

This document constitutes the first supplement to the previously published base prospectus dated 25 June 2007 pursuant to section 16 paragraph 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

**First Supplement
to the Prospectus dated 25 June 2007**

Bayerische Hypo- und Vereinsbank AG

Munich, Federal Republic of Germany

Euro 50,000,000,000 Debt Issuance Programme for
the issuance of Notes (including Pfandbriefe), Certifi-
cates and Warrants (the "Programme")



Arranger and Dealer

UniCredit

4 September 2007

This supplement is to be read and construed in conjunction with the prospectus dated 25 June 2007 (the "Base Prospectus") and, in connection with any issue of Instruments, with the relevant Final Terms. Therefore, with respect to future issues under the Programme references in the Final Terms to the Prospectus are to be read as references to the Prospectus as amended and supplemented by this Supplement.

Amendments to the Prospectus

Due to the publication of results for Half-year Financial Report June 30, 2007 the sections "Documents incorporated by reference" and "Litigation and Other Proceedings" have been amended.

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that this is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Investors who have already agreed to purchase or subscribe for the Instruments before the supplement is published shall have the right, exercisable within two working days after the publication of the supplement, to withdraw their acceptances, pursuant to section 16 paragraph 3 of the German Securities Prospectus Act.

Bayerische Hypo- und Vereinsbank AG, MCD2 Debt Capital Markets Documentation, Arabellastr. 12, 81925 Munich, Germany, fax no.: +49-89-378 33 15964, has been appointed as recipient for the revocation notices according to Section 16 Paragraph 3 in connection with section 8 paragraph 1 sentence 4 of the German Securities Prospectus Act.

This Supplement will be available during usual business hours on any weekday (except Saturdays and public holidays) at the office of Bayerische Hypo- und Vereinsbank AG, MCD 2, Arabellastr. 12, 81925 Munich, Germany.

Bayerische Hypo- und Vereinsbank AG (the "Issuer") announces the following changes with regard to the previously published Prospectus, which is available during usual business hours on any weekday (except Saturdays and public holidays) at the office of Bayerische Hypo- und Vereinsbank AG, MCD 2, Arabellastr. 12, 81925 Munich:

- The section "**Litigation and Other Proceedings**" from page 342 to page 346 of the Base Prospectus will be replaced by the following section:

"Litigation and Other Proceedings

Strukturvertrieb Transactions

HypoVereinsbank is involved in civil proceedings with numerous retail customers in Germany relating to financings of tax-driven real estate investments that were originated through external agents (*Strukturvertrieb*) primarily during the years 1989 through 1994. One of the main legal issues in dispute concerns the interpretation of German consumer protection laws, in particular, the provisions of the German Doorstep Transactions Rescission Act (*Haustürwiderrufs-Gesetz*, the "**Act**"), which implemented into German law the EU Council Directive 85/577 EEC of 20 December 1985 (the "**Directive**"). The Act grants a unilateral right of withdrawal at any time to a consumer who is party to a transaction that was initiated or concluded in a "doorstep situation", i.e., at the consumer's place of work or private residence or at a public place (other than at the specific request of the consumer), if the consumer was not notified in writing of his statutory right of withdrawal at the time of the transaction. Based on a decision of the European Court of Justice ("**ECJ**") of 13 December 2001, German courts apply the provisions of the Act also to real estate financing agreements. In so applying the Act, the Eleventh Senate of the German Supreme Court (*Bundesgerichtshof*, "**BGH**") which, among other things, is in charge of proceedings involving consumer loan agreements, has repeatedly confirmed its long-held view that the rescission of a real estate financing agreement pursuant to the Act will generally not affect the validity of the underlying real estate purchase agreement. Rather, the real estate financing agreement and the real estate purchase agreement have in general to be considered as distinct and separate contracts. Therefore, pursuant to the view of the BGH, a customer of HypoVereinsbank who is able to prove that he entered into the financing agreement in a "doorstep situation" and did not receive the required written notice regarding his statutory right of withdrawal may rescind only the financing agreement and not the underlying real estate purchase agreement. The BGH has held repeatedly that as a result of such withdrawal, the customer will not be relieved from his obligations under the financing agreement in exchange for a transfer of title to the relevant real estate but will be obligated to repay the outstanding principal of the loan plus interest at customary market rates to the lender. Several other German courts referred questions to the ECJ on the interpretation of the Directive in light of the BGH decisions.

