, Wertingen
 Photo: Increon GmbH, Ismaning

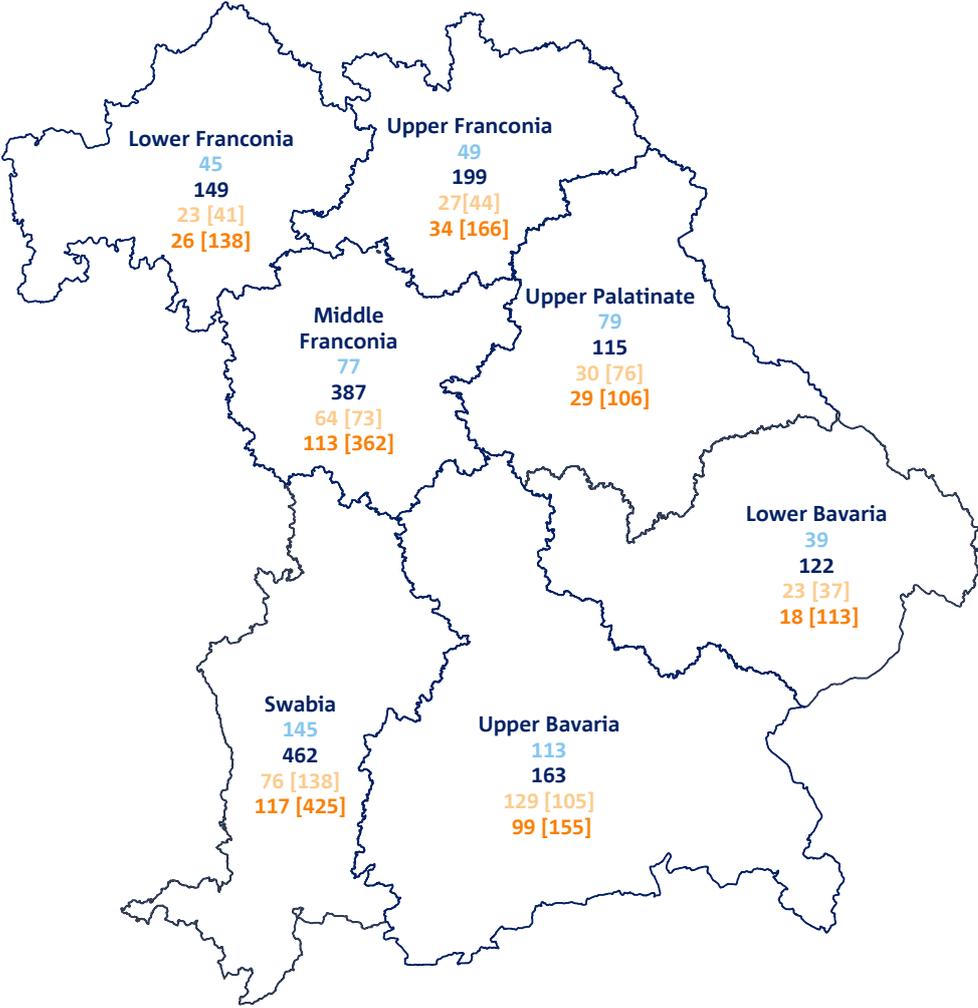
State-subsidised business with own homes (without structural adaptation)

Number of homes	2024	2023
Bavarian residential construction programme		
New builds	547	288
Purchases	1,597	1,094
BayernLoan – Bavarian low interest rate loan programme		
New builds – combined subsidy ¹	514	249
Purchases – combined subsidy ¹	1,465	969
New builds – individual subsidy	372	50
Purchases – individual subsidy	436	110

¹ The homes are counted in the Bavarian residential construction programme.
 State-subsidised business does not include any structural adaptations to meet the needs of people with disabilities. These are listed separately in section 07.

The map below shows the regional distribution of the homes subsidised in 2024 – showing separately the Bavarian residential construction programme and the BayernLoan – Bavarian low interest rate loan programme – 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
- BayernLoan – Bavarian low interest rate loan programme – new builds [additional combined subsidy]
- BayernLoan – Bavarian low interest rate loan programme – purchases [additional combined subsidy]

Bavarian residential construction programme (subsidisation through 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% p.a.

The loan amounts to up to 30% of eligible costs for new construction (building and initial purchase) and up to 40% for second-time purchases, in other words, the purchase of a house or apartment that is already in use. It is important that subsidy recipients 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 in addition to the loan. This was already increased from €5,000 to €7,500 per child in 2023 as part of the Free State of Bavaria's Housebuilding Booster Programme. This grant also applies if the birth of one or more children is expected due to an existing pregnancy at the time of application. In 2024, approximately €31.7 million of grants for children were approved.



Furthermore, the purchase of existing family homes and owner-occupied flats is subsidised with an additional grant. This amounted to 10% of eligible costs in 2024 and is limited to a maximum of €50,000. 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.

BayernLoan – Bavarian low interest rate loan programme for home ownership subsidisation

In 2023, the Bavarian state government further developed the original Bavarian low interest rate loan programme into the "BayernLoan – Bavarian low interest rate loan programme", and additionally reduced interest rates by up to 3%.

Under the BayernLoan – 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 apartments, and the modification and extension of owner-occupied buildings. Unlike the Bavarian residential construction programme, rental housing located in semi-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 BayernLoan – Bavarian low interest rate loan programme are secured subordinately, 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 BayernLoan – Bavarian low interest rate loan programme, loan variants with a 10-, 15- and 30-year (fully amortising) interest rate lock-in were offered in 2024. The fully amortising variant allows the applicant to plan with optimum certainty, as they are protected from future changes in interest rates. This also proved to be the most popular variant in 2024. The 10-year fixed-interest option only played a minor role with commitments of €11.4 million (FY 2023: €14.5 million). In total, loans were committed for 2,787 owner-occupied apartments and houses. This included 1,979 homes in the Bavarian residential construction programme.

The BayernLoan – 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).

Wohnen am Rosengarten, Ingolstadt

Income-based subsidy

Builder-owner: Gemeinnützige Wohnungsbaugesellschaft Ingolstadt GmbH, Ingolstadt

Planner: O3 Architekten GmbH, Munich

Photo: © Maria Bayer, Nuremberg



06 Subsidisation of condominium owners' associations

Subsidisation of condominium owners' associations

Since 2018, BayernLabo's modernisation programme provided condominium owners' associations with low-interest association loans for structural measures to modernise, renew and repair their common property in terms of energy efficiency as well as to reduce barriers. With new guidelines since 1 August 2022, structural measures that are eligible for subsidies under the guidelines for federal subsidies for efficient buildings – residential buildings (BEG WG) or individual measures (BEG EM) – as amended, have received subsidies at reduced interest rates. The subsidisation of condominium owners' associations was discontinued as of 31 December 2024.

Provided that the buildings were at least fifteen years old and comprised at least three apartments, condominium owners' associations were able to obtain low-interest association loans for construction measures.

The low-interest loans were granted rapidly and easily through BayernLabo's direct sales organisation, without collateral security. After the year exempt from principal payments, the loans had to be repaid in full within the ten-year term in equal monthly instalments (fully amortising loan).



A total of 3,146 apartments in condominium owners' associations subsidised

If the condominium owners' association received a non-repayable investment grant from the BEG WG or BEG EM programmes (subsidy programmes since 1 August 2022), it was possible to use this grant as a one-time unscheduled repayment of the loan.

A total of 3,146 flats had been funded with a commitment volume of €34.8 million by the time the funding programme was discontinued on 31 December 2024.

Photo on next page:
Residential neighbourhood in Katzwang
Income-based subsidy – experimental residential construction “building efficiently, affordable housing”
Builder-owner: St. Gundekar-Werk Eichstätt, Wohnungs- und Städtebaugesellschaft mbH
Planner: Köppen Rumetsch Architekten GmbH, Nuremberg
Photo: © Maria Bayer, Nuremberg



07 Subsidised housing for people with disabilities

Subsidised housing 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. The Free State of Bavaria and BayernLabo support them in this wish. Firstly, through conversion measures within their own living environments. Secondly, through subsidising facilities that offer special forms of accommodation 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) within 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.

The Free State of Bavaria and BayernLabo jointly subsidise 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% of eligible costs, depending on the type of facility.



Link to
stmb.bayern.de

Residential home for people with disabilities in Kitzingen
State Disability Plan
Builder-owner: Würzburg Foundation for the Blind, Würzburg
Planner and photo: bel Architekten Berger Limmer PartmbB



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 2024 to subsidise facilities for people with disabilities. The amount of the subsidy is determined on a case-by-case basis and depends partly on how well equipped the residence is.

In addition to the subsidised loans and grants from the Bavarian residential construction programme, facilities for individuals with disabilities received further loans totalling €6.8 million (FY 2023: €5.1 million) and grants of €0.7 million (FY 2023: €0.0 million) from other public budgets for the subsidised housing places.

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 wheelchair ramp, 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 €10,000. The non-repayable building loan is converted into a grant after the five-year occupancy commitment period expires.



08 Subsidised housing for students and trainees

S

Subsidised housing for students and trainees

Subsidies for student housing

The number of students in Bavaria has been rising steadily for years, and with it the need for affordable accommodation 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 housing, as well as the expansion (extension, addition) of an existing building,
- the alteration (involving substantial construction) of buildings previously built 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 dormitories of buildings (at substantial cost of construction) not previously utilised for residential purposes.

**2,353
affordable
student accom-
modation
places created
and main-
tained**

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 for a period of 25 or 40 years only to students who are eligible for such accommodation.

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

The Bavarian State Ministry of the Interior, for Building and Transport is responsible for related approvals.

New: Subsidies for housing for trainees

Starting in 2024, the Free State of Bavaria and BayernLabo is utilising a further important building block of subsidised housing in order to create affordable accommodation for trainees.

The new subsidy offering provides a non-repayable construction loan of up to €45,000 per accommodation space with a 25-year occupancy commitment. The rent per apartment generally amounts to €260 plus a furnishing surcharge. In areas with increased housing needs, the rent can amount to €280 per accommodation space plus a furnishing surcharge. It is possible to allocate up to 20% of the subsidised accommodation to students.

Subsidies are provided for

- the construction, expansion and initial acquisition of housing for trainees,
- the conversion of housing for trainees and comprehensive energy modernisation measures, as well as
- the acquisition and alteration into trainee housing of buildings not previously utilised for this purpose.



Link to
stmb.bayern.de



Link to
stmb.bayern.de

The recipients of the grant are the property owner, the authorised leaseholder or the purchaser. These especially include non-profit providers and organisations, providers and organisations of independent welfare and youth welfare, providers of vocational training, associations of professional and trade associations, municipal companies and municipalities.

Authorising agencies are the cities of Munich, Nuremberg and Augsburg for their areas, as well as the governments.

**The first 18
residential
places already
subsidised in
2024**

Student accommodation in Bamberg

Subsidised student housing

Builder-owner: Studierendenwerk Würzburg, Bamberg office, Bamberg

Planner: Ulrich Manz, Dipl.-Ing. (univ.) Architekt, Bamberg

Photo: Studierendenwerk Würzburg, Bamberg office, Bamberg



09 Further subsidies

Further subsidies

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.

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.

Own liabilities

To a limited extent, loans are granted under 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.

Maintaining holdings

The prevailing interest rate level led to a preference for offerings with shorter fixed interest rates. Demand for forward conditions decreased. Nevertheless, BayernLabo continues to offer forward conditions under certain conditions and at the request of our business partners.

For example, in 2024 around €0.1 million (FY 2023: €0.6 million) in home ownership subsidies and €8.35 million (FY 2023: €17.6 million) in subsidies for rental housing were extended early.

In income- and expenditure-based subsidies, rental price and occupancy commitments expiring within five years can – upon request – be extended by a further 15 years. The loan conditions of the occupancy-based loan are then reduced to the interest rate that is then valid for new approvals, while the conditions of the property-based loan continue to apply. In 2024, this enabled 23 residential units (FY 2023: 356) with a loan volume of €0.3 million (FY 2023: €23.3 million) to be retained as social housing.

In the Bavarian modernisation programme, the housing commitment was retained for 1,148 apartments with a loan volume of €42.1 million by adjusting conditions while extending housing commitments.

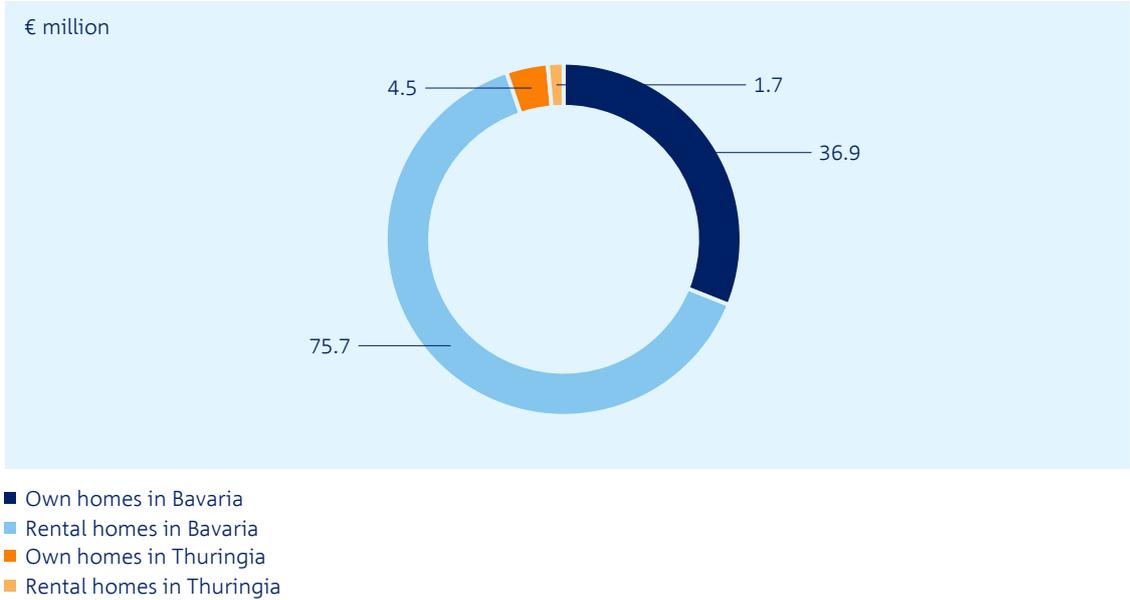
Adjustments to terms and conditions

After expiration of the occupancy commitment or expiration of the fixed-interest period, BayernLabo submits an offer to the borrowers with new conditions for various fixed-interest periods.

