Invitation to the Extraordinary General Meeting

12 November 2009

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of the Shareholders of Al Salam Bank-Bahrain B.S.C. ("Al Salam") will be held on Thursday 12 November 2009 at 1:30 pm in Al Ghazal (1) Hall at The Ritz Carlton Hotel, the Kingdom of Bahrain, for the following agenda matters, as recommended by the Board of Directors of Al Salam:

1. To approve the minutes of the previous Extraordinary General Assembly Meeting held on 4 May 2009.

2. To approve the change to clause No. (1) of Article No. (25) "The Board of Directors and its Term" of the Bank's Article of Association by removing the cap on the number of Board members ("not more than ten members"). Clause No. (1) of Article No. (25) would be amended to read as "The company shall be administered by a Board of Directors consisting of not less than five members. The Board's term shall be three years which may be renewed."

3. To consider and approve the addition of a new article to the Bank's Article of Association relating to "Issue of Sukuk", the full clause of this article is as follows:

   "The Extraordinary General Assembly may decide to raise funds through the issue of Sukuk upon the recommendation of the Board of Directors which explains the need for the issue and stipulates the conditions for the issue of the Sukuk. The Sukuk shall be of the same value and indivisible.

   The company may not issue Sukuk unless the issued capital has been fully paid and the balance sheet and the profit and loss account have been published for at least two financial years.

   New Sukuk may only be issued after the company has collected the full value of the Sukuk subscribed for in the previous issue and the total value of the outstanding Sukuk issued by the company should not exceed the issued and fully paid up capital in addition to the un-distributable reserves according to the last balance sheet approved by the General Assembly.

   Invitation to the public to subscribe for the Sukuk shall be by way of a prospectus, the summary of which shall be published in one local newspaper and signed by the Chairman of the Board of Directors and the Auditors. The prospectus shall include the following;

   a- The General Assembly Resolution approving the issue of the Sukuk and the date of the approval issued by the relevant authority;
   b- The total value of the Sukuk;
   c- Major particulars which shall be included in the Sukuk certificate;
   d- Summary of the balance sheet and profit and loss account for the last three financial years preceding the issue of the Sukuk;
   e- Amount of the Sukuk issued before the new issue and which are still outstanding;
   f- The party through which subscription in Sukuk is made;
   g- The amount payable for the value of the Sukuk and whether payment will be by installments;
   h- Subscription period;
   i- Expected percentage of dividends which will be paid to the Sukuk holders;
   j- The right of the Company to redeem the Sukuk and the conditions of redemption;
   k- The process of convening and conducting the Sukuk holders' meeting
   l- Names of the directors;

   The Shareholders' General Assembly may not alter the vested rights of the Sukuk holders unless approved by a Special Meeting of the Sukuk holders."

4. To authorize the Board of Directors or their designees to take all necessary actions to implement the above, including but not limited to, representing Al Salam in the negotiations with the Central Bank of Bahrain, Ministry of Industry and Commerce, in the Kingdom of Bahrain, the Bahrain Stock Exchange, Dubai Financial Market or to any other parties and to execute any documents and amendments to the Memorandum and Articles of Association of Al Salam, on behalf of the shareholders, before the Notary Public of the Kingdom of Bahrain.

Note:

Shareholders whose names are registered in the share register of Al Salam on the date of the Meeting are entitled to attend in person, or appoint a Proxy to attend, the meeting and vote on behalf of such shareholder provided (a) such Proxy is not a director or employee of Al Salam (unless the Proxy is a first degree relative of that shareholder) and (b) such Proxy, if representing more than one shareholder, does not hold proxies totaling in excess of 5% of the issued share capital of Al Salam. The appointed Proxy need not be a shareholder of Al Salam and should be appointed in writing. The written appointment must be submitted prior to the Submission Deadline.

In the case of an institutional shareholder, the representative attending the meeting must submit an appointment of representative duly appointing the relevant person as the respective shareholders representative. The appointment must be in writing, issued by an authorized person of the institution, sealed under the company's stamp and provided prior to the Submission Deadline.

For submission of Proxy or representative authorization documents ("Appointment Documents"), the "Submission Deadline" shall mean receipt of the relevant documents by Al Salam **Building 22, road 58, Block 436, Seef District, P.O. Box 18282, Manama, Kingdom of Bahrain**, no later than 24 hours before meeting time on 12 November 2009. Appointment Documents may be provided by hand delivery, post, or facsimile transmission (**fax no.:00973-17560223**) provided same are received prior to the Submission Deadline. Appointment Documents received after the Submission Deadline will not be accepted by Al Salam, and any purported appointment shall be invalid for the purposes of the meeting.

By the order of the Board of Directors
Al Salam Bank – Bahrain BSC

14 October 2009