On 25 October 2005, the ECJ rendered its decisions on whether the decisions of the BGH are in line with European law. According to the ECJ, a customer may withdraw from a financing agreement if the "doorstep situation" has been created by a person that acted in the name or for the account of the bank, whether the bank was actually aware thereof or not. The ECJ decisions do not specify the meaning of "a person acting in the name or for account of the bank". The ECJ decisions in essence confirm the view of the BGH to the effect that the customer's withdrawal from the financing agreement does not have an impact on the validity of the purchase agreement and that the customer continues to be the owner of the property purchased. If the customer exercises his withdrawal right, he is obliged to repay the loan in full. Pursuant to current German laws, the customer is also obliged to pay to the bank interest at a market rate on the loan granted. These provisions are not contrary to the Directive. However, where the customer has not been notified about its withdrawal right, the member state has to ensure, pursuant to the ECJ decisions, that the risk of the investment which the customer would have avoided if correct information about its withdrawal right had been provided, should not be borne by the customer but by the bank. Accordingly, the national courts should take this into account in their decisions and interpret the provisions of national law in a way that helps achieve this aim.

In a decision of 16 May 2006 the BGH held that the need for such interpretation required by the ECJ only applies with respect to situations where the customer has entered into the financing agreement during a doorstep situation as defined in the Act. In all proceedings involving HypoVereinsbank, the customers did not enter into the financing transactions during such a doorstep situation but only some time after such doorstep situation. As a result, the requirements stipulated by the ECJ do not apply.

In addition, the BGH held that in cases where the purchase agreement has been concluded before the financing agreement, the information about the withdrawal right would not have had the effect that a customer could have avoided the investment risk. In other cases the customer must prove that he would not have concluded the purchase agreement and in turn avoided the investment risk if he would have known his right to withdraw. Consequently, in these cases, customers exercising their withdrawal right will be obliged to immediately repay their loan in one amount, together with interest thereon at customary market rates.

In cases where the purchase agreement has been concluded after the financing agreement, the BGH, in an obiter dictum to its 16 May 2006 decision, recognized that the ECJ-requirements do not apply since the bank that concluded the financing agreement may not have been in default for not having instructed customers of their statutory right to rescind the financing agreement. Accordingly, based on the 16th May, 2006 decision of the BGH, it is HypoVereinsbank's position that in situations where the customer may have a right to rescind the financing agreement, the customer in any event will be under an obligation to repay the loan to the bank as well as to pay customary interest thereon.

In addition to its prior decisions, the BGH in its judgment of 16 May 2006 held that a customer may be entitled to damage claims against the bank arising from the bank's failure to hold the customer harmless from and against any liability which would not have arisen if the customer had not acquired the property financed by the bank provided that (i) the bank has co-operated with the seller or agent in an "institutionalised" manner (meaning the bank maintained a permanent business relationship with the agent or seller offering the sale of the property and the related financing) and (ii) the seller or agent has fraudulently deceived the customer in such an evident way that it was impossible for the bank not to have knowledge thereof (such elements to be established and proven by the customer), and (iii) the bank in turn is unsuccessful in proving that it had no knowledge of the customer having been deceived. The new term of "institutionalised co-operation" will be filled in by the courts in future decisions.

The lawsuits pending against HypoVereinsbank involve, *inter alia*, financing agreements which were signed by third parties (fiduciaries) authorised by the customers to act in their name and on their behalf, rather than by the customers themselves. Several Senates of the BGH have recently held that third parties (fiduciaries) which engage exclusively or mainly in the handling of real estate purchase transactions without the necessary authorization to provide legal advice violate the German Act on Legal Advice (*Rechtsberatungsgesetz*). In those cases, the power of attorney underlying a fiduciary's authorization is invalid. In accordance with the BGH's established decision practice, the contracts signed by such fiduciaries are nonetheless valid if it can be demonstrated that at the time of the conclusion of the agreement concerned the original or a notarised copy of the deed containing the power of attorney was presented to the bank. In the past, HypoVereinsbank has been successful in providing such evidence in the majority of the relevant cases.

