

INVESTCORP BANK B.S.C.

SHAREHOLDERS' CIRCULAR

**FOR THE
ORDINARY GENERAL MEETING OF SHAREHOLDERS
TO BE HELD
ON
SEPTEMBER 27, 2016**

September 12, 2016

Dear Shareholders

The Thirty Third Ordinary General Meeting of Shareholders of Investcorp Bank B.S.C. (the "Company") is scheduled to be held at 11:00 a.m. on Tuesday, September 27, 2016 (the "2016 OGM") at Investcorp House, Diplomatic Area, Manama, Kingdom of Bahrain to consider the matters listed on the Agenda attached as Annex A to this Shareholders' Circular.

The purpose of this Shareholders' Circular is to provide information to Shareholders regarding Agenda Items 7 and 8.

Agenda Item 7: To elect the following individuals to serve as members of the Board of Directors from the date of this meeting until the Ordinary General Meeting of Shareholders to be held following the end of the fiscal year ending on June 30, 2019:

- Nemir Amin Kirdar
- H.E. Mohammed Bin Mahfoodh Bin Saad Alardhi
- Abdullah Mohamed Alireza
- Dr. Yousef Hamad Al-Ebraheem
- Hussain Ibrahim Al-Fardan
- Majid Saif Ahmed Al Ghurair
- Sh. Mohamed Bin Isa Al Khalifa
- Abdullah Mohammed Mazrui
- Farouk Yousuf Khalil Almoayyed
- Waleed Ahmed Salem Al Mokarrab Al Muhairi
- Hisham Saleh Ahmed Al Saie
- Khalid Rashid Al Zayani

Each of the candidates for election to the Board of Directors listed above (collectively, the "Candidates for Election") is currently serving as a Director of the Company. All of the Candidates for Election, other than Dr. Al-Ebraheem, Mr. Al Saie and Mr. Al Muhairi, were elected at the Ordinary General Meeting of the Shareholders that was held following the end of the fiscal year ending on June 30, 2013 (the "2013 OGM").

Dr. Al-Ebraheem became a Director in May 2014 and he was appointed by the Board of Directors to fill a vacancy in the Board of Directors that arose due to the death of Mr. Mustafa Jassim Boodai that occurred after the 2013 OGM was held. Dr. Al-Ebraheem was elected by the Shareholders at the Ordinary General Meeting of Shareholders held in September 2014 to serve as a Director for the remainder of Mr. Boodai's term, which, together with the terms of all of the Directors, expires at the 2016 OGM.

Mr. Al Saie became a Director in January 2016 and he was appointed by the Board of Directors to fill a vacancy in the Board of Directors that arose due to the June 2015 retirement of H.E. Abdul-Rahman Salim Al-Ateeqi.

Mr. Al Muhairi became a Director in August 2016 and he was appointed by the Board of Directors to fill a vacancy in the Board of Directors that arose due to the May 2016 retirement of Mr. Abdul Aziz Jassim Kanoo.

In accordance with the corporate governance rules set forth in the Central Bank of Bahrain's (the "CBB's") Module HC and the Company's Corporate Governance Guidelines, the performance of the Board of Directors as a whole, each Executive Committee of the Board of Directors and each Director (other than Mr. Al Muhairi who became a Director in Fiscal Year 2017) was evaluated during Fiscal Year 2016 (the "Fiscal Year 2016 Evaluation").

The Fiscal Year 2016 Evaluation was led by the Corporate Governance Committee of the Board of Directors and, at the end of the evaluation process, the Corporate Governance Committee reported to the Board of Directors that each Director is individually discharging his responsibilities as a Director of the Company. The Board of Directors approved and adopted the evaluation report of the Corporate Governance Committee at a meeting of the Board of Directors held on April 27, 2016.