By offering attractive conditions at the end of the respective fixed interest lock-in periods, BayernLabo maintained a high retention rate of loans due for interest rate adjustment in the Bavarian business of 68.8% (FY 2023: 63.4%). This translates to a residual loan of €112.6 million (FY 2023: €112.7 million). In the business in Thuringia, this amounted to 53.4% (FY 2023: 78.5%).

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

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 €104.5 million (FY 2023: €33.3 million), €67.6 million (FY 2023: €24.2 million) of which was retained. This represents a retention rate of 64.7% (FY 2023: 72.7%).

10 State and municipal lending

State and municipal lending

With a 34.0% share of loan portfolios, the Bavarian state and municipal loan business is BayernLabo's second pillar.

In accordance with the law and BayernLB's Statutes, 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 Bavarian and municipal business within the BayernLB Group, and works closely with municipal umbrella organisations and ministries to implement it consistently.

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

Municipal lending business

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

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



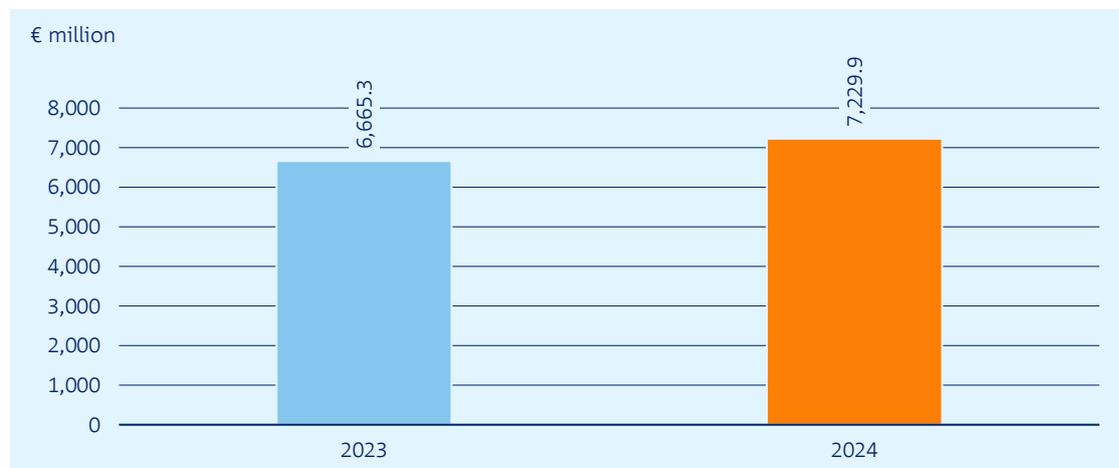
The guarantee by the Free State of Bavaria enables BayernLabo to access inexpensive funding on the capital market as a development bank with an AAA/Aaa rating – particularly for longer interest rate lock-in periods. This favourable funding results in attractive conditions, not only for municipal development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

With a market share of around one third, BayernLabo is the market leader in the municipal lending business (in Bavaria).



New construction of the Kunterbunt children's centre in Herrsching
 Investkredit Kommunal Bayern (Bavarian municipal investment loan)
 Builder-owner: Municipality of Herrsching
 Planner: Füllemann Architekten, Gilching
 Photo: Municipality of Herrsching

BayernLabo municipal loan portfolio



Not including the municipal housing subsidy programme (KommWFP).

Traditional municipal loans

BayernLabo offers Bavarian municipalities a wide range of financing options for investment financing. Within the core budget or the budget for municipal enterprises, individual solutions can be selected as required:

- Loans with fixed interest rate periods for up to 30 years and flexible amortisation structures
- 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)



Investkredit Kommunal Bayern (Bavarian municipal investment loan)

BayernLabo's Investkredit Kommunal Bayern (Bavarian municipal investment loan) gives Bavarian municipalities the opportunity to finance investment measures in general municipal and social infrastructure on particularly favourable terms. BayernLabo reduces the interest rates of the "KfW Investment Loan for Municipalities", which are already subsidised at federal level, for five years for a loan term of five years, and for the first ten years of the loan term for all other terms.

Investments in kindergartens, schools, town halls, town and village planning, as well as disaster prevention measures are subsidised. Per budget year, no more than 50% of the investment costs can be subsidised. Projects up to €2 million may even qualify for a subsidy of up to 100%.



The municipal housing subsidy programme – KommWFP

The KommWFP, which is serviced as part of Bavaria's municipal lending business, is an important factor in rental housing subsidies (for details, see section 04, Subsidised rental housing in apartment buildings).

Financing advisory services

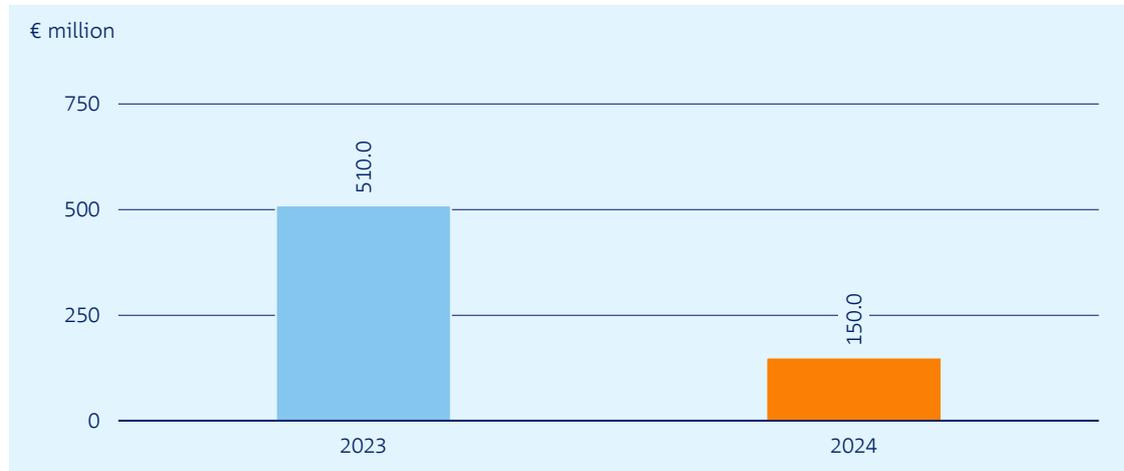
As part of financing advisory services, credit portfolios are analysed and structured with a view to potentially optimising them using BayernLabo products:

- 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 repricing dates

State government lending

BayernLabo acts as the principal banker to the Free State of Bavaria alongside BayernLB. The state lending portfolio amounted to €150.0 million. These are Schuldschein note loans with the Free State of Bavaria.

Changes in the portfolio of government loans to the Free State of Bavaria



Living in the old town centre of Iphofen
Municipal Subsidised Housing Programme
Builder-owner: City of Iphofen
Planner: Joseph-Stiftung, Bamberg; Photo: © Maria Bayer, Nuremberg



11 Financial report

Financial report

Business structure

Business model

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 institution established under public law.

As part of government housing policy and in accordance with the state aid regulations of the European Union, 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 in providing its customers with low-cost finance in the form of subsidy programmes, particularly 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, the Landwirtschaftliche Rentenbank, and the capital market, as well as discounts with its own funds.

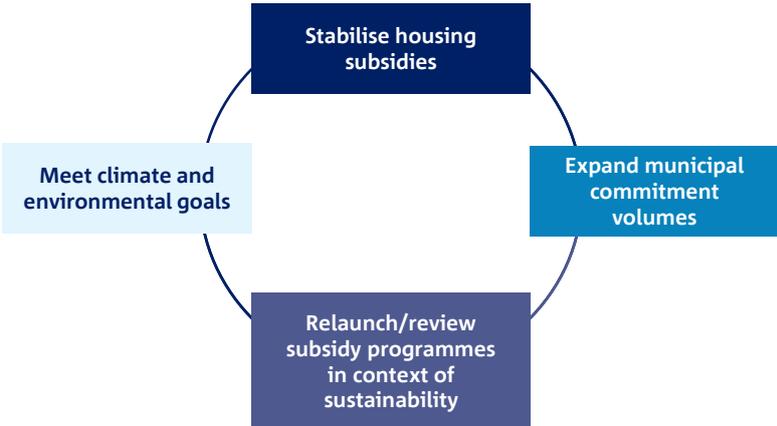
As the municipal bank of the Free State of Bavaria, BayernLabo helps Bavarian local authorities and public-sector special purpose and school associations to finance investment in municipal and social infrastructure. To this end it offers traditional municipal loans and subsidised municipal loans, which 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 as follows:

Strategic objectives



Stabilisation of housing subsidies in Bavaria

Housing subsidies are provided on an ongoing basis from BayernLabo's own funds as well as through the "Bavarian low interest rate loan programme" and the "Bavarian modernisation programme" low-interest own funds schemes, which are subsidised by the Free State of Bavaria. In addition, development loans are made available under the municipal housing subsidy programme with an interest rate reduction from the Free State of Bavaria. 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. These measures apply particularly to the energy transition, climate change adaptation measures and the reduction and removal of barriers as well as the age- and disability-friendly conversion of municipal infrastructure.

Relaunch/review of subsidy programmes in the context of sustainability

BayernLabo, in close cooperation with the state housing subsidy programme, continuously strives to set up funding programmes that take sustainability criteria into consideration, and in compliance with the "Verständigung II".⁶ This entails the need for the Free State of Bavaria to transfer new funding tasks to BayernLabo as part of the statutory catalogue of tasks (while maintaining the risk situation, in other words, 100% state-guaranteed). In addition, existing subsidy programmes are continuously reviewed (at least when the subsidised housing regulations are revised) with a focus on the best possible integration of sustainability and climate goals.

Meeting climate and environmental goals of the Free State of Bavaria

BayernLabo regards the continuous emphasis on sustainability criteria as an essential contribution to the fulfilment of the Free State of Bavaria's climate and environmental goals within the context of its public mandate. In coordination with the Bavarian State Ministry of Finance and Regional Identity (StFMH) and the Bavarian State Ministry of Housing, Building and Transport (StMB), climate and environmental aspects are now also being taken into consideration in the structuring of subsidy-relevant requirements.

⁶ In the "Verständigung II" of 1 March 2002, the European Commission and the German federal government established special regulations for development banks with competition-neutral structural and development business.



Renovation of former Klosterökonomie Ottobeuren

Income-based subsidy

Builder-owner: Abtei Ottobeuren, Sebastian-Kneipp-Straße 1, 87724 Ottobeuren

Planner: Architektur und Städtebau Dipl. Ing. Architekt BDA Franz Arnold, Memmingen

Photo: Architektur und Städtebau Dipl. Ing. Architekt BDA Franz Arnold, Memmingen

Advancing ecological objectives in parallel with social objectives

In addition to subsidising new build properties, the main objective remains the energy-efficient modernisation and refurbishment of existing buildings and the subsidisation of properties or residential space purchased from previous owners. Innovative new concepts are also to be increasingly taken into consideration as funding possibilities. With regard to municipal financing, the subsidisation of measures to adapt to climate change will play an increasingly important role in the future, in addition to climate protection services, which continue to be important.

The support of the Bavarian State Ministry of Finance and Regional Identity (StFMH) and the Bavarian State Ministry of Housing, Building and Transport (StMB) is essential to push ahead with the much-needed further development of housing subsidisation programmes. Ecological aspects will have to be taken into even greater consideration in the future in the creation of affordable housing and the maintenance and expansion of affordable municipal and social infrastructure. This is also demonstrated by the market's transparency requirements and the constant increase in related regulatory requirements.

Continuous improvement of data management and management reporting

Standardised data fields and correspondingly developed subsidy guidelines are key to ensuring transparent ESG reporting. This also applies to the management of the portfolio structure of projects financed by BayernLabo going forward. BayernLabo's lending system is the main anchor point for this. It also serves as the basis for the regulatory data delivery to BayernLB in accordance with CRR disclosure and the EU Taxonomy as part of Group reporting. To ensure forward-looking data management and, building on this, valid management reporting, we are constantly working on automation and digitalisation and, in particular, on improving data quality (such as via submission of energy performance certificates). This will have a long-term impact on the quality of the carbon data required to calculate an adequate decarbonisation of BayernLB's portfolios (including BayernLabo).

Active management of sustainability opportunities and risks

It is important for BayernLabo to recognise its contribution to sustainable development in the Free State of Bavaria and the resultant measurable impact of subsidised loans. Continuously advancing systematic recording and impact reporting improves the transparency of subsidy programmes and sustainability aspects. This serves to build trust and confidence among citizens, local authorities and investors as well as to provide basic information about the importance of social housing and sustainable municipal financing for society.

BayernLabo uses the ESG Impact module of the ESG assessment developed by BayernLB at programme level to record and evaluate sustainability opportunities. BayernLabo applies the criteria defined by BayernLB for categorisation into ESG Basic and ESG Plus .

BayernLabo generally fulfils the requirements of the ESG Basic category through its subsidised social housing mandate flanked by its municipal lending business. The ESG Plus criteria are gradually adapting the requirements of the EU Taxonomy with regard to alignment (currently mainly Technical Screening Criteria and Do No Significant Harm as well as verification). This also poses major challenges for BayernLabo. However, BayernLabo has set the necessary course and implemented an improvement by recording energy data and, in particular, by collecting energy certificates.

The relevant exposures are analysed using the ESG risk module of the ESG assessment to ensure that the climate and environmental risks deriving from BayernLabo's lending business are appropriately mapped and risk-adjusted.