If HypoVereinsbank fails to provide such evidence, it may, according to the BGH's established decision practice, still be entitled to a repayment of the loan in question, if HypoVereinsbank can successfully invoke the doctrine of authorization by estoppel, i.e., if HypoVereinsbank can demonstrate that given the particular circumstances in which the financing agreements were concluded, HypoVereinsbank relied in good faith on the alleged authorisation of the fiduciary acting on behalf of the customer.

If HypoVereinsbank is not able to prove the requirements for invoking the doctrine of authority by estoppel, the loan agreement with the customer is invalid. Therefore, HypoVereinsbank's claims for repayment of the funds advanced to the customer (or, at the customer's direction, a third party) under the invalid loan agreement can only be based on principles of statutory law, such as unjust enrichment. In the event that the funds were advanced to a third party without corresponding instructions of the customer, HypoVereinsbank may have a claim for repayment against such third party.

In its decisions of 20 April 2004, the Eleventh Senate of the BGH has, in general, reconfirmed these principles. In the cases decided by the Eleventh Senate, HypoVereinsbank was not able to provide evidence that the original power of attorney had been presented to it or that the requirements for invoking the doctrine of authority by estoppel were met. The Eleventh Senate of the BGH did not have to decide on the existence of any claim of HypoVereinsbank against the borrowers based on statutory law.

Although the outcome of the proceedings concerning Strukturvertrieb Transactions depends on the facts and circumstances in each individual case, based on the judgments rendered by the Eleventh Senate of the BGH so far, HypoVereinsbank believes that none of its proceedings relating to Strukturvertrieb Transactions (including one brought before a U.S. court), considered alone or together, have or, in the case of pending or threatened proceedings, would have, if adversely determined, a material adverse effect on HypoVereinsbank's business or financial position as a whole.

Financing of Funds

HypoVereinsbank is also involved in civil proceedings with numerous retail customers in Germany relating to financings of tax-driven participations in real-estate funds. In two decisions dated 25 April 2006 the BGH held that the qualification of loans as mortgage-secured loans depends on whether the grant of mortgage was already provided for in the loan agreement and whether the loan was granted according to normal conditions for mortgage secured loans.

In case of financing of a participation in a fund by a consumer through a loan which is not mortgage-secured and the financing and the participation constitute a so-called "linked transaction" (*verbundenes Geschäft*), the customer can raise objections against the repayment claim of such lender in the event of deception or wrongful ad-

vice (*Einwendungsdurchgriff*). The BGH assumes a "linked transaction" if the lender made use of the distributor's organization both to arrange the participation in the fund and to conclude the loan agreement. This would be the case if the distributor's organization – which is mandated by the fund company and the initiator of the fund – also arranges for execution of the loan agreement using the standard form of the lender or if the lender uses the standard form loan agreements of the distributor and does not have any direct contact with the customer before execution of the loan agreement. In decisions dated 25 April 2006, the BGH held that in case of a linked transaction the customer can raise objections against the repayment claims of the lender also with claims the customer has against the seller of the fund and the agent of the fund because of fraud.

In the case where a non mortgage-secured loan which was concluded in a doorstep situation and the customer was not properly advised with respect to his or her right of rescission (and may thus in some cases for this reason already be entitled to withdraw from the loan agreement), the BGH held that a lender may not claim repayment of the loan from the customer if the lender had any connection to the fund or to its distributor organization which exceeded the mere processing of payments and if the loan was not disbursed to the customer but directly to the fund.

At this point in time, the number and volume of loans of HypoVereinsbank which are affected by the new decision of the BGH cannot be determined, because in the past there was no requirement to collect data in accordance with the above criteria and because determining whether there is a linked transaction and whether a customer can raise objections depends on the specific facts of the particular case which would have to be proven by the customer and which are not presently known to HypoVereinsbank.

