Invitation to
The Annual Ordinary General Meeting
20 March 2012

The Chairman of the Board of Directors of Al Salam Bank-Bahrain (BSC) cordially invites the shareholders to attend the **Annual Ordinary General Meeting** to be held on **Tuesday 20 March 2012, at 10:00 am** at Al-Ghazal Ballroom, Ritz Carlton 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 22 February 2011.
2. To discuss and approve the Board of directors' report on the Group's activities for the year ended 31 December 2011.
3. To receive the Shari'a Supervisory Board report for the year ended 31 December 2011.
4. To receive the external auditor's report for the year ended 31 December 2011.
5. To review and approve the financial statements for the year ended 31 December 2011.
6. To appropriate the net profit for the year upon the recommendations of the Board of directors as follows:
   a. Transfer of BD139,000 to statutory reserves.
   b. Allocation of BD100,000 for charities and donations.
7. Adoption of the report on Corporate Governance of the Bank.
8. To absolve the members of the Board from liability for their actions during the year ended 31 December 2011.
9. To appoint or re-appoint members of the Shari'a Supervisory Board for the next three years.
10. Re-appoint Ernst & Young as external auditors for the year ending 31 December 2012 and authorize the Board of Directors to determine their remuneration.
11. Elect the members of the Board of Directors for the next term of three years.

Mohamed Ali Rashid Alabbar
Chairman

Important notice to the shareholders:

1. You can download the Consolidated Financial Statements for the year ending 31 December 2011 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.

5. Shareholders who wish to nominate themselves or their representatives for the Board of Directors can download the Nomination Form from the Bank's website making sure that all fields and requirements are provided, then to send the forms with the required documents to the Board Secretary by fax to: +973 17560004 or Email: investors@alsalambahrain.com or by hand, before 10 March 2012 in order to present the nominations to the Central Bank of Bahrain for its approval. For any inquiry please contact the Board Secretary office on: +973 17560097.