

Beratung.
Finanzierung.
Erfolg.

A scenic landscape of a lake and mountains under a clear blue sky. A large, semi-transparent blue parallelogram is overlaid on the image, containing the title text.

LFA FÖRDERBANK BAYERN AT A GLANCE

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The aim of our Bavarian economic policy is to secure and expand the competitiveness of our companies, their innovative strength and the high level of employment in Bavaria, and to support the digital and ecological transformation process.

To that end, we will continue to make full use of the instruments of LfA Förderbank Bayern. With low-interest loans, assumption of risk, venture capital and a neutral and customer-centric advisory service, LfA provides investment incentives and good financing conditions. LfA supports those aiming to set up new business enterprises, also in the context of company takeovers, as well as small and medium-sized enterprises in investments in growth, energy efficiency and environmental protection, digitalisation and innovation, but also with liquidity or profitability problems.

In addition, equity products are available to support start-ups in the various phases of their life cycle, for example, as well as SMEs in implementing the digital and ecological transformation.

Financing products are also available for municipalities that create attractive local conditions for their companies through infrastructure measures. Anyone planning an undertaking in Bavaria is welcome to contact LfA to find out about funding opportunities.

Hubert Aiwanger
Bavarian State Minister of Economic Affairs, Regional
Development and Energy
Deputy Minister President
Chairman of the Administrative Board of LfA Förderbank Bayern

WELCOME TO LfA

As a bank which is owned by the Free State of Bavaria, LfA provides advantageous credit facilities to small and medium-sized companies.

The establishment of start-ups or investments in growth, innovation, energy efficiency and environmental protection often require significant financial resources. Smaller enterprises in particular find it very difficult to overcome these financial hurdles without suitable help. LfA, together with affiliated companies in the LfA Group, Bayerische Beteiligungsgesellschaft (BayBG), Bayern Kapital and Bayern Innovativ, ensures that equal opportunities are available.

All loan financing by LfA is handled via the commercial banks. This cooperation in line with the commercial bank principle has proven to be successful. One exception to this approach is the provision of direct loans for infrastructure investment by local authorities. If businesses have difficulty providing the standard forms of collateral required by banks, we can offer different kinds of guarantee to help overcome this problem.

The purpose of this brochure is to offer you an initial overview of the development support available from LfA. Our Foreign Trade Finance team is at your disposal for further consultation. Their contact information can be found in the Important addresses list on page 16.

We look forward to hearing from you!




f. l.: Hans Peter Göttler, Dr. Bernhard Schwab, Ruth Nowak and Stefan Höck


Dr. Bernhard Schwab
Chairman of the
Management Board


Hans Peter Göttler
Deputy Chairman of the
Management Board


Stefan Höck
Member of the
Management Board


Ruth Nowak
Member of the
Management Board

1 INTRODUCTION

BAVARIA AS A BUSINESS LOCATION

With a population of over 13 million, Bavaria is one of the most important economic locations in Europe. In 2023, its industrial enterprises alone generated sales of almost € 603 billion and provide employment to approximately 1.3 million people. The skilled trades sector, with its 104,000 companies and more than 970,000 employees, also has a long tradition in Bavaria. Bavaria's creative potential is illustrated by the companies' investments of over € 18 billion in research and development in 2022. Small and medium-sized enterprises in particular play a major role in this favourable economic development. They create and safeguard a large share of the jobs and apprenticeships in Bavaria.

WHO WE ARE

LfA Förderbank Bayern, founded in 1951, is the specialist development bank of the Free State of Bavaria. Its mandate is to use the instruments of a bank to provide financial support for the projects of commercial companies and professions in practically all branches of industry and for other measures designed to improve the economic, transport, energy and environmental structure of Bavaria.

At the centre of LfA's business activities is the provision of support for investment by those looking to start a business and by small and medium-sized companies in order to compensate for financial disadvantages specific to the size of the enterprise compared with larger companies. The aim is to create new employment and safeguard existing jobs in Bavaria. If the development loans contain subsidy elements, they generally concentrate on small and medium-sized enterprises as defined by the European Commission.