Shareholder complaints against the election of shareholder representatives on the Supervisory Board as well as the election of the Auditors of HypoVereinsbank

Shareholders of HypoVereinsbank initiated legal proceedings against HypoVereinsbank at the District Court of Munich, challenging *inter alia* the validity of the appointment of HypoVereinsbank's auditors for fiscal year 2004. On 9 June 2005 the District Court of Munich dismissed the claims; the appeal was dismissed by the Higher Regional Court of Munich on 18 January 2006; the Federal Supreme Court (*Bundesgerichtshof*) dismissed the shareholders complaint of non-admission on 7 May 2007. Therefore also the resolution with respect to the appointment of the auditor for fiscal year 2004 taken in the annual general shareholders meeting on 29 April 2004 is valid.

One shareholder filed a further claim challenging the validity of HypoVereinsbank's financial statements for the fiscal year 2004, basing this claim primarily on the same grounds as his claim against the appointment of HypoVereinsbank's auditor for the fiscal year 2004. Following the decision of the Federal Supreme Court as of 7 May 2007 this shareholder abandoned his claim.

Several shareholders initiated legal proceedings against HypoVereinsbank in the District Court of Munich challenging the election of two members of the Supervisory Board as well as the election of one substitute member of the Supervisory Board and the appointment of HypoVereinsbank's auditors for fiscal year 2005 at the annual general shareholders' meeting on 12 May 2005. The plaintiffs primarily claim that the appointment of the shareholder representatives on the Supervisory Board by the Local Court of Munich on 17 February 2004 as well as the re-election of the members of the Supervisory Board at the general shareholders' meeting on 29 April 2004 was void and that concerns with respect to the auditors' impartiality continued to exist since 1999. With respect to the election of the two members of the Supervisory Board as well as the election of one substitute member of the Supervisory Board and with respect to the appointment of HypoVereinsbank's auditors for the fiscal year 2005, the claims of the shareholders were not successful before the District Court of Munich. The shareholders however appealed against this judgment. Based on the decision of the Federal Supreme Court dated 7 May 2007 HypoVereinsbank is of the opinion that the appeal will be without merit.

Shareholders complaints against resolutions approving the Hive-down and acquisition agreement and the master agreement relating to the "Aphrodite" portfolio and the amendment to Sec. 4 (2) of the articles of association of HypoVereinsbank.

HypoVereinsbank has decided to divest itself of a loan portfolio (known as "*Aphrodite*") essentially consisting of sub-performing and non-performing loans. To this end and according the agreements, the loan portfolio initially was to be hived-down from HypoVereinsbank to its wholly owned subsidiary HypoVereinsbank Loan Portfolio GmbH & Co. KG; thereafter, all of the shares and interests in HypoVereinsbank Loan Portfolio GmbH & Co. KG and its general partner company were to be assigned to a company belonging to the Goldman Sachs Group. According to the German Transformation Act the corresponding hive-down and acquisition agreement (executed on 29 March 2006) was concluded subject to the approval of the shareholders of HypoVereinsbank. Due to the relationship between this agreement and the master agreement (executed on 16 January 2006), the entire transaction, including the sale and assignment of the shares and interests in HypoVereinsbank Loan Portfolio GmbH & Co. KG and its general partner, was submitted to the annual shareholders meeting for approval.

Two shareholders of HypoVereinsbank challenged the resolutions adopted by the annual general shareholders meeting of HypoVereinsbank on 23 May 2006 approving the master agreement and the hive-down and acquisition agreement (agenda items 13 and 14 of said shareholders meeting) and the resolution modifying Section 4(2) of HypoVereinsbank's articles of association (agenda item 9 of said shareholders meeting).

On HypoVereinsbank's request, the District Court of Munich ruled on 27 September 2006 in a release procedure that the claims against the resolutions regarding agenda items 13 and 14 will not prevent the hive-down to be entered into the commercial register regarding the claims against such resolutions obviously unfounded. Appeals from the shareholders against this ruling were rejected by the Higher Regional Court of Munich on 12 February 2007. The transactions therefore could be closed in the first quarter 2007.