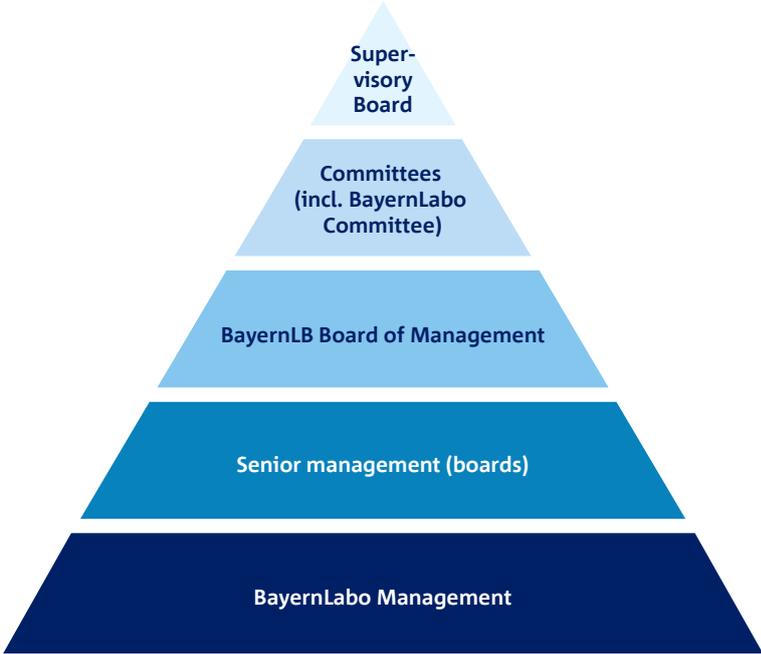
In 2024, the allocation of funding programmes to the 17 United Nations Development Goals (SDGs) was also further developed and adjusted more closely to BayernLabo's requirements.

Management and control

Structure of risk management

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

Management structure



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.

BayernLabo's risk control ensures that the limits for individual risk types are monitored and implements BayernLB's requirements at 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 manages its risks from the perspective of risk minimisation.

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.

Risk-bearing capacity

BayernLB's Group Risk Strategy sets out 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.

Photo on next page:
Nicolaviertel – living in the centre of Landshut

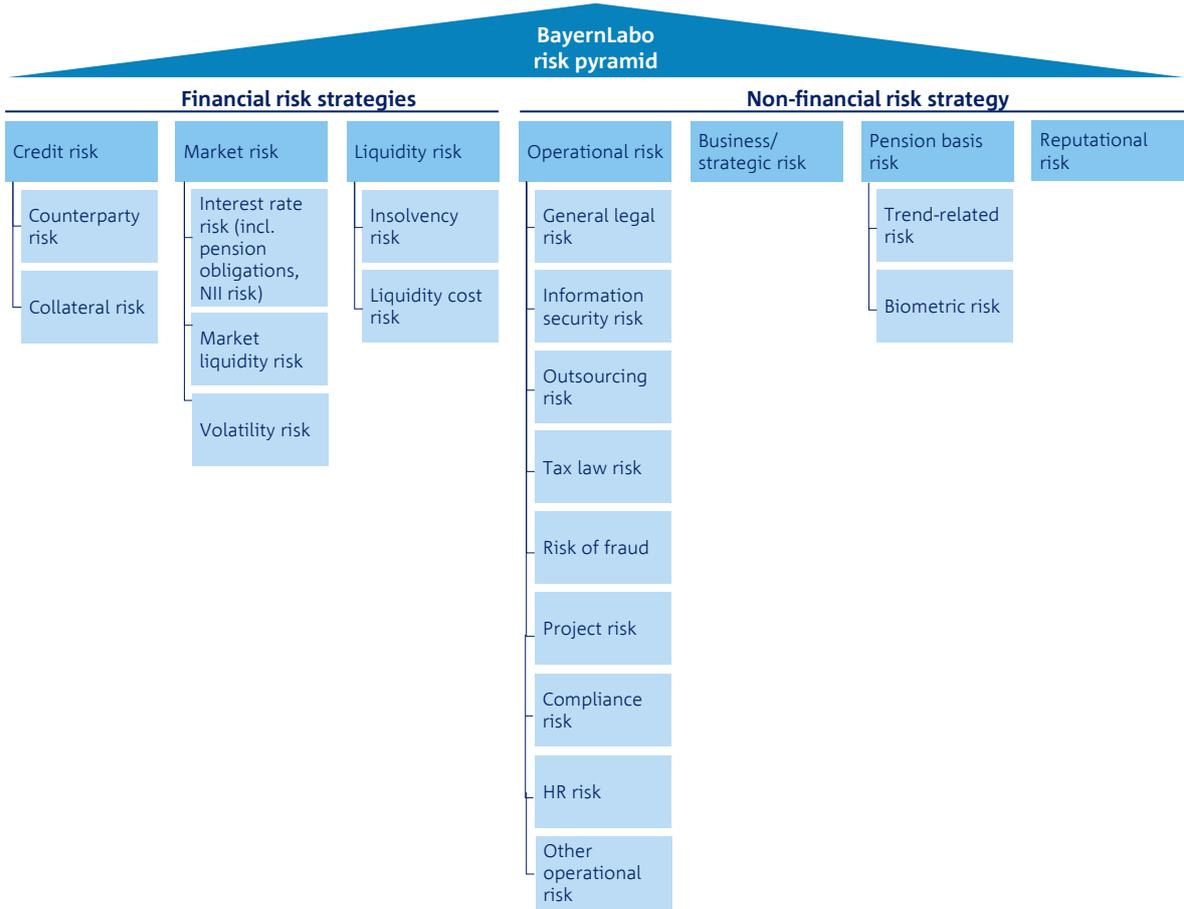
Income-based subsidy
Builder-owner: Katholisches Wohnungsbau- und Siedlungswerk der Diözese Regensburg GmbH, Regensburg
Planner: Eck-Fehmi-Zett Architekten GmbH, Landshut
Photo: © Maria Bayer, Nuremberg



Risks of BayernLabo

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

Risk fields



BayernLabo continuously evaluates ongoing major geopolitical uncertainties for the economy and capital markets as part of its management and monitoring activities. However, BayernLabo believes it is well equipped thanks to the state guarantee as well as its solid capitalisation and liquidity position.

Credit risk

Credit risk at BayernLabo consists largely of counterparty risk. Counterparty risk is the risk of a loss in value of receivables 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 the fiduciary business, state and municipally-guaranteed loans, Schuldschein note loans to the Free State of Bavaria, municipal loans and loans under its own liability. Its 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 €312.6 million (including open commitments of €0.2 million; FY 2023: €333.4 million), in other words, a share of 1.4% 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 2024 financial year. No provisions for losses were formed under BayernLabo's own liability.

Market risk

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

BayernLabo's market risk includes, in particular, interest rate risks arising from transactions in which BayernLabo grants loans and for which it has to raise funds on the money or capital market at its own risk (including refinancing from global loans with KfW or Landwirtschaftliche Rentenbank). Market risks also arise from the securities portfolio. In addition to bonds issued by German federal states and their development institutions, the spectrum also includes bonds issued by the European Union and its supranational institutions.

BayernLB has accumulated cover assets (contractual trust arrangement) to secure its pension, benefit, and death benefit obligations. Since then, the risks have been monitored by BayernLB within a separate reporting unit.

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 (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.

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.

Business and strategic risk

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 the Free State of Bavaria.

Pension basis risk

The pension basis risk (relating to pensions, benefits and death benefits) is calculated and limited separately by BayernLB and only addresses the effects of unexpected changes in trend factors (such as collectively bargained pay scales, medical costs). Changes in the valuation interest rate for pension obligations are managed via the value-at-risk interest rate or the specific interest rate.

Schmuckerareal

Municipal housing subsidy programme

Builder-owner: Municipality of Utting am Ammersee

Planner: WWA Architekten Wöhr Heugenhauser Johansen Part mbH, Munich

Photo: © Maria Bayer, Nuremberg



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.

Summarised 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 reporting year was marked by uncertainties regarding the difficult macroeconomic and geopolitical conditions. However, these factors continued to be offset by a positive, higher interest rate environment and very high subsidy commitments in owner-occupied housing, rented housing and, in particular, in the municipal lending business.

Macroeconomic and sector-specific environment

In 2024, the mixed performance of the global economy continued despite the turnaround in monetary policy and falling interest rates, particularly at the short end of the curve. The wars in Ukraine and Gaza remain substantial negative factors and latent sources of risk. The latter also applies to Syria, where the fall of the Assad regime in December at least offers the chance of an end to the civil war. In industrialised nations, significant political shifts, with lasting effects into 2025, stemmed from the US presidential election and the elections to the European Parliament. With Donald Trump's return to the White House signalling a shift in US foreign policy and a move towards protectionist trade measures, the newly appointed European Commission, led once again by Ursula von der Leyen, faced both an industrial slowdown and a pivotal moment in defence and security policy. There was also a thunderbolt in Germany: following a phase of weak poll and state election results as well as disputes over financial and economic policy, the coalition of the social democrat SPD, Green Party and liberal FDP broke up in November without approving a federal budget for 2025.

Germany recorded a 0.2% year-on-year fall in real gross domestic product in 2024, marking its second consecutive year of decline.⁷ The manufacturing industry, in particular, remains the main brake on growth. Structural change in the automotive industry is increasingly becoming a problem for German manufacturers and the automotive supply industry, and is contributing significantly to industrial weakness; demand for electric vehicles remained significantly below the previous year's level after the purchase premium expired at the end of 2023. This also affected other

⁷ See German Federal Statistical Office 2025, https://www.destatis.de/EN/Press/2025/01/PE25_019_811.html

industries along the value chain, such as engineering. By year-end, capacity utilisation in the manufacturing sector was well below the average.⁸ Despite the interest rate reversal, construction output and investment were down on the previous year's levels. Private consumption provided some support, driven by strong wage growth, easing inflation and real wage gains. However, higher savings rates and subdued consumer sentiment led to it falling somewhat short of expectations. The government increased spending on consumption and social benefits, but by mid-2024 had hardly any capacity to introduce new economic policy measures. Foreign trade, Germany's long-standing growth driver, also failed to provide any positive impetus in 2024, with exports of goods and services even diminishing.

At an average for the 2024 year of 2.4% in the Eurozone⁹ (HICP) and 2.2%¹⁰ in Germany (CPI), inflation declined to a slightly greater extent than had been anticipated at the start of the year, and was temporarily already below the ECB target level of 2%. The decline was mainly due to falling energy, electricity and crude oil prices, while food inflation levelled off at around 2% from March onwards. Core inflation and, in particular, services inflation became the main drivers of inflation, with inflation consistently running at around twice the level of the ECB's target. This trend was largely fuelled by substantial wage growth and a strong labour market across the eurozone. The ECB remained vigilant in monitoring inflation, wage trends and corporate earnings, maintaining a data-driven approach without providing explicit forward guidance. Overall, however, the monetary authorities believe they are well on the way to stabilising the inflation rate at the target level. In response to diminishing price pressures, its Governing Council initiated interest rate cuts in 2024. By January 2025, the deposit rate relevant for monetary policy had been reduced in five 25 basis point steps to 2.75%.¹¹ Consequently, monetary policy became significantly less restrictive. The interest rate differential to the US Federal Reserve, which reduced the fed funds rate by 100 basis points between September 2024 and January 2025,¹² thereby widened by 25 basis points over the course of 2024 up until January 2025. In terms of liquidity policy, the ECB made minimal changes, ceasing reinvestments in its bond purchase programmes by the end of 2024.

The labour market continued to deteriorate, with the unemployment rate reaching 6.1% at the end of the year,¹³ its highest level since 2016 with the exception of the period during the coronavirus crisis.

The year 2024 was also challenging for companies and private households in the Free State of Bavaria, as the economic recovery that had been anticipated failed to materialise. In the first half

⁸ See *ifo Business Climate Index December 2024*, <https://www.ifo.de/en/facts/2024-12-17/ifo-business-climate-index-falls-december-2024>

⁹ See *Eurostat 2025*, https://ec.europa.eu/eurostat/databrowser/view/prc_hicp_manr__custom_14934412/default/table

¹⁰ See *German Federal Statistical Office 2025*, https://www.destatis.de/EN/Press/2025/01/PE25_003_611.html

¹¹ See *ECB 2025*, https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html

¹² See *Federal Reserve System 2025*, <https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>

¹³ See *German Federal Employment Agency 2025, monthly report December 2024*, https://statistik.arbeitsagentur.de/SiteGlobals/Forms/Suche/Einzelheftsuche_Formular.html?nn=627730&topic_f=monatsbericht-monatsbericht

of the year, real gross domestic product in Bavaria shrank by a total of 0.6% year on year¹⁴ – and thereby even more than in Germany as a whole. This is mainly due to Bavaria's strong foothold in the export-orientated secondary sector. Industrial production experienced a marked downturn, particularly owing to significant declines in engineering and electrical equipment manufacturing.¹⁵ In this context, the stagnation of production in the automotive industry can be seen as a positive development, despite weak sales by Bavarian manufacturers in China and the discontinuation of purchase subsidies for electric vehicles in Germany. As in Germany as a whole, bright spots came primarily from the service sector and tourism.

Positive signs include the fact that unemployment in the state has barely risen (annual average for 2024: 3.7%¹⁶) and that inflation¹⁷ in the state has fallen to 2.5% on average in 2024.

The significant rise in interest rates led to a general decline in demand for residential property in Germany and Bavaria in 2023 and 2024. Although prices for single-family homes in Munich averaged around €1.7 million in 2024, equivalent to the previous year's level, this nevertheless continues to reflect a reduction of almost 6%¹⁸ compared to 2022.

