Gulf Finance House B.S.C.
Notice to Attend the Ordinary and Extraordinary General Meeting

You are cordially invited to attend the Ordinary and Extraordinary General Meeting of Gulf Finance House BSC to be held on 10 September 2009 at the Awal 3 Ballroom, Gulf Hotel, Manama, Kingdom of Bahrain at 10:00 am to discuss and approve the following agenda. If the required legal quorum is not available, a second meeting will be held on 24 September 2009 at the same time and place, whereby the provisions of Article 57 of the Articles of Association of the Bank will apply.

Agenda of the Ordinary General Meeting

1. To approve the previous meeting minutes.
2. To approve the appointment of Mr. Ahmed Fahour to the Board of Directors.

Agenda of the Extraordinary General Meeting

1. To approve the previous meeting minutes.
2. To consider and approve the increase of the authorised capital from $500,000,000 to $1,500,000,000, subject to obtaining all necessary regulatory approvals.
3. To consider and approve the increase in the issued and paid-up capital from $315,375,117 to up to $615,375,117 by issuing up to 909,090,909 shares with a nominal value of $0.33 each, through a Rights Offering to existing shareholders whose name appears on the share register on such date as determined by the Board of Directors (the "Record Date").
4. To authorize the Board of Directors to arrange and decide upon the offering price and terms for the Rights Offering (including the number of shares being offered and the premium over the nominal value of each share), the Rights Offering period and related timelines, the proportion of rights and the necessary documentation thereof.
5. To consider and approve the borrowing by GFH, directly or if GFH so determines (following advice from its financial, legal and other professional advisers) through any special purpose vehicle established by GFH or at its request, of up to $200,000,000 in equity linked Murabaha Financing on the basis of the following broad terms and conditions:
   - Market based profit rate determined at or shortly before the date of drawdown
   - Tenor of up to 3 years
   - Minimum ticket size to be taken by any person or entity wishing to participate in the borrowing, of $100,000,000
   - Unsecured but convertible, at the option of the Murabaha seller, into GFH shares at the price of the Rights Offering, at any time during the Tenor or at maturity
6. To grant the waiver of pre-emption rights of GFH shareholders over the issue of new ordinary shares that will be issued at the time of conversion of the Murahaba Financing as per the terms of agenda item 5.
7. To authorize the Board of Directors and/or its delegates to carry out all required or proper formalities and do all acts necessary so as to carry into effect the Murabaha Financing including but not limited to determining and/or modifying all the terms of the Murabaha and the necessary documentation thereof.
8. To authorize the Chairman or his representative to sign the amended Memorandum and Articles of Association on behalf of the shareholders before the Notary Public, in regard to the increase in the share capital to reflect the foregoing.

Esam Yousif Janahi
Chairman

Proxy

Gulf Finance House
Investment Bank

I/We, _____ **the undersigned,**

in my/our capacity as shareholder (s) of Gulf Finance House BSC, hereby authorize Mr./ Ms

_____ **on my/our behalf**

to attend and vote on my behalf at the Ordinary and Extraordinary General Meeting of the Bank.

Approve the Ordinary General Meeting's Agenda

	Yes	No
1. To approve the previous meeting minutes	☐	☐
2. To approve the appointment of Mr. Ahmed Fahour to the Board of Directors.	☐	☐

Approve the Extraordinary General Meeting's Agenda

	Yes	No
1. To approve the previous meeting minutes.	☐	☐
2. To consider and approve the increase of the authorised capital from $500,000,000 to $1,500,000,000, subject to obtaining all necessary regulatory approvals.	☐	☐
3. To consider and approve the increase in the issued and paid-up capital from $315,375,117 to up to $615,375,117 by issuing up to 909,090,909 shares with a nominal value of $0.33 each, through a Rights Offering to existing shareholders whose name appears on the share register on such date as determined by the Board of Directors (the "Record Date").	☐	☐
4. To authorize the Board of Directors to arrange and decide upon the offering price and terms for the Rights Offering (including the number of shares being offered and the premium over the nominal value of each share), the Rights Offering period and related timelines, the proportion of rights and the necessary documentation thereof.	☐	☐
5. To consider and approve the borrowing by GFH, directly or if GFH so determines (following advice from its financial, legal and other professional advisers) through any special purpose vehicle established by GFH or at its request, of up to $200,000,000 in equity linked Murabaha Financing on the basis of the following broad terms and conditions: • Market based profit rate determined at or shortly before the date of drawdown • Tenor of up to 3 years • Minimum ticket size to be taken by any person or entity wishing to participate in the borrowing, of $100,000,000 • Unsecured but convertible, at the option of the Murabaha seller, into GFH shares at the price of the Rights Offering, at any time during the Tenor or at maturity	☐	☐
6. To grant the waiver of pre-emption rights of GFH shareholders over the issue of new ordinary shares that will be issued at the time of conversion of the Murahaba Financing as per the terms of agenda item 5.	☐	☐
7. To authorize the Board of Directors and/or its delegates to carry out all required or proper formalities and do all acts necessary so as to carry into effect the Murabaha Financing including but not limited to determining and/or modifying all the terms of the Murabaha and the necessary documentation thereof.	☐	☐
8. To authorize the Chairman or his representative to sign the amended Memorandum and Articles of Association on behalf of the shareholders before the Notary Public, in regard to the increase in the share capital to reflect the foregoing.	☐	☐

Shareholder's Number: _____

Shareholder's Name: _____

Number of Shares: _____

Signature

Date: / /2009

Note

1. This proxy should be registered with the Bank's Registrars at least 24 hours prior to the Meeting, and faxed to: +973 17 104727
   Kuwait Shareholders: Kuwait Clearing Company – P.O. Box 22077 – Safat 13081 – State of Kuwait – Fax +965 2469457
   Other Shareholders: KPMG Fakhroo – P.O. Box 710 – Manama – Kingdom of Bahrain – Fax No. +973 17-212055

2. Article 203 of Bahrain Commercial Companies Law states the following:
   • Delegation shall not be made to the Chairman, any Board Member or any employee of the company to attend the meeting
   • The delegate shall not represent in this capacity a number of votes exceeding 5% of the issued capital in the general assembly meetings