On 29 March 2007 the District Court of Munich dismissed the claims against the resolutions taken in the shareholders meeting on 23rd May 2006. However the plaintiffs appealed against this decision. HypoVereinsbank believes that the appeal will be rejected from the Higher Regional Court of Munich.

Shareholders complaints against resolutions approving several purchase and transfer agreements, inter alia the sale and transfer agreement with respect to the BA-CA-shares held by HypoVereinsbank, during the Extraordinary Shareholders Meeting (EGM) on 25 October 2006

Following the EGM dated 25 October 2006 which resolved on the approval for six transactions of entities belonging to HypoVereinsbank in Austria (BA-CA) and CEE-countries (Ukraine, Russia, Baltics) several applications to grant certain information to shareholders pursuant to sec. 132 German Stock Corporation Act ("**AktG**") have been filed by minority shareholders of HypoVereinsbank with the competent court (Regional Court of Munich) and were served upon HypoVereinsbank. The applications request HypoVereinsbank to publish the full contents of the Business Combination Agreement concluded between UniCredit and HypoVereinsbank on 12 June 2005 ("**BCA**") and ask to receive the complete wording of the Restated Bank of the Regions Agreement ("**ReBoRA**"). When preparing the EGM HypoVereinsbank and external legal advisers arrived at the conclusion that it is sufficient to publish the material contents of the BCA and the ReBoRA in order to fulfil any potential formal requirements. In one application HypoVereinsbank is requested to reveal all payments made to Mr. Rampl by HypoVereinsbank or any third party (including, in particular, UniCredit) since 1 January 2005. With respect to the payments received by Mr. Rampl in 2005 no answer was requisite as all compensations made to Mr. Rampl are shown in the "Compensation Report" in HypoVereinsbank's Financial statements for the year 2005 in detail; with respect to any payments made in 2006 from UniCredit the company (HypoVereinsbank) is unable to make any statement; in addition this information was in our view not requisite for the shareholders to vote on the transactions. The District Court of Munich ruled in several cases that it was not prerequisite to hand out the BCA and/or the ReBoRA to the shareholders. The remaining applications were settled after HVB – without conceding any legal obligation to do so - presented the BCA to the court and the plaintiffs.

A number of actions to set aside the consenting resolutions with respect to the transactions submitted to the EGM, especially the sale- and purchase agreement regarding the shares of BA-CA held by HypoVereinsbank, have been filed by shareholders and shareholders associations and were served upon HypoVereinsbank on 13 December 2006. Apart from alleged formal mistakes in preparing and alleged formal mistakes in holding the meeting the shareholders mainly claim that the purchase prices for the sold entities were not adequate and in turn would contradict Sec. 243 AktG (German Stock Corporation Act). The management board of HypoVereinsbank determined the purchase prices on basis of separate evaluations of each single entity by PriceWaterhouse Coopers as independent auditor and therefore is of the opinion that the alleged inadequacy of the purchase prices are not well founded. The sale- and purchase-agreements contain the provisions that the management board of HypoVereinsbank will ask an external law firm to render a legal opinion whether the resolutions of the EGM do suffer any mistake which prevent the management board from closing of said transactions. The management board asked an external well-known law firm to render an opinion in this respect taking into account all arguments of the claims mentioned before. Having received such opinion as well as an additional statement from PriceWaterhouse Coopers the management board of HypoVereinsbank came to the conclusion that said closing condition is met; following this the participations held by HypoVereinsbank in BA-CA were transferred to UniCredit, those held in HVB Bank Ukraine after assignment by UCI to Bank Pekao SA; those held in International Moscow Bank as well as those held in HVB Bank Latvia were transferred to BA-CA in the first quarter of 2007; with respect to the branches in Tallinn and Vilnius further conditions precedent are not fulfilled as of today. At this point of time the outcome of the proceedings cannot be determined. In the oral hearing on 24 May 2007 the District Court of Munich indicated that it might be doubted whether the explanatory notes on BCA / ReBoRA in the invitation had been adequate and whether questions from the shareholders with regard to evaluation aspects had been adequately answered. The contention that HVB (according to the District Court of Munich) should have described several clauses in the BCA in greater detail in our view is unfounded; in addition, it could not have impacted on the resolution (which is a precondition if a challenge is to be successful). The necessity to answer questions relating to alternative valuation methods was rejected by other courts; this would be a reversal in case law; HVB furnished evidence to show that all questions actually asked and according to law to be answered were answered within the scope of what was possible and reasonable. Furthermore the court mentioned