The average price level for new owner-occupied apartments in Munich also remained stable at €10,150 per square metre in 2024.¹⁹ The constant level of prices reflects the continuing shortage of housing in Bavaria and especially in Munich. The previous year 2023 saw significantly higher completion figures with 65,770 new apartments in Bavaria (+4.6% compared to 2022) and 9,837 apartments in Munich (+31% compared to 2022). Nevertheless, due to the continued high population growth in Bavaria, the shortage of residential housing remained a latent factor.²⁰ As a consequence, rents in Munich, for example, continued to rise significantly over the course of 2024, as expected. As of the end of the year, these amounted to an average of €22.90 per square metre for new builds, almost 4.1% higher than in 2023.²¹ As a consequence, prices and rents in Bavaria are largely in line with the overall trend in Germany.

By contrast, the situation in residential construction is more acute. While the entire Bavarian construction industry recorded nominal sales growth of 10.1% between December 2023 and December 2024, sales in residential construction only increased minimally by 1.2% over the same period.²²

To counteract this, the state, municipalities, churches and the housing industry jointly decided back in September 2015 to create 28,000 new state-financed or subsidised rental apartments.

¹⁴ See German federal and state statistics offices 2025, <https://www.statistikportal.de/de/vgrdl/ergebnisse-laender-ebene/bruttoinlandsprodukt-bruttowertschoepfung/bip#11489>

¹⁵ See Bayerisches Landesamt für Statistik 2025, https://www.statistik.bayern.de/statistik/wirtschaft_handel/verarbeitendes_gewerbe/index.html#link_3

¹⁶ See Federal Employment Agency 2025, <https://statistik.arbeitsagentur.de/Auswahl/raeumlicher-Geltungsbereich/Politische-Gebietsstruktur/Bundeslaender/Bayern.html>

¹⁷ See Bayerisches Landesamt für Statistik 2025, <https://www.statistik.bayern.de/presse/mitteilungen/2025/pm005/index.html>

¹⁸ See [riwis.de/Bulwiengesa](https://www.riwis.de/Bulwiengesa) 2025

¹⁹ See [riwis.de/Bulwiengesa](https://www.riwis.de/Bulwiengesa) 2025

²⁰ See City of Munich 2025, <https://stadt.muenchen.de/infos/statistik-bau-und-wohnungswesen.html>

²¹ See [riwis.de/Bulwiengesa](https://www.riwis.de/Bulwiengesa) 2025

²² See Bayerisches Landesamt für Statistik 2025, https://www.statistik.bayern.de/statistik/bauen_wohnen/baugewerbe/index.html#link_2

This includes an immediate state programme (Pillar I) in which the Free State of Bavaria plans and builds apartments. As a second pillar (Pillar II), a municipal funding programme was introduced to support municipalities in the creation of social housing. The programme, which originally ran until 31 December 2019, was initially extended until 31 December 2026. The third pillar (Pillar III) accelerates the development of state housing subsidies. They are used to subsidise new rental homes for those entitled to social housing and places in student residences. Furthermore, the Bavarian state government approved a package of measures for more housing in 2018 in order to relieve the tight housing situation in view of rising property and rental prices.

Moreover, since January 2023 the Bavarian state government has been stepping up its efforts to counter the downward trend in the construction sector with its so-called Bavaria Housebuilding Booster and a package of measures to stimulate the industry. The state is subsidising the construction, expansion and acquisition of owner-occupied houses and apartments. As further support, the Free State of Bavaria significantly reduced interest rates for the creation of residential property until 31 August 2024 and permanently raised the income limits for subsidised housing by around 25% in autumn 2023.

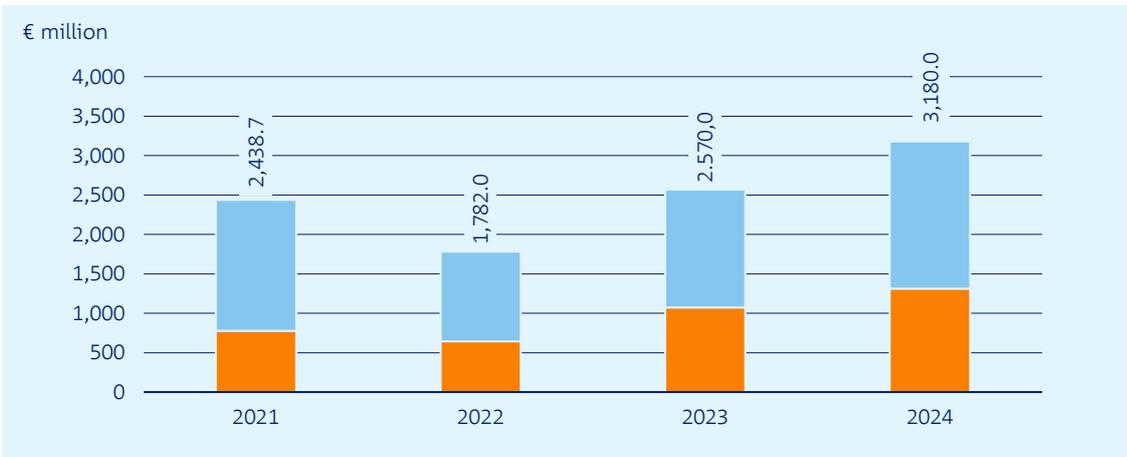
The interest subsidy within the scope of equity programmes includes promotional loans in the BayernLoan (until 31 August 2024) and the Bavarian modernisation programme (new business and prolongations). This relates to loans where the customer interest rate is subsidised through the use of funds from the Free State of Bavaria. In this program, this leads to pricing agreements that lie below funding costs.

Loan and grant commitments of €3,180 million

New commitments

In 2024, BayernLabo approved commitments and grants totalling €3,180.0 million (FY 2023: €2,570.0 million) due to higher demand.

New commitments and grants



Commitments/grants in 2024:

- Housing subsidies €1,867.7 million (FY 2023: €1,496.7 million)
- Municipal lending €1,312.3 million (FY 2023: €1,073.3 million)

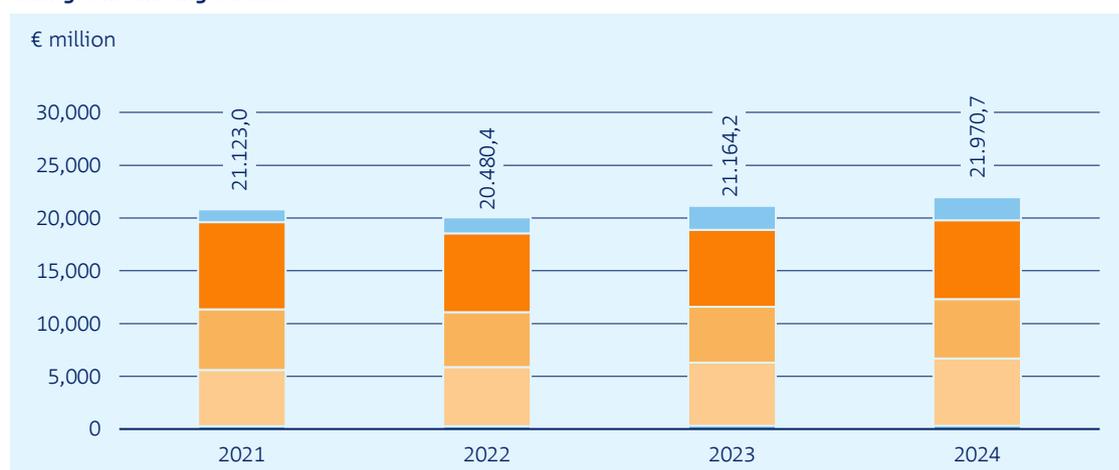
Potential deviations in the total are due to rounding.

BayernLabo's total approval volume increased significantly by €610.1 million (23.7%) compared to the previous year. While loan commitments for subsidised housing increased by €202.0 million (17.7%) to €1,345.5 million, the corresponding grants were up by €169.1 million (47.9%). In addition, new commitments in the municipal lending business recorded strong growth of €239.0 million (22.3%) to €1,312.3 million. By contrast, it remained the case in 2024 that no government loan was concluded with the Free State of Bavaria.

Existing business

BayernLabo's lending volume increased slightly by €806.6 million (3.8%) to €21,970.7 million²³ in the 2024 financial year (FY 2023: €21,164.1 million).

Changes in existing business



Existing business in 2024

- Due from banks €2,181.9 million (FY 2023: €2,288.1 million)
- Government and municipal loans €7,480.0 million (FY 2023: €7,271.9 million)
- Guaranteed business €5,619.9 million (FY 2023: €5,290.2 million)
- Fiduciary business €6,381.3 million (FY 2023: €5,998.0 million)
- Own liabilities €307.6 million (FY 2023: €316.0 million)

The state and municipal loan business posted slight growth of 2.9% to €7,480.0 million. As in previous years, there was a further reduction in the public sector lending business with the Free State of Bavaria, due to scheduled repayments of Schuldschein note loans (from €510.0 million to €150.0 million nominal), which were not made up by any new contracts. This was offset by significant growth in the municipal lending business of 8.5% to €7,235.7 million, driven by a further significant increase in the disbursement volume of €1,294.0 million (FY 2023: €1,084.8 million).

In guaranteed proprietary business, the total portfolio grew by €329.7 million (6.2%) to €5,619.9 million. The main reason for this is a significant increase in new loans to €527.0 million

²³ Until 2021, recognition of residual capital, and from 2022 recognition on the balance sheet (including pro rata interest, open items and valuation allowances).

(FY 2023: €391.8 million), which is primarily due to the expansion of funding opportunities in the BayernLoan – Bavarian low interest rate loan programme in the previous year. A further reason is the continued low level of repayments. By contrast, the loan portfolio guaranteed by the Free State of Thuringia (€88.0 million, FY 2023: €110.0 million) continues to decrease, as only the existing portfolio has been managed since 2002.

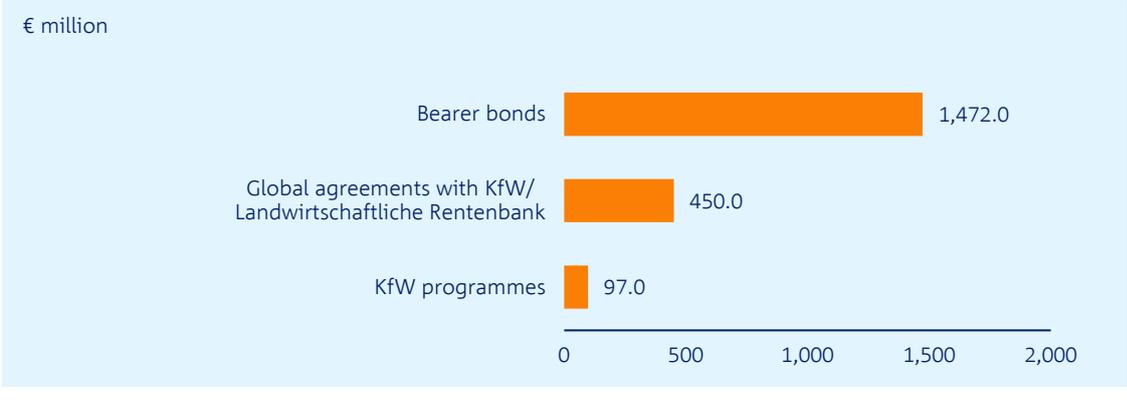
The receivables portfolio in the fiduciary business recorded an even higher increase of €383.3 million (6.4%) to €6,381.3 million. As in previous years, the reason for the increase is partly the further sharp rise in disbursements in the Bavarian fiduciary business totalling €659.0 million (FY 2023: €595.0 million), which significantly exceeded repayments of €82.0 million.

The loan portfolio under BayernLabo’s own liabilities, however, decreased slightly by 2.7% to €307.6 million, as the repayment volume slightly exceeded the disbursement volume.

Funding

BayernLabo refinances itself on the capital market, from KfW subsidy programmes, from general funding from KfW or Landwirtschaftliche Rentenbank or, in the short term, by borrowing fixed deposits at BayernLB. The total amount of funding in the financial year increased significantly by €646.0 million (47.1%) to €2,019.0 million (FY 2023: €1,373.0 million).

Composition of funding in 2024



BayernLabo issued €1,472.0 million (FY 2023: €679.0 million) of bearer bonds (social bonds) on the capital market, including by way of private placements.

BayernLabo arranges global agreements with KfW and/or Landwirtschaftliche Rentenbank as required. Refinancing of €450.0 million (FY 2023: €600.0 million) was provided for this purpose.

BayernLabo used the funding volume from KfW development programmes of €97.0 million (FY 2023: €94.0 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.

Results of operations and financial position (HGB)

Results of operations

BayernLabo's results of operations in the year under review were marked by a high level of net interest income, which derived primarily from the investments of asset/liability management. After the allocation to provisions for general banking risks, a very good net profit for the year of €55.0 million is reported (FY 2023: €25.0 million).



Net profit of
€55 million

Results of operations

€ million	2024	2023	Change	
			Absolute	In %
Net interest income	111.5	95.3	16.2	17.0
Net commission income	26.9	25.3	1.6	6.3
Gross profit	138.4	120.6	17.8	14.8
Staff costs	(40.8)	(41.1)	0.3	(0.7)
Operating expenses	(29.1)	(27.6)	(1.5)	5.4
Net of other operating expenses and income	0.3	25.3	(25.0)	(98.8)
Gains or losses before risk provisions	68.8	77.2	(8.4)	(10.9)
Risk provisions/gains or losses on measurement	(13.8)	(52.2)	38.4	(73.6)
Net profit	55.0	25.0	30.0	> 100.00

Gross profit

The very good gross profit of €138.4 million stood 14.8% higher than the previous year's level (€120.6 million).

Despite the volatile interest rate situation, net interest income increased by 17.0% or €16.2 million to €111.5 million. This mainly reflected interest income from the money investments of asset/liability management.

Net commission income rose slightly by €1.6 million (6.3%) to €26.9 million. Sources of commission income include income from administrative cost contributions in the fiduciary business. Sources of commission expenses include guarantee fees payable by BayernLabo to the Free State of Bavaria.

Expenses

Administrative expenses increased slightly by 1.7% to €69.9 million in the reporting year (FY 2023: €68.7 million). At €40.8 million, staff costs decreased by €0.3 million and were thereby 0.7% lower than in the previous year. By contrast, operating expenses of €29.1 million, which were marked particularly by ongoing IT costs, reduced by €1.5 million year-on-year (5.4%).