At a meeting held on July 26, 2016, the Executive Committee for Administrative Policy of the Board of Directors, acting as the Nominating Committee of the Board of Directors, determined to recommend to the Board of Directors that each of the Candidates for Election be nominated for election for a three-year term at the 2016 OGM based upon the following factors:

- The results of the Fiscal Year 2016 Evaluation.
- The range of the experience and expertise of the Directors.
- The independence of the Directors other than H.E. Mohammed Al Ardhi, the Executive Chairman of the Company and Mr. Nemir A. Kirdar, the Chairman of the Board.
- The demonstrated ability of the Directors to constructively challenge senior management of the Company.
- The demonstrated willingness and ability of the Directors to provide high level assistance to the Company to accomplish its goals.

At the same meeting, the Executive Committee for Administrative Policy of the Board of Directors considered and approved the nomination of Mr. Al Muhairi to serve as a Director both for a term that expires at the 2016 OGM and for a three year term beginning at the 2016 OGM.

At a meeting also held on July 26, 2016, the Board of Directors considered the action taken by the Executive Committee for Administrative Policy and it approved the nomination of the Candidates for Election at the 2016 OGM.

The Board of Directors also approved the appointment of Mr. Al Muhairi to the Board of Directors for a term that expires at the 2016 OGM and his nomination for election for a three year term at the 2016 OGM, subject to completion of the relevant formalities with the CBB. Those formalities were completed in August 2016.

The Board of Directors recommends to the Shareholders that each of the Candidates for Election be elected for a three year term.

In addition, following the Fiscal Year 2016 Evaluation, the Chairman of the Board of Directors hereby confirms to the Shareholders that, with the exception of Mr. Al Muhairi, who has only been recently appointed to the Board of Directors, the performance of each Candidate for Election continues to be effective and each Candidate for Election continues to demonstrate commitment to the role of a Director of the Company.

The Board of Directors is not aware of any relationship between the Directors other than the facts that (i) each Director serves with the other Directors on the Board of Directors, (ii) many of the Directors are strategic shareholders of the Company and, with other strategic shareholders of the Company, participate in the Company's Corporate Investment and Real Estate transactions and the Company's Alternative Investment Solutions and (iii) two Directors each hold a minority interest in an investment unrelated to the Company.

The Board of Directors has determined that each Director is an independent Director other than H.E. Mohammed Al Ardhi, the Executive Chairman of the Company, Mr. Nemir A. Kirdar, the Chairman of the Board, and Mr. Al Muhairi, who was not a Director when the Board of Directors made its most recent independence determination. Mr. Al Muhairi qualifies as an independent Director as defined by the CBB's rules.

Information for each Director is set forth below, including any professional qualifications, other directorships held by him and positions which involve significant time commitments and relationships between him and the Company:

Nemir Amin Kirdar
Chairman of the Board of Directors

BA in Economics, University of the Pacific, California, USA; MBA, Fordham University, New York, USA; Senior Management Program, Harvard Business School, USA

Mr. Kirdar founded Investcorp in 1982. He began his banking career in 1969 with Allied Bank International in New York. In 1974, he joined Chase Manhattan Bank as Vice President and, between 1976 and 1981, he was posted to the Middle East to direct Chase's activities in the Gulf.

He is currently a Member of the Board of Trustees of the Brookings Institution, Washington DC and the Eisenhower Exchange Fellowship, Philadelphia. He is a Member of the Advisory Board of the School of International & Public Affairs, Columbia University, New York, NY. He is a Founding Member of the International Business Council, World Economic Forum, Geneva, Switzerland, a Member of the International Council of the Belfer Center for Science and International Affairs, John F. Kennedy School of Government, Harvard University, Cambridge, MA, a Member of the United Nations Investments Committee, United Nations Pension Fund, New York, NY, a Member of the Chatham House Panel of Senior Advisers, London, UK

and a Member of the Council for Arab & International Relations, Kuwait. He also sits on the Board of Trustees of Silatech, Doha, Qatar.

He has previously been a Member of the Board of Visitors of the Edmund A. Walsh School of Foreign Service, Georgetown University, Washington DC and a Member of the Board of Trustees, Bilkent University, Ankara, Turkey. He holds honorary doctorates from Georgetown University (Humane Letters), the University of the Pacific (Laws) and Richmond, the American International University in London (Economics) and is an Honorary Fellow at St. Anthony's College at Oxford University.

