Announcement of the acquisition offer becoming unconditional to the shareholders of Bahraini Saudi Bank B.S.C.

AL SALAM BANK-BAHRAIN B.S.C.'s VOLUNTARY UNCONDITIONAL OFFER TO ACQUIRE 100% OF THE ISSUED AND PAID UP ORDINARY SHARES OF BAHRAINI SAUDI BANK B.S.C.

DISCLAIMER STATEMENT

THE CENTRAL BANK OF BAHRAIN, THE BAHRAIN STOCK EXCHANGE AND THE MINISTRY OF INDUSTRY AND COMMERCE, IN THE KINGDOM OF BAHRAIN, ASSUME NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS ANNOUNCEMENT AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ANNOUNCEMENT.

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If you are in any doubt about the contents of this announcement and the aspects of this offer, you should consult a licensed securities dealer or licensed institution in securities, a bank manager, solicitor or attorney, professional accountant or other professional advisor.

Reference is hereby made to the public announcement dated 22 April 2009 and the offer document (the "**Offer Document**"), dated 21 April 2009, of Al Salam Bank-Bahrain B.S.C. ("**Al Salam Bank**") to acquire 100% of the issued and paid up ordinary shares of Bahraini Saudi Bank B.S.C. ("**BSB**") at an exchange ratio of one new share of Al Salam for every two shares of BSB (the "**Offer**").

The Offer was conditional upon acceptances being received in respect of at least 333,333,334 BSB Shares representing 66.67% of the issued share capital of BSB.

On 1 June 2009, acceptances received exceeded the above conditional threshold, and amounted to 350,745,822 shares in BSB, representing 70.15 % of the issued and paid up ordinary share capital of BSB and accordingly Al Salam Bank hereby declares the Offer to be unconditional.

In accordance with the provisions of the Takeovers, Mergers and Acquisitions Module of the Central Bank of Bahrain Rulebook, Volume 6, Rule 2.14.1, it is announced that the Offer shall remain open for acceptance for a period of 27 calendar days from the date of this announcement and the Offer Closing Date for receiving acceptances is extended to 2:00 p.m. on 28 June 2009.

Offer Documents and the acceptance and transfer forms are available at the following addresses:

Al Salam Bank-Bahrain B.S.C.
Building 22, Avenue 58
Al-Seef District 436
PO Box 18282
Manama
Kingdom of Bahrain
Tel: (973) 17 560000
Fax: (973) 17 560003

Bahraini Saudi Bank B.S.C.
Al Sadah Building
Government Avenue
P.O. Box 1159
Manama
Kingdom of Bahrain
Tel: (973) 1757 8999
Fax: (973) 1721 0989

KPMG Fakhro
5th Floor
Hedaya House 2
Government Avenue
P.O.Box 710
Manama
Kingdom of Bahrain
Contact Person:
Mr. Srinivas Sudheer
Tel: +973 17215080
Email:svenkatapuram@kpmg.com

By the order of the Board of Directors of:

Al Salam Bank-Bahrain B.S.C.