The positive net balance of other operating income and expenses decreased sharply by €25.0 million to €0.3 million (FY 2023: positive net balance of €25.3 million). This was due to the less positive value performance of plan assets (CTA year on year), which amounted to €9.8 million (FY 2023: €31.7 million).

The item risk provisions/gains or losses on measurement mainly includes the allocation of provisions for general banking risks pursuant to Section 340f of the German Commercial Code (HGB).

Financial position

BayernLabo's total assets of €22,690.8 million again reflect a slight increase of €897.4 million (4.1%) in the reporting year (FY 2023: €21,793.4 million).

Assets (selected items)

€ million	2024	2023	Change	
			Absolute	In %
Due from banks	2,181.9	2,288.1	(106.2)	(4.6)
Due from customers	13,407.6	12,878.0	529.6	4.1
Bonds, notes and other fixed-income securities	353.6	294.0	59.6	20.3
Assets held in trust	6,381.3	5,998.0	383.3	6.4

As part of asset/liability management, amounts due from banks decreased by €106.2 million to €2,181.9 million as at 31 December 2024, reflecting factors relating to the reporting date.

The amounts due from customers grew by a total of €529.6 million to €13,407.6 million. This is attributable both to growth in the municipal lending business and to new loans extended in the guaranteed proprietary business.

Assets held in trust increased from €383.3 million to €6,381.3 million due to a high level of disbursements.

Liabilities (selected items)

€ million	2024	2023	Change	
			Absolute	In %
Due to banks	4,885.3	5,448.0	(562.7)	(10.3)
Due to customers	3,384.8	3,357.4	27.4	0.8
Securitised liabilities	5,403.6	4,563.3	840.3	18.4
Provisions	40.5	41.5	(1.0)	(2.4)
Own funds	2,475.5	2,363.3	112.2	4.7

On the equity and liabilities side of the balance sheet, amounts due to banks (KfW, Landwirtschaftliche Rentenbank and BayernLB) decreased by €562.7 million to €4,885.3 million.

By contrast, amounts due to customers posted slight growth of €27.4 million to €3,384.8 million. Securitised liabilities also increased by €840.3 million to €5,403.6 million as a consequence of new issues.

Summary assessment

BayernLabo achieved a very good level of profitability in the 2024 financial year. Its financial position was sound and its liquidity base was comfortable throughout the reporting period.

From BayernLabo's perspective, business performance has been extremely satisfactory in the current environment.

Human resources

BayernLabo offers its employees varied work, a pleasant, collegial working atmosphere, cooperation between all hierarchical levels on an equal footing, flexibility in relation to home office working and the advantages of a modern and pleasant workplace on site.

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 can constructively support and help shape continuous digital development.

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

Despite the fact that it is becoming increasingly difficult to recruit qualified and motivated employees in times of a shortage of skilled staff and ever tougher competition for talent, BayernLabo recruited 15 new employees in the financial year under review.

BayernLabo is also working continuously to increase the percentage of women in management positions in order to ensure a balance between female and male managers. For example, 35.3% of team management positions and one department management position (out of eight) were held by women in 2024. As part of its talent programme (class of 2024/2025), BayernLabo has selected one male and one female talent for the two places to be awarded. BayernLabo's seven-strong team of innovators (class of June 2024 and June 2026) consists of three female and four male junior employees.

As of 31 December 2024, a total of 226 staff, equivalent to 199.0 full time equivalents (FTEs), were employed at BayernLabo (as at 31 December of the previous year: 213 employees or 187.7 FTEs).

Number of employees

	31 Dec 2024		31 Dec 2023		Change
	Number	In %	Number	In %	In %
BayernLabo total	226		213		6.1
Of which men	79	35.0	79	37.1	0.0
Of which women	147	65.0	134	62.9	9.7
Of which full-time	148	65.5	135	63.4	9.6
Of which part-time	78	34.5	78	36.6	0.0

The part-time ratio of 34.5% decreased slightly compared with the previous year (36.6%). In the financial year under review, an unchanged number of 78 employees utilised the part-time programme. This continued high rate reflects great flexibility on the part of both the employees and the company.



Wohnen am Rosengarten, Ingolstadt

Income-based subsidy

Builder-owner: Gemeinnützige Wohnungsbaugesellschaft Ingolstadt GmbH, Ingolstadt

Planner: O3 Architekten GmbH, Munich

Photo: © Maria Bayer, Nuremberg

BayernLabo also enjoys a high level of employee loyalty with an average length of service of 20.6 years.

12 Outlook

Outlook

Economic environment

Following the super election year of 2024, global economic risks remain elevated.²⁴ Economic growth is being significantly impacted by political decisions and policy course-setting – particularly by the new Trump administration – and by events in geopolitical crisis regions such as Ukraine and the Middle East. The expected US change of course in its support for Ukraine is placing additional defence policy burdens on Europe, and the threat of tariffs on goods from China, the EU and other countries threatens to spark a global trade war. Against this backdrop, the relationship between the US and China is likely to come to a head. The new EU Commission under Ursula von der Leyen will have to find answers to the changes in US policy as well as to sluggish investment in Europe. The trend towards new EU spending programmes and greater debt mutualisation is evident. However, these initiatives will require support from the next German government, anticipated to take over in the second quarter of 2025. Given the necessary investments, particularly in defence capabilities and infrastructure, an adjustment of the debt brake in Germany appears unavoidable. If another negative economic shock arises, it could have serious consequences, as the room for manoeuvre for monetary and fiscal policy in industrialised countries is severely constrained.

The change in the Oval Office will compel key economic and political actors worldwide to make adaptations. In spite of some signs of cooling, the US economy is entering the first year of Trump's second term on a sound footing. However, by the second quarter, the impact of tariffs and immigration policies is expected to be felt, adding to inflationary pressures. Weaker consumer purchasing power and declining corporate profit margins are likely to slow economic growth, while labour shortages may impede the hoped-for expansion of domestic production. Given already observable accelerated purchasing effects due to anticipated import tariffs and thereby greater price pressure at the start of 2025, the Fed is likely to discontinue its cycle of rate cuts for the time being and in 2025 keep the key fed funds interest rate in the 4.25 – 4.50% range which was set in December 2024. In China, the government is attempting to bolster the faltering economy – marked by an ongoing real estate crisis, weak consumer confidence and the risk of deflation – through a series of monetary and regulatory easing interventions. These are expected to be supplemented by broader fiscal initiatives this year, although the scope and structure remain mostly vague and are contingent on US tariff decisions. In contrast to previous programmes, only minor positive effects on other countries are expected this time. Europe is heavily affected by Trump's decisions. After a brief period marked by front-loading effects, higher US tariffs are expected to weigh on EU exports from the second quarter of 2025 onwards. While retaliatory EU tariffs could reduce the influx of Chinese goods into the European market, they would also contribute to rising inflationary pressures, limiting the ECB's room for manoeuvre. After three interest rate cuts of 25 basis points each in January, March and April 2025, the 2.25% low point in interest rates reflects a neutral level. Increased defence spending – aimed at supporting Ukraine and meeting NATO expenditure targets – will likely provide only a very minor boost to growth, as much of the military equipment will need to be imported (from the US). In keeping

²⁴ See BayernLB Research, *Perspectives 10/2024*, updated in *Perspectives 1/2025* and *2/2025*

with the Draghi Report,²⁵ additional funds should be available to promote innovation and decarbonisation, also financed by EU Community Bonds, as well as progress in the Capital Markets Union, which should support investment over the course of the year. Private consumption is also expected to pick up, supported by rising real incomes. All in all, in 2025 economic growth in the eurozone is projected once again to be 0.7%, well below potential growth.

Germany will probably remain at the tail end of the major European economies, with real GDP growth of -0.2%. A new federal government will be able to change little in the short term. While exports are likely to fall again due to US tariff policy – the US is the largest sales market – a slight increase in construction and equipment investment is expected. This is mainly due to falling interest rates. The new government will not be able to tackle structural barriers to investment such as excessive bureaucracy and inadequate support for innovation before the second half of the year, and a tangible boost is not expected until late in the year. Expansive fiscal policies (including changes to the debt brake) and support measures for industry would at least partially cushion some of the negative effects from US tariffs. However, ultimately, private consumption is set to become the main economic driver. Despite higher inflation, real wages are expected to rise significantly, while savings rates will probably decline gradually. The further deterioration in the labour market and the foreseeable increase in the use of short-time working will do little to change this situation.

Bavaria faces challenges similar to Germany as a whole, given its strong industrial and export-driven economy. In particular, its heavy reliance on the automotive and supplier industries acts as a constraint. But in the Free State, which is home to Germany's strongest labour market, real wage growth is expected to support private consumption.

The environment for the Bavarian construction industry, particularly in residential construction, remains strained given continuing subdued economic conditions and the drop in demand for residential property. Due to the cancellation of orders for existing new construction projects observed in previous years and the lack of new planning, a decrease in new construction figures in Bavaria is expected in 2024 and 2025, which will be similar to that of residential construction in Germany as a whole.

All in all, prices for residential property in Bavaria are likely to rise slightly again in 2025. A further sharp rise in rents is also expected.

Risks include a renewed rise in inflation, which would result in a premature end to the ECB's key interest rate cuts and thereby counteract the expected slight recovery in demand for residential property over the course of 2025. A further deterioration in economic growth with an increased number of corporate insolvencies and a rising unemployment rate would also have a lasting negative impact on German and Bavarian residential property market trends.

²⁵ See European Commission 2025, https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en

BayernLabo's future performance

Although both geopolitical and economic conditions remain a challenge for companies and banks, the willingness to invest in residential construction and municipal facilities will remain high, particularly in Bavaria.

Given the still-high investment backlog, upcoming investment challenges, particularly in the context of the energy transition, as well as the immense cost increases in personnel and investment costs, higher demand for loans to realise municipal investment projects is expected.

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 economic conditions in the interest rate environment turn out to be better than expected. High interest rates make BayernLabo an even more attractive business partner in the market for loans, and can thereby exert a positive impact on net interest income.

By ongoing improvements in the recording of energy data, BayernLabo hopes to gain funding advantages for capital market issues, which can be passed on to end customers.

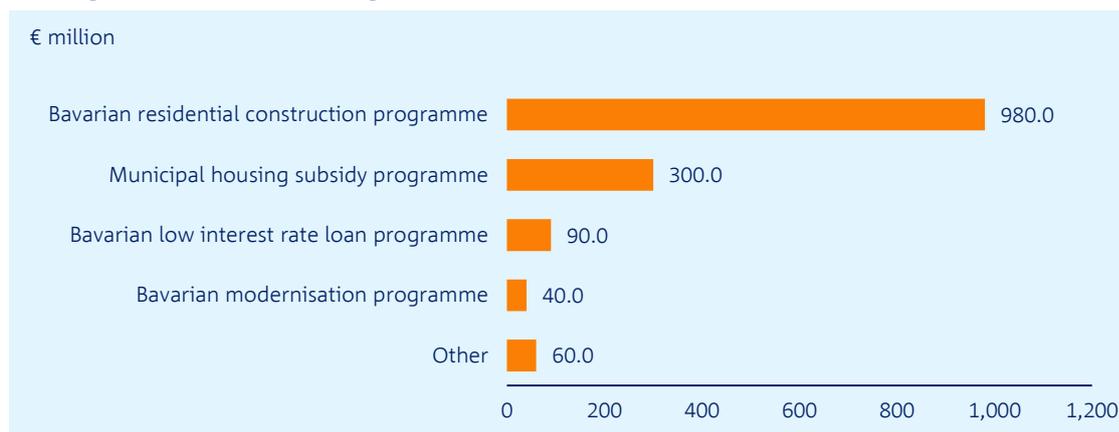
A major challenge for BayernLabo will be to ensure that it can continue to fill vacancies adequately in the future despite the tight situation in the skilled labour market.

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

Housing development

A total of €1,470.0 million has been earmarked for new commitments and grants for subsidised housing in the 2025 financial year.

Planning of new commitments and grants for 2025



The Bavarian residential construction programme has a budget of around €980.0 million for 2025.

A total of €300.0 million will be made available for the municipal housing subsidy programme, which includes both loans (€150 million) and investment grants (€150 million).

BayernLabo will provide an internally funded contribution of up to €15.0 million to subsidise the Bavarian low interest rate loan programme (€90.0 million), the Bavarian modernisation programme (€40.0 million) and the municipal subsidised loan business (€100.0 million), to be charged to the 2025 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.

The Free State of Bavaria provides interest rate subsidies as required for the Bavarian modernisation programme for new business and for loan extensions with renewal of fixed-occupancy periods.

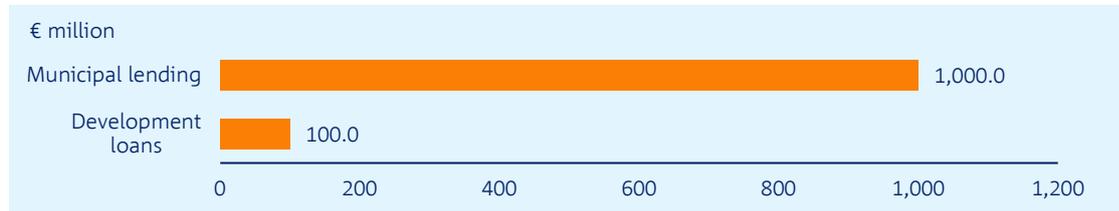
Additional commitments and grants of €60.0 million were also taken into account.

The Free State of Bavaria is currently revising the planning for available quotas for new commitments and grants. The effects on the approval framework are not foreseeable at the present time.

Municipal lending business

In the municipal lending business, a total of €1,100 million is planned for new commitments for the 2025 financial year.

Planning of new commitments 2025



BayernLabo is planning an unchanged volume of new business in traditional municipal lending of €1,000.0 million.

In addition to grants and development loans (especially from KfW), traditional municipal loans will remain the preferred source of financing for a large proportion of borrowers. The growing need for external financing will increasingly be subject to budgetary limits.

