Invitation to
The Annual Ordinary General Meeting
22 February 2011

The Chairman of the Board of Directors of Al Salam Bank-Bahrain (BSC) ("**the Bank**") cordially invites the shareholders to attend the **Annual Ordinary General Meeting (AGM)** to be held on **Tuesday, 22 February 2011**, at 11:00 am (Bahrain time) at The Dana 1 hall, the Gulf Hotel, Kingdom of Bahrain, to discuss the agenda below. If the required quorum is not available, a second meeting will be announced at a later date.

The Agenda:

1. To approve the minutes of the previous AGM meeting held on 8 March 2010.
2. To discuss and approve the Board's report on the Bank's activities for the year ended 31 December 2010.
3. To receive the Shari'a Supervisory Board report for the year ended 31 December 2010.
4. To receive the External Auditor's Report for the year ended 31 December 2010.
5. To review and approve the Consolidated Financial Statements for the year ended 31 December 2010.
6. To appropriate the net profit and retained earningsfor the year as recommended by the Board of Directors as follows:
   a. Transfer of BD 721 thousand to the Statutory Reserves.
   b. Transfer of BD 6,794 thousand to the Investments Reserves.
   c. Appropriation of BD 100 thousand for Charities and Donations.
7. To absolve the members of the Board from liability for their actions during the year ended 31 December 2010.
8. To approve the Board of Directors' proposal for setting an action plan and program for, and compliance to the Corporate Governance Code.
9. To re-appoint Ernst & Young as external auditors for the year ending 31 December 2011 and authorize the Board of Directors to determine their remuneration.
10. To appoint or re-appoint the Company's share registrar.

Mohamed Ali Rashid Alabbar
Chairman

Important note to the shareholders:

1. You can download the Consolidated Financial Statements for the year ending 31 December 2010 and a copy of the Proxy letter through the Bank's web site: www.alsalambahrain.com.
2. Shareholders whose names are registered in the share register of the Bank 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 the Bank (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 the Bank. The appointed Proxy need not be a shareholder of the Bank and should be appointed in writing. The written appointment must be submitted prior to the Submission Deadline.
3. In the case of an institutional shareholder, the representative attending the meeting must submit a letter of 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.
4. For submission of Proxy or representative authorization documents ("**Appointment Documents**"), the "**Submission Deadline**" shall mean receipt of the relevant documents by Al Salam Bank-Bahrain, P.O. Box 18282, Manama, Kingdom of Bahrain, no later than 24 hours before meeting time. Appointment Documents may be provided by hand delivery, post, or facsimile transmission (fax no.: 00973-17560223) or by E-mail: investors@alsalambahrain.com provided same are received prior to the Submission Deadline. Appointment Documents received after the Submission Deadline shall be invalid for the purposes of the meeting.