in the context of expected claims against the announced squeeze-out resolution end of June 2007, a potential settlement; in this context it mentioned that in HVB's business-plans as basis for the squeeze-out-evaluation, one could assume that HVB had received EUR 4 billion more from UniCredit. The court however did not justify how it arrived at this particular sum of money. The court clearly stated that there is no evidence to show breach of trust of the company's management bodies, that the management board of HVB has a substantial discretion and could rely on the expert opinions from PriceWaterhouse Coopers as well as the fairness opinion and – with regard to the valuation parameters applied by PriceWaterhouse Coopers – also on the rulings handed down by other courts that accept similar valuations. In view of the fact that the Federal Supreme Court expressly emphasised in other rulings that it was not the task of the courts to place their own commercial assessment in lieu of the decisions taken by the management bodies of a company in their entrepreneurial responsibility, that the bodies of HVB had acted for the benefit of the company on the basis of carefully prepared and comprehensive information (legal expert opinions, valuation by appraisers, fairness opinion), from today's status of our knowledge of the facts and circumstances HVB is of the opinion that the actions challenging the resolutions on the sales of BA-CA/CEE will ultimately prove to be unsuccessful. However, the outcome of these proceedings is uncertain.

Resolution with respect to Assertion of Claims and Appointment of a Special Representative taken during Shareholders Meeting (AGM) on 27 June 2007

At the Annual General Meeting of HVB AG on 27 June 2007, a resolution brought up by some minority shareholders was adopted to assert claims for compensation against current and former members of the Management Board and Supervisory Board of the Company, against UniCredit S.p.A. and its affiliated companies – including their legal representatives in each case – for alleged financial damage caused by (a) the sale of Bank Austria Creditanstalt AG (i) against the background of HVB's former strategy regarding Eastern Europe, (ii) in light of the cash-compensation for the Bank Austria minority shareholders determined half a year later during their squeeze-out-decision taken for this company (iii) in not performing an auction procedure and (b) by the Business Combination Agreement (BCA) concluded on 12 June 2005 and the provisions therein. A special representative was appointed to file according claims.

Legal action challenging this resolution has been filed by our majority shareholder, UniCredit S.p.A., especially because the resolution in terms of content and potential respondents is unclear and much too vague, making the resolution ineffective. HVB is of the opinion that there are very good reasons that this resolution is not legally effective. Because of this the special representative has so far not been provided with documents and information to the extent requested by him nor has HVB taken other measures requested by the special representative; however without conceding any legal obligation to do so HVB passed some of the documents as requested by the special representative. The special representative, who is assuming that the resolution adopted by the Annual General Meeting von 27 June 2007 is effective, has applied for a temporary injunction. HVB opposed this application. In an oral hearing on the temporary injunction the District Court of Munich of Munich indicated that the resolution could partially be valid and that the special representatives requests were too broad but that he might have limited access to parts of information in order to be able to examine potential claims against part of the respondents. As of today the outcome of the proceeding cannot be predicted.

Notwithstanding the legal disputes in this respect HVB is of the opinion that there are no grounds for such claims against the persons mentioned in the resolution. The board members of HVB acted after having received expert evaluations from independent appraisers as well as a fairness opinion.