Apartment blocks in Nuremberg

Income-based subsidy

Builder-owner: Siedlungswerk Nürnberg GmbH, Nuremberg

Planner: Behles & Jochimsen, Berlin

Photo: Siedlungswerk Nürnberg GmbH, Nuremberg



13 Notes

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In the tables below, potential differences in the total are due to rounding.

1 Rental housing

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

Tab. 1.1 Breakdown of property and occupancy-related subsidies by area of approval

Granted for the area of	As a property-related subsidy	As an occupancy-related subsidy
	€ million	€ million
Munich	20.3	26.3
Nuremberg	31.2	36.1
Augsburg	10.9	10.5
Upper Bavaria	69.7	69.2
Lower Bavaria	22.7	20.1
Upper Palatinate	25.6	18.4
Upper Franconia	23.6	14.6
Middle Franconia	20.3	23.5
Lower Franconia	12.5	13.3
Swabia	39.8	30.2
Jointly	276.6	262.2

Tab. 1.2 Subsidies for construction of new rental homes by area of approval

Granted for the area of	Total costs						
	Subsidised homes	Loans	General grant	Ready for sustainable renewal and expansion grant	Local centre grant	Sustainability grant	Energy-efficiency grant
	RU	€	€	€	€	€	€
Munich	315	45,489,500	12,956,100	–	2,159,000	3,318,200	–
Nuremberg	238	49,723,300	9,846,800	–	1,641,000	3,282,200	–
Augsburg	96	21,463,900	3,783,000	–	322,300	1,260,900	–
Upper Bavaria	573	137,565,458	29,951,500	–	4,017,800	7,598,400	–
Lower Bavaria	254	41,922,200	8,349,200	–	1,169,700	2,651,500	–
Upper Palatinate	246	42,964,042	9,850,900	124,100	1,529,700	2,848,200	–
Upper Franconia	197	37,799,900	7,589,400	72,900	1,058,700	2,238,200	–
Middle Franconia	353	43,789,350	6,200,180	–	957,480	1,915,640	–
Lower Franconia	8	1,985,400	398,500	–	66,400	132,800	–
Swabia	462	63,480,300	10,756,900	–	1,530,300	3,350,400	–
Jointly	2,742	486,183,350	99,682,480	197,000	14,452,380	28,596,440	–
Subsequent and residual approvals ¹	10	52,672,950	8,168,200	–	1,351,600	2,703,100	–
Total	2,752	538,856,300	107,850,680	197,000	15,803,980	31,299,540	–
The home subsidies approved subsequently/residually are broken down as follows:							
Munich	–	1,179,700	17,500	–	–	–	–
Nuremberg	–	17,605,200	4,530,700	–	755,100	1,510,200	–
Augsburg	–	–	–	–	–	–	–
Upper Bavaria	–	1,382,400	41,100	–	–	–	–
Lower Bavaria	–	819,900	–	–	–	–	–
Upper Palatinate	–	1,045,000	–	–	–	–	–
Upper Franconia	–	359,400	–	–	–	–	–
Lower Franconia	10	23,761,000	3,550,600	–	591,800	1,183,500	–
Swabia	–	6,520,350	28,300	–	4,700	9,400	–
Total	10	52,672,950	8,168,200	–	1,351,600	2,703,100	–

¹ Following reduction by the additional subsidy.

Tab. 1.2 Continuation: Subsidies for construction of new rental homes by area of approval

	Total costs			
	Average loan per home	per home	per m ² of residential area	Average home size
	€	€	€	m ²
Munich	144,411	395,256	5,766	69
Nuremberg	208,921	543,283	7,907	69
Augsburg	223,582	436,648	6,678	65
Upper Bavaria	240,079	475,613	6,242	76
Lower Bavaria	165,048	326,174	5,109	64
Upper Palatinate	174,651	366,716	5,567	66
Upper Franconia	191,878	328,236	4,947	66
Middle Franconia	124,049	366,904	5,210	70
Lower Franconia	248,175	363,576	4,502	81
Swabia	137,403	362,992	5,477	66
Jointly	177,310	403,392	5,837	69

Tab. 1.3 Occupancy commitments

Including for	2024		2023	
	RU	%	RU	%
Young married couples	–	–	–	–
Large families	44	1.6	116	4.4
Elderly persons	11	0.4	44	1.6
Severely disabled	11	0.4	20	0.8
Pregnant women	–	–	–	–
Single parents	8	0.3	–	–
Other persons with unsuitable accommodation	2,678	97.3	2,483	93.2
Jointly	2,752	100.0	2,663	100.0

Tab. 1.4 Contractors

	Rental homes		Loans	
	Number	%	€	%
Private-sector contractors	413	15.0	61,304,300	0.6
Private housing companies	1,167	42.4	234,139,720	56.4
Other contractors	67	2.4	11,493,000	5.4
Public-sector contractors	1,105	40.2	231,919,280	37.6
Jointly	2,752	100.0	538,856,300	100.0

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

Tab. 1.5 Details of subsidies (new builds and conversions)

		Total costs					Energy- efficiency grant
		Subsidised homes	Loans	General grant	Local centre grant	Sustain- ability grant	
Construction projects		RU	€	€	€	€	€
Straubing	New builds	7	678,000	231,100	38,500	44,900	–
Lower Bavaria		7	678,000	231,100	38,500	44,900	–
Erbendorf	New builds	6	969,000	266,400	44,400	52,600	–
Upper Palatinate		6	969,000	266,400	44,400	52,600	–
Nürnberg	New builds	3	3,000,000	466,800	–	–	–
Nuremberg		3	3,000,000	466,800	–	–	–
Subsequent and residual approvals		–	–	–	–	–	–
Total		16	4,647,000	964,300	82,900	97,500	–

Tab. 1.5 Continuation: Details of subsidies (new builds and conversions)

		Total costs			Average home size m ²
		Average loan per home €	per home €	per m ² of residential area €	
Construction projects		€	€	€	m ²
Straubing		96,857	181,789	3,305	55
Lower Bavaria		96,857	181,789	3,305	55
Erbendorf		161,500	274,987	3,716	74
Upper Palatinate		161,500	274,987	3,716	74
Nürnberg ¹		1,000,000	1,364,157	5,378	254
Nuremberg		1,000,000	1,364,157	5,378	254

¹ It relates to three residential groups.

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

Tab. 1.6 Breakdown of subsidised rental homes by IBS and EBS occupancy commitments

	Subsidised rental homes	Of which 25 years occupancy commitment	Of which 40 years occupancy commitment	Of which 55 years occupancy commitment
Munich	315	159	–	156
Nuremberg	241	119	3	119
Augsburg	96	–	47	49
Upper Bavaria	573	200	44	329
Lower Bavaria	261	161	34	66
Upper Palatinate	252	62	46	144
Upper Franconia	197	14	28	155
Middle Franconia	353	100	37	216
Lower Franconia	18	–	–	18
Swabia	462	82	144	236
Jointly	2,768	897	383	1,488

Municipal housing subsidy programme

Tab. 1.7 Municipal housing subsidy programme (KommWFP)

Grant subsidy					
Administ-rative district	Subsidised rental housing	Basic grant	Grant for existing buildings	Basic grant for public services	Grant for existing buildings used for public services
		€	€	€	€
Upper Bavaria	40	2,815,800	1,267,600	3,596,800	43,400
Lower Bavaria	–	–	–	–	–
Upper Palatinate	–	–	–	–	–
Upper Franconia	–	–	–	–	–
Middle Franconia	1	–	114,600	–	–
Lower Franconia	–	–	–	–	–
Swabia	1	153,200	–	–	–
Jointly	42	2,969,000	1,382,200	3,596,800	43,400

Tab. 1.7 Continuation: Municipal housing subsidy programme (KommWFP)

Combined subsidy							
Administ-rative district	Subsidised rental housing	Loans	Basic grant	Grant for existing buildings	Basic grant for public services	Grant for existing buildings used for public services	Total costs
		€	€	€	€	€	€
Upper Bavaria	162	24,491,800	8,891,100	1,130,800	8,567,500	4,137,400	111,077,190
Lower Bavaria	–	–	–	–	–	–	–
Upper Palatinate	34	3,159,900	1,279,900	1,174,400	–	–	7,202,639
Upper Franconia	22	3,642,900	–	2,318,200	–	–	7,115,500
Middle Franconia	8	1,220,600	–	1,175,700	–	–	3,226,075
Lower Franconia	–	–	–	–	–	–	–
Swabia	77	16,446,500	3,937,200	211,900	5,128,300	1,306,100	54,874,369
Jointly	303	48,961,700	14,108,200	6,011,000	13,695,800	5,443,500	183,495,773

Bavarian modernisation programme

Tab. 1.8 Total subsidies by area of approval

Granted for the area of	Rental homes				Sustain-ability grant
	Flats	%	Loans	Grants	
Munich	–	–	–	–	–
Nuremberg	–	–	–	–	–
Augsburg	36	6.0	3,075,500	629,500	–
Upper Bavaria	–	–	–	–	–
Lower Bavaria	–	–	–	–	–
Upper Palatinate	24	4.0	800,000	200,000	–
Upper Franconia	99	16.6	7,958,000	1,521,000	1,323,300
Middle Franconia	280	47.0	12,973,300	3,578,200	438,800
Lower Franconia	112	18.8	7,202,400	1,800,600	1,130,000
Swabia	45	7.6	1,173,500	293,300	–
Jointly	596	100.0	33,182,700	8,022,600	2,892,100

Tab. 1.8 Continuation: Total subsidies by area of approval

Granted for the area of	Care home places				Sustain-ability grant
	Flats	%	Loans	Grants	
Munich	–	–	–	–	–
Nuremberg	–	–	–	–	–
Augsburg	–	–	–	–	–
Upper Bavaria	–	–	–	–	–
Lower Bavaria	–	–	–	–	–
Upper Palatinate	–	–	–	–	–
Upper Franconia	–	–	–	–	–
Middle Franconia	36	100.0	3,190,300	599,000	399,000
Lower Franconia	–	–	–	–	–
Swabia	–	–	–	–	–
Jointly	36	100.0	3,190,300	599,000	399,000

2 Owner-occupied homes

Bavarian residential construction programme – new builds and conversions

Tab. 2.1 Loan commitments and average by area of approval and grants approved for households with children

	Residential space in family homes	Owner-occupied flats	Total residential units		Amortising loans		Average loan per residential unit	Grants for households with children	Additional grants
	RU	RU	RU	%	€	%	€	€	€
	Munich	3	1	4	0.7	200,000	0.7	50,000	37,500
Nuremberg	8	–	8	1.5	510,000	1.8	63,750	82,500	–
Augsburg	3	–	3	0.5	450,000	1.6	150,000	52,500	–
Upper Bavaria	105	4	109	19.9	5,973,940	21.4	54,807	1,545,000	215,000
Lower Bavaria	39	–	39	7.1	2,067,900	7.4	53,023	555,000	50,000
Upper Palatinate	77	2	79	14.4	2,898,400	10.4	36,689	1,087,500	100,000
Upper Franconia	49	–	49	9.0	2,843,200	10.2	58,024	750,000	–
Middle Franconia	67	2	69	12.6	3,621,300	13.0	52,483	915,000	–
Lower Franconia	43	2	45	8.2	1,881,000	6.7	41,800	637,500	–
Swabia	134	8	142	26.0	7,446,000	26.7	52,437	1,905,000	150,000
Jointly	528	19	547	100.0	27,891,740	100.0	50,990	7,567,500	515,000
Subsequent and residual approvals					–			15,000	–
Total					27,891,740			7,582,500	515,000

Tab. 2.2 Total costs and home sizes

	2024 (2023)		
	Total costs per residential unit	Total costs per m ² of residential area	
		€	€
Residential units in family homes	652.371 (628,970)	4.642 (4.590)	141 (137)
Of which single-family homes	661.203 (635.768)	4.679 (4.618)	141 (137)
Of which two-family homes	544.629 (533.407)	4.154 (4.170)	131 (128)
Owner-occupied flats	496.297 (471.939)	5.292 (5.377)	94 (88)

Bavarian residential construction programme – purchases

Tab. 2.3 Subsidies for the purchase of existing homes by area of approval

	Residential	Owner-	Total residential units		Amortising loans		Average	Grants for	Additional
	space in	occupied	RU	%	€	%	loan	households	
	family	flats					per	with	
homes	RU	RU	RU	%	€	%	residential	children	grants
							unit	€	€
Munich	4	5	9	0.6	445,600	0.6	49,511	112,500	445,600
Nuremberg	80	29	109	6.8	8,098,300	11.1	74,296	1,635,000	4,912,500
Augsburg	25	9	34	2.1	3,302,500	4.5	97,132	547,500	1,567,900
Upper Bavaria	127	27	154	9.6	8,092,400	11.1	52,548	2,377,500	6,563,867
Lower Bavaria	108	14	122	7.6	5,234,600	7.2	42,907	1,852,500	4,563,600
Upper Palatinate	108	7	115	7.2	3,853,000	5.3	33,504	1,777,500	4,337,800
Upper Franconia	193	6	199	12.5	8,249,100	11.3	41,453	2,895,000	6,468,100
Middle Franconia	244	34	278	17.4	10,220,000	14.0	36,763	4,230,000	10,709,100
Lower Franconia	135	14	149	9.3	5,732,700	7.8	38,474	2,227,500	5,595,850
Swabia	347	81	428	26.8	19,885,200	27.2	46,461	6,465,000	18,478,700
Jointly	1,371	226	1,597	100.0	73,113,400	100.0	45,782	24,120,000	63,643,017
Subsequent and residual approvals					44,000			5,000	20,000
Total					73,157,400			24,125,000	63,663,017