WHAT WE DO

LfA supports companies with projects involving start-ups, growth, innovation, energy and environment as well as stabilisation having a positive effect for Bavaria. LfA also supports local authority investment projects aimed at sustaining the appeal of Bavaria as a business location.

Our core tasks include:

- making it easier for less-experienced entrepreneurs to enter new markets
- increasing the efficiency of small and medium-sized enterprises
- bringing more new products and processes onto the market
- removing differences in regional economic power
- reducing environmental damage caused by production
- helping companies in a crisis
- improving the conditions for economic activity by expanding business-related infrastructure
- aiding companies with their international expansion if this will help to consolidate their base in Bavaria
- ensuring the financing of major projects in cooperation with other banks

LFA DEVELOPMENT SERVICES FOR COMPANIES

LfA offers a comprehensive range of services to support companies in Bavaria:

Long-term loans

The core element of the LfA development support products are long-term loans at consistently favourable interest rates. Payment-free years make it easier for businesses to cope with the difficult start-up phase and ensure better liquidity. LfA offers suitable development loans for every business area, i.e. establishment, growth, innovation, energy and environment, stabilisation and – for local authorities – infrastructure.

Guarantees

If you are unable to furnish sufficient collateral to obtain finance for your project, LfA Förderbank Bayern can assume responsibility for the risk by offering different kinds of guarantee. With a guarantee, the credit risk of the commercial bank decreases proportionately. The assumption of risk by LfA also enables banks to finance projects even if the credit rating of the borrower is inadequate.

Equity financing

As a further means to optimise corporate financing, LfA, together with the companies belonging to the LfA Group, BayBG and Bayern Kapital, provides the option of equity financing. In this way, the equity base can be strengthened and credit standing improved significantly.

Consultancy

LfA specialists provide expert and non-competitive advice free of charge. The main focus of this consultancy work is providing information and advice on financing. LfA has offices in Nuremberg and Hof that serve the area of Northern Bavaria. To ensure that advisory services are available throughout the whole of Bavaria, LfA holds regular consultancy days in all administrative districts, participates at a large number of trade fairs, and organises information events at varying locations on the subject of development funding. Companies who are experiencing difficulties can contact the "Individualberatung".

LFA DEVELOPMENT SERVICES FOR LOCAL AUTHORITIES

The range of development support provided by LfA is rounded off by direct loans and subsidies for local authorities. For the financing of major projects, LfA will also participate in syndicated financial deals at the invitation of commercial banks.



2 DEVELOPMENT SUPPORT AVAILABLE FROM LfA

START-UPS, GROWTH & WORKING CAPITAL

Young companies, start-ups & company acquisition – for the best start possible!

Starting an independent career costs energy and money whether this is for establishing a new enterprise, acquiring an existing business or actively investing in another company. With financing from LfA, prospective entrepreneurs can count on a solid financial base.

Established companies – investing in the future!

For those looking for modernisation and promising future growth for a company, thorough planning and, crucially, a sustainable financing concept are key to success. LfA supports a wide range of investments – from purchasing land to construction activity, construction cost subsidies, advance lease payments, deposits, the acquisition of machinery or equipment, goodwill, patents, licences as well as hardware and software.

TRANSFORMATION

Innovation & digitalization – you're risking innovation? We will support you!

Businesses must be innovative if they are to be successful in competitive markets. Innovation & digitalisation are therefore highly significant from an economic perspective because competitive businesses promote growth and create jobs. However, innovation & digitalisation can become a drain on liquidity, particularly for small and medium-sized enterprises (SME). LfA supports innovative SMEs with needs-based development loans covering the full range of innovations and the entire innovation process.

Energy & climate protection – thinking about tomorrow!

The energy transition affects the entire economy. However, the necessary investments can quickly exceed the budget of small and medium-sized companies, which is why LfA has special funding programmes for measures to improve energy efficiency and use renewable energies. Success, both ecological and economic, gives an extra boost to your company's growth trajectory.

FURTHER FINANCING

Stabilisation & crisis aid – recognising and overcoming crises!

Recognising crises early makes them easier to deal with. With sound advice and financial assistance, quick action can protect a company from the looming downswing. With its economic development program, LfA can help your company overcome a difficult financial situation.

Infrastructure financing – strengthening Bavaria as a business location!