Exclusion of Minority Shareholders of HVB AG and other resolutions taken during Shareholders Meeting (AGM) on 27 June 2007

At the Annual General Meeting of HVB on 27 June 2007, our shareholders approved the transfer of the shares held by minority shareholders to UniCredit by a majority of 98.77% of the votes cast in return for a cash compensation of €8.26. In the same shareholders meeting the discharge of the members of the boards of HVB was approved as well as motions to appoint a special auditor was rejected. Beginning of August more than 100 claims were filed against said resolutions, especially regarding the squeeze-out resolution as well as to the resolution regarding the discharge of the members of the Management Board and the Supervisory Board of the company. Insofar as minority shareholders raised claims challenging the inadequateness of the cash compensation determined in the squeeze-out-resolution the claims will be without merit as in this respect the shareholders may only ask for a higher compensation in a special award proceeding (*Spruchverfahren*) in which the adequateness of the cash compensation determined by the majority shareholder will be reviewed. Due to the manifoldness of claims and arguments as of today the outcome of the claims contesting the various resolutions cannot be reliably judged.

Several shareholders of HVB initiated legal proceedings against HypoVereinsbank before the District Court of Munich (*Landgericht München I*) challenging the validity of the financial statements of HypoVereinsbank for fiscal year 2006 alleging that HVB should have capitalized claims against UniCredit in the amount of EUR 17,35 bln. as an asset in said financial statement. As stated in the report on the relations between the company and affiliated enterprises for fiscal year 2006 all transactions were performed on an arms length basis. Especially

the sale of Bank Austria Creditanstalt and of the CEE entities were based on expert opinions from the auditing company PriceWaterhouse Coopers, as well as on a fairness opinion expressed by a highly reputable investment bank. The sale of other shareholdings from HVB to other members of UniCredit Group and especially mentioned in said claims were performed only after having received expert opinions from independent appraisers. We do not see any grounds that the asset situation and profitability of the company have been intentionally misrepresented or concealed; in the view of HVB the claim will be without merit.

Exclusion of Minority Shareholders of Vereins- und Westbank AG – Award Proceedings

The extraordinary shareholders' meeting of Vereins- und Westbank AG ("**VuW**") held on 24 June 2004 approved the transfer of the shares of VuW's minority shareholders to HypoVereinsbank in exchange for €25.00 per outstanding share of VuW. Various shareholders of VuW initiated legal proceedings at the District Court of Hamburg (*Landgericht Hamburg*), challenging the validity of this resolution. By way of mutual agreement, HypoVereinsbank after having joined the action for the purpose of a settlement – increased the cash payment to €26.65 for each outstanding share of VuW. Upon registration of the transfer resolution in the commercial register of VuW on 29 October 2004 all shares of the minority shareholders of VuW passed to HypoVereinsbank. However, certain shareholders considered this increase to be insufficient and filed actions with the District Court of Hamburg (*Landgericht Hamburg*), asking the court to determine a higher amount of cash compensation in so-called award proceedings (*Spruchverfahren*). In a decision dated 2 March 2006, Hamburg Regional Court fixed the compensation at €37.20 per share, notwithstanding the fact that the appropriateness of the original cash compensation had been evaluated and substantiated by external auditors and reviewed by an independent auditor appointed by the court. HypoVereinsbank appealed against this decision and is seeking to lower the additional payment, if any, that will need to be made to former minority shareholders of VuW.

Dispute regarding Trade Tax allocation with Hypo Real Estate

Until 2001 HypoVereinsbank has collected from as well as refunded to several subsidiaries which belonged to the trade tax group of HypoVereinsbank or to the trade tax group of its predecessors for the relevant time period trade tax allocations. Hypo Real Estate Bank AG as well as Hypo Real Estate International AG claim alleged overpayments of trade tax allocations in the amount of together €74 million plus interest as well as additional information regarding calculation method for tax allocation and figures applied by HypoVereinsbank until 2001. On the basis of external legal opinions HypoVereinsbank is of the opinion that the claims will be without merit.