BayernLoan – Bavarian low interest rate loan programme

Tab. 2.4 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
	€	€	Number	€	€	Number
Upper Bavaria (including Munich)	21,518,300	83,560,856	105	25,920,100	94,760,450	155
Lower Bavaria	6,090,400	21,215,563	37	12,017,400	44,886,007	113
Upper Palatinate	14,196,800	49,306,679	76	12,930,600	45,877,153	106
Upper Franconia	7,417,900	25,988,052	44	15,888,000	61,537,444	166
Middle Franconia (including Nuremberg)	12,336,300	45,248,397	73	45,337,400	163,904,148	362
Lower Franconia	7,032,400	26,910,284	41	14,801,100	57,464,482	138
Swabia (including Augsburg)	26,398,000	97,164,532	138	58,810,500	214,089,646	425
Jointly	94,990,100	349,394,363	514	185,705,100	682,519,330	1,465

Tab. 2.5 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
	€	€	Number	€	€	Number
Upper Bavaria (including Munich)	28,989,400	107,283,353	129	21,632,700	70,992,027	99
Lower Bavaria	4,877,100	16,975,808	23	2,555,500	7,911,547	18
Upper Palatinate	5,821,800	20,355,039	30	4,674,200	13,987,530	29
Upper Franconia	4,806,100	16,708,040	27	3,416,300	10,833,312	34
Middle Franconia (including Nuremberg)	13,150,800	46,158,104	64	18,583,900	61,078,422	113
Lower Franconia	4,258,000	15,414,588	23	3,874,000	13,054,428	26
Swabia (including Augsburg)	16,142,600	57,148,170	76	18,617,500	64,072,436	117
Jointly	78,045,800	280,043,102	372	73,354,100	241,929,702	436

Tab. 2.6 List by end of conditions lock-in – 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	–	–	6	1,120,600	7	1,360,700
Nuremberg	6	546,900	58	7,150,700	49	7,361,600
Augsburg	4	305,200	14	1,564,400	19	2,561,600
Upper Bavaria	7	1,013,200	52	8,614,000	188	35,329,900
Lower Bavaria	4	322,000	44	4,601,800	102	13,184,000
Upper Palatinate	5	593,100	30	4,756,500	147	21,777,800
Upper Franconia	9	629,300	33	3,250,800	168	19,425,800
Middle Franconia	14	1,053,000	76	10,511,800	232	31,049,700
Lower Franconia	2	170,000	14	1,777,300	163	19,886,200
Swabia	19	2,779,300	85	13,119,100	422	64,878,900
Jointly	70	7,412,000	412	56,467,000	1,497	216,816,200

Tab. 2.7 Approval amount by 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	2	481,800	2	485,800	2	327,800
Nuremberg	2	266,100	9	1,136,700	5	939,400
Augsburg	1	100,000	7	1,214,000	6	1,076,500
Upper Bavaria	3	484,800	57	12,234,900	162	36,607,000
Lower Bavaria	1	125,000	9	1,216,000	31	6,091,600
Upper Palatinate	3	507,600	7	975,600	49	9,012,800
Upper Franconia	–	–	8	825,000	53	7,397,400
Middle Franconia	4	590,800	38	6,558,900	119	22,242,800
Lower Franconia	1	108,500	5	713,000	43	7,310,500
Swabia	8	1,283,200	37	5,902,100	134	25,184,300
Jointly	25	3,947,800	179	31,262,000	604	116,190,100

Income limit for subsidisation of owner-occupied homes

Tab. 2.8 Income limit for subsidisation of owner-occupied homes with examples of corresponding annual gross income from 1 September 2023

Household size	Annual income limit	Corresponds to annual net income of around
	€	€
1-person household	28,300	41,600
2-person household	43,200	62,900
Plus for each additional person	10,700	15,200
For every child	3,200	4,500

In the examples the following requirements were taken into account for a working-class household: sole earner, deduction of a flat rate for income-related expenses of €1,230 and 30% 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.

3 Subsidisation of condominium owners' associations

Tab. 3.1 Total subsidies by area of approval

	Flats	%	Loans
Munich	34	8.4	1,972,800
Nuremberg	–	–	–
Augsburg	–	–	–
Upper Bavaria	105	25.9	1,022,900
Lower Bavaria	–	–	–
Upper Palatinate	–	–	–
Upper Franconia	65	16.0	928,600
Middle Franconia	104	25.6	2,741,200
Lower Franconia	–	–	–
Swabia	98	24.1	665,300
Jointly	406	100.0	7,330,800

4 Subsidisation of facilities for people with disabilities

Tab. 4.1 Subsidies for construction of new residential spaces by area of approval

	Residential places subsidised with loans/grants ¹						Residential places subsidised only with grants ²		
	Subsidised residential places	Non-repayable loans	Amortising loans	Average loan per residential place	Grants	Average grant per residential place	Number	€	Average per residential place
	Number	€	€	€	€	€			
Munich	–	–	–	–	–	–	–	–	–
Nuremberg	–	–	–	–	–	–	24	1,436,280	59,845
Augsburg	–	–	–	–	–	–	30	5,201,700	173,390
Upper Bavaria	36	3,000,000	–	83,333	3,045,500	84,597	18	1,191,550	66,197
Lower Bavaria	34	3,300,000	–	97,059	2,901,500	85,338	16	1,073,600	67,100
Upper Palatinate	14	1,200,000	–	85,714	1,315,400	93,957	10	1,862,900	186,290
Upper Franconia	12	1,000,000	–	83,333	900,800	75,067	12	1,907,700	158,975
Middle Franconia	48	800,000	2,075,410	59,904	9,119,040	189,980	–	–	–
Lower Franconia	–	–	–	–	–	–	48	10,800,000	225,000
Swabia	–	–	–	–	–	–	–	–	–
Jointly	144	9,300,000	2,075,410	78,996	17,282,240	120,016	158	23,473,730	148,568
Subsequent and residual approvals			–						
Total			2,075,410						

Tab. 4.2 Total costs and size of residential places by areas of approval

	Residential places ¹ new builds	Total costs of new builds		
		per residential place	per m ² of residential area	Average size of residential place
		€	€	m ²
Munich	–	–	–	–
Nuremberg	–	–	–	–
Augsburg	–	–	–	–
Upper Bavaria	36	394,025	9,763	40
Lower Bavaria	34	303,995	6,182	49
Upper Palatinate	14	179,671	1,643	109
Upper Franconia	12	369,985	8,072	46
Middle Franconia	48	365,000	6,023	61
Lower Franconia	–	–	–	–
Swabia	–	–	–	–
Jointly	144	340,250	6,038	56

¹ Not including residential places subsidised solely with grants.

5 Subsidisation of student and trainee housing

Tab. 5.1 Total subsidised loans

	Places in student halls of residence		Places in halls of residence for trainees		Type
	Number	Total loan amount €	Number	Total loan amount €	
Munich	–	556,900	–	–	Subsequent approval / renovation / conversion
Munich	185	15,061,000	–	–	New builds
Munich	392	22,412,011	–	–	New builds
Munich	266	15,478,118	–	–	New builds
Ingolstadt	44	3,300,000	–	–	Purchase/modernisation
Ingolstadt	231	17,385,000	–	–	New builds
Bad Tölz-Wolfratshausen	47	3,743,000	–	–	New builds
Eichstätt	153	12,280,000	–	–	New builds
Deggendorf	250	12,635,000	–	–	New builds
Regensburg	220	15,175,400	–	–	New builds
Cham	8	339,000	–	–	New builds
Cham	12	432,000	–	–	New builds
Coburg	103	8,196,400	–	–	New builds
Hof	132	9,857,300	–	–	New builds
Kulmbach	75	5,962,200	–	–	New builds
Ansbach	83	6,046,000	–	–	New builds
Aschaffenburg	10	627,400	–	–	New builds
Kaufbeuren	–	–	18	1,282,800	New builds
Kempten (Allgäu)	142	11,849,500	–	–	New builds
Jointly	2,353	161,336,229	18	1,282,800	

6 BayernLabo loan and grant commitments

Tab. 6.1 BayernLabo loan and grant commitments

	2024							
	Loan and grant commitments (1 of 4)				Residential space			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
		€	€	€	RU	RU	RU	RU
A – Subsidies for rental housing								
Bavarian residential construction programme – amortising loan								
Disability plan – new builds	2	2,075,410	–	–	–	–	–	40
Income-based subsidies – new builds	129	538,856,300	–	152,151,200	–	–	2,752	–
Expenditure-based subsidies – new builds	3	4,647,000	–	1,144,700	–	–	16	–
	134	545,578,710	–	153,295,900	–	–	2,768	40
Bavarian residential construction programme – conditionally non-repayable loans								
Disability plan – new builds – combined subsidy	9	9,300,000	–	17,282,240	–	–	–	104
Disability plan – new builds – grants	12	–	–	23,473,730	–	–	–	158
Loans to structurally adapt properties for people with disabilities	186	1,487,250	–	–	–	–	186	–
Loans to build housing for students	17	161,336,229	–	–	–	–	–	2,353
Loans to build housing for trainees	1	1,282,800	–	–	–	–	–	18
	225	173,406,279	–	40,755,970	–	–	186	2,633
Municipal housing subsidy programme								
Combined subsidy	28	–	48,961,700	39,258,500	–	–	303	–
Grant subsidy	6	–	–	7,991,400	–	–	42	–
	34	–	48,961,700	47,249,900	–	–	345	–
Bavarian modernisation programme								
Subsidies for rental homes	25	–	33,182,700	10,914,700	–	–	596	–
Subsidies for places in nursing homes	1	–	3,190,300	998,000	–	–	–	36
Condominium owners' association	12	–	7,330,800	–	–	–	406	–
	38	–	43,703,800	11,912,700	–	–	1,002	36
Further subsidies								
Creation of energy-efficient rental housing (EERH)	–	–	1,115,000	–	–	–	–	–
New business under own liability	1	–	55,500,000	–	–	–	–	–
Loans for promoting affordable housing	3	79,883,100	–	15,574,600	–	–	425	–
Modernisation of leasehold flats	–	–	–	–	–	–	–	–
	4	79,883,100	56,615,000	15,574,600	–	–	425	–
Total A – Subsidies for rental housing	435	798,868,089	149,280,500	268,789,070	–	–	4,726	2,709

The residential units 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. 6.1 Continued: BayernLabo loan and grant commitments

	2023							
	Loan and grant commitments (2 of 4)				Residential space			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
	€	€	€	RU	RU	RU	RU	
A – Subsidies for rental housing								
Bavarian residential construction programme – amortising loan								
Disability plan – new builds	2	678,880	–	–	–	–	22	
Income-based subsidies – new builds	99	419,218,823	28,080,000	145,526,460	–	2,663	–	
Expenditure-based subsidies – new builds	3	3,311,700	–	787,400	–	15	–	
	104	423,209,403	28,080,000	146,313,860	–	2,678	22	
Bavarian residential construction programme – conditionally non-repayable loans								
Disability plan – new builds – combined subsidy	4	9,300,000	–	4,223,575	–	–	59	
Disability plan – new builds – grants	8	–	–	16,764,145	–	–	141	
Loans to structurally adapt properties for people with disabilities	169	1,424,493	–	–	–	169	–	
Loans to build housing for students	6	69,699,100	–	–	–	–	915	
Loans to build housing for trainees	–	–	–	–	–	–	–	
	187	80,423,593	–	20,987,720	–	169	1,115	
Municipal housing subsidy programme								
Combined subsidy	22	–	58,080,400	42,466,200	–	308	–	
Grant subsidy	23	–	–	36,017,600	–	247	–	
	45	–	58,080,400	78,483,800	–	555	–	
Bavarian modernisation programme								
Subsidies for rental homes	17	–	16,461,100	6,868,900	–	271	–	
Subsidies for places in nursing homes	2	–	11,151,400	3,310,600	–	–	173	
Condominium owners' association	7	–	1,837,600	–	–	214	–	
	26	–	29,450,100	10,179,500	–	485	173	
Further subsidies								
Creation of energy-efficient rental housing (EERH)	[4]	–	31,065,400	–	–	[309]	–	
New business under own liability	4	–	52,646,700	–	–	–	–	
Loans for promoting affordable housing	3	171,942,000	–	33,904,500	–	545	–	
Modernisation of leasehold flats	–	–	–	–	–	–	–	
	7	171,942,000	83,712,100	33,904,500	–	545	–	
Total A – Subsidies for rental housing	369	675,574,996	199,322,600	289,869,380	–	4,432	1,310	

The residential units 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. 6.1 Continued: BayernLabo loan and grant commitments

	2024							
	Loan and grant commitments (3 of 4)				Residential space			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
		€	€	€	RU	RU	RU	RU
B – Home ownership subsidies								
Bavarian residential construction programme – amortising loan								
New builds	544	27,891,740	–	8,097,500	528	19	–	–
Purchase of existing residential space	1,585	73,157,400	–	87,788,017	1,371	226	–	–
	2,129	101,049,140	–	95,885,517	1,899	245	–	–
Bavarian residential construction programme – conditionally non-repayable loans								
Loans to structurally adapt properties for people with disabilities	2,484	21,724,245	–	–	2,223	261	–	–
	2,484	21,724,245	–	–	2,223	261	–	–
Bavarian low interest rate loan programme								
Combined subsidy – new builds	[6]	–	666,700	–	[6]	[0]	–	–
Combined subsidy – purchases	[95]	–	10,407,300	–	[80]	[15]	–	–
Individual subsidy – new builds	–	–	–	–	–	–	–	–
Individual subsidy – purchases	–	–	–	–	–	–	–	–
	–	–	11,074,000	–	–	–	–	–
BayernLoan								
Combined subsidy – new builds	[508]	–	94,323,400	–	[491]	[17]	–	–
Combined subsidy – purchases	[1,370]	–	175,297,800	–	[1,181]	[189]	–	–
Individual subsidy – new builds	372	–	78,045,800	–	356	16	–	–
Individual subsidy – purchases	436	–	73,354,100	–	354	82	–	–
	808	–	421,021,100	–	710	98	–	–
Further subsidies								
Bavarian Home Ownership Subsidy	–	–	–	–	–	–	–	–
Bavarian Baukindergeld Plus	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
Total B – Home ownership subsidies	5,421	122,773,385	432,095,100	95,885,517	4,832	604	–	–
C – State and municipal loan business								
Municipal loans	256	–	1,200,145,881	–	–	–	–	–
Investkredit Kommunal Bayern (Bavarian municipal investment loan)	67	–	112,191,500	–	–	–	–	–
Energiekredit Kommunal Bayern (Bavarian municipal energy loan)	–	–	–	–	–	–	–	–
Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)	–	–	–	–	–	–	–	–
State lending business with the Free State of Bavaria	–	–	–	–	–	–	–	–
	323	–	1,312,337,381	–	–	–	–	–
State-subsidised business in 2024	6,179	921,641,474	1,893,712,981	364,674,587	4,832	604	4,726	2,709