Mr, Kirdar is a strategic shareholder of the Company and he participates with other strategic shareholders in the Company's Corporate Investment and Real Estate transactions and in the Company's Alternative Investment Solutions.

Mr. Kirdar has been a Director since June 1982, and the Chairman of the Board of Directors since July 2015.

H. E. Mohammed Bin Mahfoodh Alardhi
Executive Chairman of the Company

BSc Military Science, RAF Staff College, Bracknell, UK; Masters in Public Administration, JFK School of Government, Harvard University, USA

H.E. Alardhi is currently Chairman of the National Bank of Oman. He also serves on the International Advisory Board of the Brookings Institution and on the Eisenhower Fellowships Board of Trustees. H.E. Alardhi is a member of the Community Chairman Group of the World Economic Forum, Geneva, Switzerland and the John F. Kennedy School of Government Dean's Council.

H.E. Alardhi formerly held the position of Commander in Chief of the Royal Air Force of Oman. In 2000, in recognition of his services, he was awarded the Order of Oman by His Majesty Sultan Qaboos Bin Said Al Said. Following his time in the air force, H.E. Alardhi joined the family business, a group of companies with investments in sectors including real estate development, oil and information technology.

H.E. Alardhi has been a Director since September 2008, and the Executive Chairman of the Company since July 2015.

Abdullah Mohamed Alireza

Mr. Alireza is the Chairman and Owner of the Alireza Investment Co. as well as Chairman of the Reza Investment Co., Jeddah, Reza Food Services Co., Jeddah and the International Chemical Industries & Trading Co., Jeddah. He is also a Member of the Board of Directors and Vice Chairman of Haji Abdullah Alireza & Co., Jeddah and President of the Board of Trustees of the Mohamed & Ali Alireza Trust, Jeddah.

Previously, Mr. Alireza served as Deputy Minister for Economic and Cultural Affairs at the Ministry of Foreign Affairs of Saudi Arabia and as a Member of the Advisory Council at the Fletcher School on Law and Diplomacy at Tufts University.

Mr. Alireza is a strategic shareholder of the Company and he participates with other strategic shareholders in the Company's Corporate Investment and Real Estate transactions and in the Company's Alternative Investment Solutions.

Mr. Alireza has been a Director since February 1988.

Dr. Yousif Hamad Al-Ebraheem

Ph.D. in Economics, the Claremont Graduate University, USA

Dr. Al-Ebraheem is the Advisor of Economic Affairs in capacity of Minister to Al-Diwan Al-Amiri in Kuwait. He is also a member of the Board of the Kuwait Foundation for the Advancement of Sciences, INJAZ, Kuwait, and the American Kuwaiti Alliance, Washington, DC.

Dr. Al-Ebrahim also serves as a member of the Board of Trustees, a member of the Executive Committee, and a member of the Audit Committee of The Arab Open University, Kuwait. He is a member of the Board of Advisers of the Center for Contemporary Arab Studies, Georgetown University, Washington DC. Dr. Al-Ebrahim is also a member of the Kuwait Economic Society, the American Economic Association, and a Director of the Arab Gulf States Institute (AGSIW), Washington, DC.

Previously, Dr. Al-Ebraheem was Advisor in capacity of Minister to the Prime Minister's Office, Minister of Finance, Minister of Planning and Minister of State for Administrative Development Affairs, Chairman of Kuwait Investment Authority, and Governor of the International Monetary Fund and the Arab Development Fund.

Dr. Al-Ebrahim was also a research fellow at the Economic Research Forum for the Arab Counties, Iran and Turkey, Cairo, Egypt.

Dr. Al-Ebraheem has been a Director since May 2014.

Hussain Ibrahim Al-Fardan

Mr. Al-Fardan serves as Chairman of Alfardan Group Holding Co. LLC, which holds a large number of operating subsidiaries, QIC International, Qatar and CBQ Finance Limited. He is also currently Vice Chairman of Gulf Publishing and Printing Co., WLL, Qatar and Qatar Businessmen Association, Qatar. Additionally he holds the position of Vice Chairman and Managing Director of The Commercial Bank of Qatar, and is a Member of the Board and Audit Committees, and the Chairman of the Investment Committee, of Qatar Insurance Co. LLC.