Claw-Back Claims by Insolvency Administrator against HypoVereinsbank as Member of a Syndicate of Banks

In 2002, a corporate customer of HypoVereinsbank filed a petition for insolvency proceedings; following the commencement of such insolvency proceedings, the insolvency administrator asserted claw-back claims against a syndicate of banks of which HypoVereinsbank was a member. HypoVereinsbank accounted for approximately 9.25 per cent of the syndicate's total outstanding credit facilities. The syndicate banks mandated an expert in insolvency law to examine all questions relating to the potential claim of the insolvency administrator; the expert found the legal position of the insolvency administrator not to be very strong and advised the syndicate banks to reject the asserted claims. No court proceedings have been filed yet. Although HypoVereinsbank believes that the afore mentioned claims do not have any merit, any legal proceedings initiated by the insolvency administrator, if adversely determined, may result in a maximum liability of HypoVereinsbank in a low triple-digit millions amount in Euro. However at present, the outcome of the claw-back claims is uncertain."

- The section "**Documents incorporated by reference**" on page 363 of the Base Prospectus will be replaced by the following section:

"Documents incorporated by reference

The following documents with respect to HypoVereinsbank shall be deemed to be incorporated in, and to form part of, this Prospectus:

Audited consolidated financial statements (<i>Konzernabschluss</i>) for the fiscal year ended December 31, 2006	Extracted from the HVB Group Annual Report 2006 (<i>Geschäftsbericht 2006</i>)
- List of Major HVB Group Companies	- p. 117-119
- Consolidated Income Statement (<i>Konzern-Gewinn-und Verlustrechnung</i>)	- p. 105
- Consolidated Balance Sheet (<i>Konzernbilanz</i>)	- p. 108-109

<ul style="list-style-type: none"> - Consolidated Statement of Changes in Shareholders' Equity (<i>Konzern-Eigenkapitalveränderungsrechnung</i>) - Consolidated Cash Flow Statement (<i>Konzern-Kapitalflussrechnung</i>) - Notes to the Consolidated Financial Statements (<i>Konzernanhang</i>) - Auditor's Certificate (<i>Bestätigungsvermerk</i>) 	<ul style="list-style-type: none"> - p. 110 - p. 112-113 - p. 114-182 - p. 183
Audited unconsolidated financial statements (<i>Jahresabschluss</i>) for the fiscal year ended December 31, 2006	Extracted from the HVB AG Annual Report 2006 (<i>Geschäftsbericht 2006</i>) p. 42 et seq.
<p>Audited consolidated financial statements (<i>Konzernabschluss</i>) for the fiscal year ended December 31, 2005</p> <ul style="list-style-type: none"> - List of Major HVB Group Companies - Consolidated Income Statement (<i>Konzern-Gewinn-und Verlustrechnung</i>) - Consolidated Balance Sheet (<i>Konzernbilanz</i>) - Consolidated Statement of Changes in Shareholders' Equity (<i>Konzern-Eigenkapitalveränderungsrechnung</i>) - Consolidated Cash Flow Statement (<i>Konzern-Kapitalflussrechnung</i>) - Notes to the Consolidated Financial Statements (<i>Konzernanhang</i>) - Auditor's Certificate (<i>Bestätigungsvermerk</i>) 	<p>Extracted from the HVB Group Annual Report 2005 (<i>Geschäftsbericht 2005</i>) p. 36 et seq.</p> <ul style="list-style-type: none"> - p. 116-118 - p. 105 - p. 106, 107 - p. 108-109 - p. 110 - p. 111-170 - p.171
The consolidated Interim Report March 31, 2007 (<i>Zwischenbericht zum 31. März 2007</i>) is incorporated in this Prospectus in its entirety.	
The consolidated Half-yearly Financial Report June 30, 2007 (<i>Halbjahresfinanzbericht zum 30. Juni 2007</i>) is incorporated in this Prospectus in its entirety.	

The Annual and Interim Financial Statements of the HVB Group are submitted to and published by the Frankfurt Stock Exchange. Copies of any or all of these documents which are incorporated herein by reference will be available free of charge from the specified offices of the Paying Agents as set out at the end of this Prospectus."

Munich, 4 September 2007

Bayerische Hypo- und Vereinsbank Aktiengesellschaft