The residential units 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. 6.1 Continued: BayernLabo loan and grant commitments

	2023							
	Loan and grant commitments (4 of 4)				Residential space			
	Number of cases	Loans in fiduciary business	Loans in proprietary business	Grants in fiduciary business	Own homes	Owner-occupied flats	Rental homes	Residential places
	€	€	€	RU	RU	RU	RU	
B – Home ownership subsidies								
Bavarian residential construction programme – amortising loan								
New builds	286	19,018,200	250,000	4,255,700	271	17	–	–
Purchase of existing residential space	1,091	60,211,560	1,620,000	59,035,200	929	165	–	–
	1,377	79,229,760	1,870,000	63,290,900	1,200	182	–	–
Bavarian residential construction programme – conditionally non-repayable loans								
Loans to structurally adapt properties for people with disabilities	1,962	17,105,092	–	–	1,725	237	–	–
	1,962	17,105,092	–	–	1,725	237	–	–
Bavarian low interest rate loan programme								
Combined subsidy – new builds	[22]	–	3,000,200	–	[19]	[3]	–	–
Combined subsidy – purchases	[98]	–	9,710,800	–	[82]	[16]	–	–
Individual subsidy – new builds	4	–	571,500	–	3	1	–	–
Individual subsidy – purchases	2	–	355,000	–	2	–	–	–
	6	–	13,637,500	–	5	1	–	–
BayernLoan								
Combined subsidy – new builds	[227]	–	36,266,300	–	[213]	[14]	–	–
Combined subsidy – purchases	[871]	–	95,563,000	–	[744]	[127]	–	–
Individual subsidy – new builds	46	–	8,842,400	–	44	2	–	–
Individual subsidy – purchases	108	–	16,056,100	–	87	21	–	–
	154	–	156,727,800	–	131	23	–	–
Further subsidies								
Bavarian Home Ownership Subsidy	3	–	–	30,000	–	–	–	–
Bavarian Baukindergeld Plus	3	–	–	15,000	–	–	–	–
	6	–	–	45,000	–	–	–	–
Total B – Home ownership subsidies	3,505	96,334,852	172,235,300	63,335,900	3,061	443	–	–
C – State and municipal loan business								
Municipal loans	195	–	978,887,888	–	–	–	–	–
Investkredit Kommunal Bayern (Bavarian municipal investment loan)	48	–	94,427,100	–	–	–	–	–
Energiekredit Kommunal Bayern (Bavarian municipal energy loan)	–	–	–	–	–	–	–	–
Inklusionskredit Kommunal Bayern (Bavarian municipal inclusion loan)	–	–	–	–	–	–	–	–
State lending business with the Free State of Bavaria	–	–	–	–	–	–	–	–
Total C – State and municipal loan business	243	–	1,073,314,988	–	–	–	–	–
State-subsidised business in 2023	4,117	771,909,848	1,444,872,888	353,205,280	3,061	443	4,432	1,310

The residential units 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.

7 Legal basis

Directive for the subsidisation of investments for the creation of special forms of housing within 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, Labour and Social Affairs of 1 October 2021, Ref. II1/6434.01-1/107 (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 2 of the Act Amending the Special-Purpose Assets Act and the Bayerische Landesbank Act (GVBl. p. 585; entered into force on 17 December 2024).

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 No. 51/52 on 20 December 2024.

Bavarian Subsidised Housing Act (BayWoFG) dated 10 April 2007 (GVBl. p. 260, BayRS 2330-2-B), last amended by Section 1 of the Regulation dated 1 July 2023 (GVBl. p. 508).

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 12 para. 15 of the Citizen's Income Act (Bürgergeld-G) of 16 December 2022 (BGBl. I p. 2328).

Act to Ensure the Purpose of Social Housing in Bavaria (Bavarian Controlled Tenancy Act [Bay-WoBindG]) in the version published on 23 July 2007 (GVBl. p. 562, 781; 2011 p. 115, BayRS 2330-3-B), most recently amended by the act dated 23 July 2024 (GVBl. p. 265).

Subsidised Housing Programme 2022 (WFB 2022) as published by the Bavarian State Ministry of Housing, Building and Transport of 16 March 2022 (BayMBL. No. 204).

Subsidised Housing Programme 2023 (WFB 2023) as published by the Bavarian State Ministry of Housing, Building and Transport of 13 April 2023 (BayMBL. No. 206), as amended by the announcement of 1 February 2024 (BayMBL. No. 86).

Housing Calculation Regulation in Accordance with the Second Housing Act (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 4 of the Telecommunications Amendment Act (TKGÄndG) dated 16 October 2023 (BGBl. 2023 I No. 280).

Announcement of the Bavarian State Ministry of the Interior on the Bavarian low interest rate loan programme to subsidise home ownership of 3 January 2005 (AllMBL. S. 9), last amended by notice dated 1 December 2023 (BayMBL. No. 630).

Ordinance on the Implementation of Social Laws (AVSG) of 2 December 2008 (GVBl. p. 912, 982, BayRS 86-8-A/G), last amended by Section 1 para. 100 of the Ordinance of 4 June 2024 (GVBl. p. 98).

Announcement of the Bavarian State Ministry of Housing, Building and Transport concerning the Guidelines for the Loan Program for the Creation of Efficient Rental Housing (EMWR) dated 2 May 2022 (BayMBL. No. 308), expired on 31 December 2024.

Guidelines for awarding a grant to build or buy residential property for own use (Bavarian Home Ownership Subsidy Guidelines – EHZR), as published by the Bavarian State Ministry for Housing, Building 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.

Announcement of the Bavarian State Ministry of Housing, Building and Transport concerning the guidelines for the loan programme of the Bayerische Landesbodenkreditanstalt to subsidise the modernisation of buildings of condominium owners' associations (BayModWEG) of 21 July 2022 (BayMBL. No. 464), expired on 31 December 2024.

Announcement of the Bavarian State Ministry of the Interior, for Sport and Integration concerning the guidelines for the awarding of grants by the Free State of Bavaria for the subsidisation of organised sport (Sport Promotion Guidelines – SportFöR) of 5 December 2022 (BayMBL. No. 714), amended by announcement of 13 February 2024 (BayMBL. No. 111).

Announcement of the Bavarian State Ministry of Housing, Building and Transport concerning the guidelines for the Bavarian modernisation programme (BayModR) of 9 March 2022 (BayMBL. No. 201), which was last amended by the announcement of 21 November 2024 (BayMBL. No. 609).

Announcement of the Bavarian State Ministry of the Interior, for Building and Transport concerning the guidelines for the subsidisation of student accommodation (StudR 2021) of 22 June 2021 (BayMBL. No. 506).

Announcement of the Bavarian State Ministry of the Interior, for Building and Transport concerning the guidelines for the subsidisation of student accommodation (StudR 2023) of 4 August 2023 (BayMBL. No. 441), amended by the announcement of 11 November 2024 (BayMBL. No. 567).

Announcement of the Bavarian State Ministry of Finance concerning the guidelines for supplementary subsidies under the state housing assistance programme (Bavarian Supplementary Subsidy Guidelines – BayZfR) of 30 September 2005 (FMBl. p. 181), as last amended by announcement of 22 May 2019 (BayMBL. No. 205).

Announcement of the Bavarian State Ministry of Finance and Regional Identity concerning the guidelines for supplementary subsidies under the state housing assistance programme (Bavarian Supplementary Subsidy Guideline – BayZfR) of 1 February 2024 (BayMBL. No. 85).

Guidelines for assuming state guarantees to subsidise housing (Article 1 para. 1) No. 3 BÜG), as published jointly by the Bavarian State Ministries 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).

Announcement of the Bavarian State Ministry of the Interior, for Building and Transport concerning the guidelines for the municipal subsidy programme for the creation of rental housing in Bavaria (municipal housing subsidy programme – KommWFP) of 22 December 2015 (AllMBL. 2016 p. 3), last amended by announcement of 22 August 2024 (BayMBL. No. 403).

Provisions for subsidising the construction and purchase of homes for public-sector employees (FöWoS) issued by the Bavarian State Ministry of Finance and Regional Identity on 2 August 2022 (Gz. 24 – VV 8070- 2/4).

Provisions for subsidising the construction and purchase of homes for public-sector employees (FöWoS) issued by the Bavarian State Ministry of Finance and Regional Identity on 1 August 2023 (Gz. 24 – VV 8070- 2/4).

Announcement of the Bavarian State Ministry for Housing, Building and Transport concerning the guidelines for the subsidisation of trainee housing (AzubiR 2024) of 25 January 2024 (BayMBL. No. 70).

Announcement of the Bavarian State Ministry for Housing, Building and Transport concerning the guidelines for the loan programme to subsidise the modernisation and renewal of public-sector worker accommodation (ModStadiWo) of 15 September 2023.

8 Administrative bodies

BayernLabo Committee

Pursuant to Section 24 a of the Statutes of BayernLB, 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 lie within the remit of the Supervisory Board.

Harald Hübner

BayernLabo Committee Chairperson
Deputy Secretary
Bavarian State Ministry of Finance and Regional Identity
Munich

Judith Steiner

BayernLabo Committee Deputy Chairperson
Under Secretary
Bavarian State Ministry of Finance and Regional Identity
Munich

Dr Klaus-Peter Potthast

Under Secretary
Bavarian State Ministry of Economic Affairs, Regional Development and Energy
Munich
since 01 March 2024

Erwin Schneider

Chief District Administrator
Altötting

Sylvia Steinmann

Meilen, Switzerland
since 1 May 2024

Prof. Dr Roland Fleck

until 30 April 2024

Dr Ulrike Wolf-Prexler

until 31 January 2024

BayernLB Board of Management

Stephan Winkelmeier

CEO/CFO

Corporate Center

Financial Office

Group Treasury

Deutsche Kreditbank Aktiengesellschaft

BayernInvest Kapitalverwaltungsgesellschaft mbH

Dr Markus Wiegelmann

COO

Operating Office and IT

Gero Bergmann

Real Estate & Savings Banks

Financial institutions

Bayerische Landesbodenkreditanstalt

Real I.S. AG Gesellschaft für Immobilien

Assetmanagement

Johannes Anschott

Corporates & Markets

Sigrid Kozmiensky

CRO

Risk Office

since 1 July 2024

Marcus Kramer

until 30 June 2024

Pursuant to Section 24 para. 1 of the Statutes of BayernLB, the following members of the Board of Management are responsible for managing BayernLabo:

Gero Bergmann

Head of the BayernLabo Segment

Johannes Anschott

Representative for BayernLabo

BayernLabo's Management

Pursuant to Art. 19 of the Bayerische Landesbank Act, BayernLabo's business is overseen by a management team. In the reporting year the management team consisted of:

Dr Ulrich Klein

BayernLabo Management Spokesperson

Christian Wunderlich

Member of the BayernLabo Management

9 Your contacts

The Management team



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10 Picture credits

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Rainer Wimmer, Head of the Rental Housing Department, BayernLabo Photo: BayernLabo	Page 119
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11 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
BayMod	Bavarian modernisation programme
BayModR	guidelines for the Bavarian modernisation programme
BayModWEG	guidelines for the loan programme of Bayerische Landesbodenkreditanstalt to subsidise the modernisation of buildings of condominium owners' associations
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	Bavarian Supplementary Subsidy Guidelines (guidelines for supplementary subsidies under the state housing assistance programme)
BDA	Association of German Architects
BEG	Federal Subsidy for Energy-efficient Buildings
BEG WG	Federal Subsidy for Energy-efficient Buildings – residential buildings
BEG EM	Federal Subsidy for Energy-efficient Buildings – individual measures
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
COA	condominium owners' association
CPI	consumer price index
CRR	Capital Requirements Regulation
CSRD	Corporate Sustainability Reporting Directive
CTA	contractual trust arrangement
DRRM	decentralised reputational risk manager
EBS	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)
EnMWR	guidelines for the energy-efficient rental housing loan programme
ESG	environmental social and corporate governance
EU	European Union
FDP	Free Democratic Party
Fed	Federal Reserve System (US central banking system)
FMBl.	Official Gazette of the Bavarian State Ministry of Finance, Regional Development and Regional Identity
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
HCPI	harmonised consumer price index
HGB	German Commercial Code
IBS	income-based subsidies
ISS	Institutional Shareholder Services
IT	Information technology

KfW	Kreditanstalt für Wiederaufbau
KommWFP	municipal housing subsidy programme
MdL	member of the state parliament
RH	rental housing
n.a.	
NATO	North Atlantic Treaty Organization
OZG	Act to Improve Online Access to Administrative Services (Online Access Act)
para.	paragraph
ref.	reference number
RU	residential unit
SAP	The name is an abbreviation of the original name “Systemanalyse Programmentwicklung” (System Analysis Programme Development). Today, the company’s legal name is SAP SE. The abbreviation SE stands for Societas Europaea and refers to a public limited company under EU law.
SDGs	Sustainable Development Goals
SGB	German Social Code
SPD	Social Democratic Party of Germany
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 of Housing, Building and Transport
StMFH	Bavarian State Ministry of Finance and Regional Identity
StudR	guidelines for the subsidisation of student accommodation
WFB	Subsidised Housing Programme
WoFG	Subsidised Housing Act
WoFLV	Regulation on Calculating Residential Space

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Layout and printing:

Produced in-house with firesys

The Annual Report is also available in German.

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Munich, May 2025

The translation of the BayernLabo Annual Report is for convenience only; the German version prevails.

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