Invitation to the Extraordinary General Meeting

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 Monday 4 May 2009 at 1:30pm in Al Ghazal 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 consider the Board of Directors' proposal for Al Salam to acquire all of the issued and fully paid up ordinary shares of Bahraini Saudi Bank B.S.C ("BSB"), consisting of 500,000,000 ordinary shares of nominal value Bahraini Dinars ("BD") 0.100 each, through a share exchange, by offering to issue 1 new fully paid up ordinary shares of Al Salam for every 2 ordinary shares of BSB to BSB's shareholders accepting the offer, provided Al Salam receives acceptances from BSB shareholders to exchange at least 333,333,334 shares of BSB, subject to regulatory approvals.

2. To consider, for the purpose of acquiring BSB shares under the terms as set out above, and:

   a. to approve the waiver of pre-emption rights of Al Salam shareholders over the issue of new ordinary shares that will be issued to the BSB shareholders, accepting Al Salam's offer, in exchange for their BSB shares;

   b. to approve the issue of new fully paid up ordinary shares of Al Salam, (up to maximum of 250,000,000 shares), to the BSB shareholders accepting the offer to exchange BSB shares;

   c. to authorize the Board of Directors to decide on other terms and conditions related to this offer and share exchange; and

   d. to authorize the Board of Directors to apply for the listing of the new shares issued in the Bahrain Stock Exchange and in Dubai Financial Market.

3. To consider and approve an increase to the authorized share capital of Al Salam from 1,200,000,000 shares of nominal value BD0.100 each to 2,000,000,000 shares of nominal value BD0.100 each.

4. To authorize the Director & Chief Executive Officer Mr. Yousif Abdulla Taqi or his designees to take all necessary actions to implement the above, including but not limited to, represent Al Salam in the negotiations with BSB and its shareholders, 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's Share Registrar, KPMG Fakhro Bahrain of 5th Floor, Hidaya Building-2, Government Avenue, P.O. Box 710, Manama, Kingdom of Bahrain, no later than 24 hours before meeting time on 4 May 2009. Appointment Documents may be provided by hand delivery, post, or facsimile transmission (fax no.:00973-17212055) 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