Mr. Al-Fardan also serves as a Board Member of Jeeves of Belgravia LLC, Qatar, and Alex Reid Middle East, Qatar.

Previously, Mr. Al-Fardan was Chairman of United Development Co., QSC, Qatar and member of the Board of Shati Al Jazeera Real Estate Development Co-Soc and Wahat Al-Shafalahia, Doha, Qatar-SOC.

Mr. Al-Fardan is a strategic shareholder of the Company and he participates with other strategic shareholders in the Company's Corporate Investment and Real Estate transactions and in the Company's Alternative Investment Solutions.

Mr. Al-Fardan has been a Director since June 1982.

Majid Saif Al Ghurair

Bachelor of Arts Degree in Business Administration (Accounting Department), Al Ain University, UAE

Mr. Al Ghurair serves as Chief Executive Officer of Al Ghurair Group of Companies and Chairman of Drake & Scull International. He is a Director for National Cement Co. and NASDAQ Dubai.

Previously he was Chairman of SHUAA Capital psc, Gulf Finance Corp PJSC and held a Director position at Dubai Economic Council, Emaar Properties, and Mashrek Bank.

Mr. Al Ghurair is a strategic shareholder of the Company and he participates with other strategic shareholders in the Company's Corporate Investment and Real Estate transactions and in the Company's Alternative Investment Solutions.

Mr. Al Ghurair has been a Director since September 2008.

Sheikh Mohamed Bin Isa Al Khalifa

BBA, University of Texas, USA

Sh. Mohamed currently serves as Chairman of Oasis Capital and the Executive Chairman and CEO of Podium Co. Sh. Mohamed also serves as a Board Member of Middle Eastern Schools and Delta Construction Company.

Sh. Mohamed has previously served as Chief Executive Officer of the Bahrain Social Insurance Organisation and Bahrain Telecommunications Company (Batelco) as well as Chairman of Samena Telecommunications Council, and Securities & Investment Company (SICO). He also held Board positions at Batelco, Bank of Bahrain and Kuwait and Bahrain Commercial Facilities

Sh. Mohammed has been a Director since December 2009.

Abdullah Mohammed Mazrui

Bachelor of Arts, Chapman College

Mr. Mazrui serves as Chairman of Emirates Insurance Company, The National Investor, International School of Choueifat, Abu Dhabi, Arab International Logistics Company (Aramex), and Jashanmal National Company.

Mr. Mazrui serves on the Advisory Board of EDHEC Business School, France and is the Chairman of the Board of Depa United Group, Dubai, UAE. He is also a Director of Allied Enterprises and Emirates Specialities Company, UAE.

Mr. Mazrui's prior positions include the Managing Director and Chief Executive of the National Bank of Abu Dhabi, and the Chairman of Mazrui Holding Company and Depa United Group. He also served as Director of Dun & Bradstreet, Abu Dhabi Education Council, Education Coordination & Integration Council (ECIC) and the Abu Dhabi Economic Council as well as being a Member of the Advisory Board of INSEAD, Abu Dhabi.

Mr. Mazrui is a strategic shareholder of the Company and he participates with other strategic shareholders in the Company's Corporate Investment and Real Estate transactions and in the Company's Alternative Investment Solutions.

Mr. Mazrui has been a Director since February 2006.

Farouk Yousuf Khalil Almoayyed

B.E. (Mechanical), Loughborough College, UK

Mr. Almoayyed is currently Chairman of Y.K. Almoayyed & Sons BSC, Almoayyed Contracting Group, Almoayyed International Group, National Bank of Bahrain,

Bahrain Duty Free Shop Complex BSC, Ashrafs, Gulf Hotels Group, Ahlia University, Bahrain National Holding BSC and National Finance House.

Previously he has served as a Director of TAIB Bank EC.