Well-developed, efficient infrastructure is a prerequisite for attracting businesses, creating jobs and reinforcing the regional economy as a whole. LfA therefore supports capital investment in infrastructure undertaken by local authorities in Bavaria to ensure that the appeal of the region as an economic centre is maintained in the future.

FURTHER FINANCING

FILM FUNDING

Providing support for the film and media industries in Bavaria is a key commitment for LfA Förderbank Bayern. It provides this support through the FilmFernsehFonds Bayern (FFF) and the Bayerischen Banken-Fonds (BBF). LfA Förderbank Bayern conducts the banking business for the FilmFernsehFonds Bayern. On a wider economic level, film funding in Bavaria is also an important factor for follow-up investments.

Similarly, LfA is involved in providing funding for the Bavarian computer games industry. Games development is supported in the "concept development", "prototype development" and "production" phases.

ORDER GUARANTEES AND FOREIGN TRADE FINANCE

LfA provides order guarantees to support Bavarian businesses with order-related requirements for guarantees or working capital finance. These order guarantees can be used in connection with both domestic and international orders or contracts.

Order guarantees can be utilised by medium-sized companies and freelancers with a registered office or branch in Bavaria and maximum annual sales of € 500 million.

LfA supports foreign investment by Bavarian small and medium-sized businesses if this investment strengthens the base of the business concerned in Bavaria. This support can take the form of low-interest funding or the assumption of risk.



3 HOW TO GET DEVELOPMENT SUPPORT

THE DEVELOPMENT SUPPORT PRINCIPLES OF LfA

Before making an application for public development support, you must take into consideration the principles of development support:

Proportional financing

Public development support should initially always be "support for self-help", i.e. in addition to LfA loans, part of the financing should come from a company's own resources or commercial banks.

Application prior to the start of the project

The application must be received by the commercial bank prior to the start of the project. The start of the project means the conclusion of a supply or service agreement.

Commercial bank principle

All LfA loans are provided by your commercial bank. This means LfA is not in competition with the commercial banks – quite the contrary, it works closely with them. With public development support, your commercial bank generally holds primary liability (although there are exceptions where LfA assumes responsibility for the risk). The application is also processed directly via the commercial bank.

Exceptions are local authority loans, applications for which must be submitted directly to LfA.

IMPORTANT ADDRESSES

**LfA Förderbank Bayern
Foreign Trade Finance Team**

Königinstraße 17
80539 Munich, Germany
E-mail: auftragsgarantie@lfa.de
Internet: www.lfa.de

Your contact persons:

Mr. Peter Leitenmayer
Phone: +49 89 / 21 24 - 24 79
E-mail: peter.leitenmayer@lfa.de

Mrs. Ursula Sierla
Phone: +49 89 / 21 24 - 22 20
E-mail: ursula.sierla@lfa.de

**BayBG Bayerische Beteiligungs-
gesellschaft mbH**

Königinstraße 23
80539 Munich, Germany
Phone: + 49 89 / 12 22 80 - 100
E-mail: info@baybg.de
Internet: www.baybg.de

Bayern Innovativ GmbH

Am Tullnaupark 8
90402 Nuremberg, Germany
Phone: + 49 911 / 2 06 71 - 0
E-mail: info@bayern-innovativ.de
Internet: www.bayern-innovativ.de

Bayern Kapital GmbH

Ländgasse 135 a
84028 Landshut, Germany
Phone: + 49 871 / 9 23 25 - 0
E-mail: info@bayernkapital.de
Internet: www.bayernkapital.de

**Bavarian Ministry of Economic Affairs,
Regional Development and Energy**

Prinzregentenstraße 28
80538 Munich, Germany
Phone: + 49 89 / 21 62 - 0
E-mail: info@stmwi.bayern.de
Internet: www.stmwi.bayern.de

Invest in Bavaria

Rosenheimer Str. 143C
81671 Munich, Germany
Phone: 089 / 2 42 10 - 75 00
E-mail: welcome@invest-in-bavaria.com
Internet: www.invest-in-bavaria.de

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LfA Förderbank Bayern
Königinstraße 17
80539 Munich, Germany
Phone +49 89 / 21 24 - 10 00
www.lfa.de