Mr. Almoayyed is a strategic shareholder of the Company and he participates with other strategic shareholders in the Company's Corporate Investment and Real Estate transactions and in the Company's Alternative Investment Solutions.

Mr. Almoayyed has been a Director since July 2004.

Waleed Ahmed Salem Al Mokarrab Al Muhairi

Masters in Public Policy, Harvard University, USA; Bachelor of Science in Foreign Service, Georgetown University, USA

Mr. Al Muhairi is the Deputy Group CEO and Chief Executive Officer, Emerging Sectors at Mubadala Development Company PJSC. He is also Chairman of Cleveland Clinic Abu Dhabi LLC and National Central Cooling Company PJSC (Tabreed), Vice Chairman of Aldar Properties, Board member of Mubadala Petroleum, Abu Dhabi Future Energy Company (Masdar) and Tamouh Investments LLC, and a member of the Board of Trustees of Cleveland Clinic, USA.

Mr. Al Muhairi has been a Director since August 2016.

Hisham Saleh Ahmed Al Saie

Master of Business Administration, London Business School; Bachelor of Business Administration in Accounting, University of Texas at Arlington, USA

Mr. Al Saie is the Chief Investment Officer at Konozi Securities Company SPC.

Mr. Al Saie holds the position of Director at Nass Corporation B.S.C., AlSalam Bank Bahrain B.S.C., Bahrain Bay Development B.S.C.(c), Bahrain Bay Development II B.S.C.(c), Diyyar Al-Muharraq Co. B.S.C.(c), AlKhaleeji Commercial Bank Q.S.C. (Qatar), Binaa Al Bahrain B.S.C.(c), DC Al Muharraq S.P.C., Global Banking Corporation B.S.C.(c), and Marsa Al Seef Real Estate Investment Company W.L.L.

Previously he was the Head of Corporate Finance and Investment Banking at Securities & Investment Company B.S.C. and Senior Consultant at BDO Jawad Habib.

Mr. Al Saie has been a Director since January 2016.

Khalid Rashid Al Zayani

Mr. Al Zayani serves as Chairman of Midal Cables Ltd., Aluwheel WLL, Metal Form WLL, Intersteel WLL, Gulf Closures WLL, First Motors WLL, Imerys Alzayani Fused Minerals WLL, Al Baraka Islamic Bank, and Bahrain British Business Forum.

Mr. Al Zayani is the Founder and Co-Chairman of the Bahrain British Business Council and Co-Chairman of the US-Bahrain Business Council and holds Board positions at the Bahrain Chamber of Commerce and Industry, the American-Bahraini Friendship Society, and the Bahraini-Moroccan Business Council. Mr. Al Zayani also serves as the President of CISI-Bahrain Advisory Council and Bahrain Technology Transfer Society and he is an Honorary Board Member of the Bahrain India Society.

Mr. Al Zayani previously served, among other positions, as Founding Member, Vice Chairman and Chairman of the Executive Committee of the Bahrain Islamic Bank

and as Founding Member and President of the American Chamber of Commerce in Bahrain.

Mr. Al Zayani is a strategic shareholder of the Company and he participates with other strategic shareholders in the Company's Corporate Investment and Real Estate transactions and in the Company's Alternative Investment Solutions.

Mr. Al Zayani has been a Director since June 1982.

Agenda Item 8: To approve the competitive affiliations of two Directors in accordance with Article 191 of the Commercial Companies Law as well as one Director's Service as a director of More than Three Bahrain Public Companies

Two Directors of the Company, Mr. Abdullah Mohammed Mazrui and Mr. Hisham Saleh Ahmed Al Saie, have affiliations with other financial institutions. These institutions are The National Investor and Global Banking Corporation B.S.C.(c), respectively. Each of these financial institutions operates a business that could compete with the Company. The Board of Directors is not aware of any instance in which there actually has been direct competition between the Company and any of such financial institutions. However, the Board of Directors is requesting shareholder approval of these affiliations.

In addition, Mr. Farouk Yousuf Khalil Almoayyed serves as a director of Bahrain Duty Free Shop Complex, Bahrain National Holding Co., National Bank of Bahrain and Gulf Hotel Group B.S.C., which are Bahrain public companies, in addition to serving as a Director of the Company. The Board of Directors does not believe there is any conflict of interest between Mr. Almoayyed's service on the Board of Directors of the Company and his service as a director of the other public companies. However, the Board of Directors is requesting shareholder approval of these directorships.

With God's blessings,



Nemir Amin Kirdar
Chairman of the Board of Directors

INVESTCORP BANK B.S.C.

The Thirty-Third Ordinary General Meeting of the Shareholders of Investcorp Bank B.S.C. held at 11:00 a.m. on Tuesday, September 27, 2016 at Investcorp House, Diplomatic Area, Manama, Kingdom of Bahrain

AGENDA

1. To receive the Board of Directors' Report on the Company's activities for the fiscal year ended June 30, 2016 and approval thereof.
2. To receive the Report of the Auditors, Messrs. Ernst & Young, for the fiscal year ended June 30, 2016 and approval thereof.
3. To receive the Profit and Loss Account and Balance Sheet for the fiscal year ended June 30, 2016 and approval thereof.
4. To approve the proposal made by the Board of Directors for allocation of the net profits for the fiscal year as follows:

A. Distribution of dividends to holders of the Series B Preference Shares in accordance with the Terms and Conditions of issue of said shares for the dividend period from and including July 1, 2015 up to and including June 30, 2016, in the aggregate amount of US\$23,901,352.87.

If approved, dividend payments shall be made no later than October 6, 2016.

B. Distribution of US\$17,739,796.08 to holders of Ordinary Shares (excluding treasury shares) at the rate of US\$0.24 per Ordinary Share, representing 9.6% of the paid-up Ordinary Share capital.

If approved, dividend payments shall be made no later than October 6, 2016.

C. Charitable donations in the amount of US\$2,970,000.

D. Carrying over of US\$45,395,484.44 as retained profits for the following fiscal year.

5. To approve payment of Board of Directors' remuneration in the aggregate amount of US\$1,320,000.
6. To discharge the Directors of the Company from any liability arising in connection with their duties during the fiscal year ended June 30, 2016.

7. To elect the following individuals to serve as members of the Board of Directors from the date of this meeting until the Ordinary General Meeting of Shareholders to be held following the end of the fiscal year ending on June 30, 2019:
- Nemir Amin Kirdar
 - H.E. Mohammed Bin Mahfoodh Bin Saad Alardhi
 - Abdullah Mohamed Alireza
 - Dr. Yousef Hamad Al-Ebraheem
 - Hussain Ibrahim Al-Fardan
 - Majid Saif Ahmed Al Ghurair
 - Sh. Mohamed Bin Isa Al Khalifa
 - Abdullah Mohammed Mazrui
 - Farouk Yousuf Khalil Almoayyed
 - Waleed Ahmed Salem Al Mokarrab Al Muhairi
 - Hisham Saleh Ahmed Al Saie
 - Khalid Rashid Al Zayani
8. To approve the competitive affiliations of two Directors in accordance with Article 191 of the Commercial Companies Law as well as one Director's service as a director of more than three Bahrain listed companies.
9. To re-appoint Messrs Ernst & Young as the Company's Auditors for the fiscal year ending June 30, 2017 and empower the Board of Directors to fix their remuneration in respect of that fiscal year based upon the recommendation of the Audit Committee of the Board of Directors.
10. To receive the Report on the Company's compliance with its Corporate Governance Guidelines, the Central Bank of Bahrain's High Level Controls Module and the corporate governance matters listed in the Central Bank of Bahrain's Public Disclosure Module.
11. To discuss any other matters in accordance with Article 207 of the Commercial Companies Law.

With God's blessings,



Nemir Amin Kirdar
Chairman of the Board of Directors

Notes:

1. In addition to holders of Ordinary Shares, this Notice is given to holders of Preference Shares, who have the right to attend General Meetings of the Shareholders without having the right to vote.
2. Holders of proxies only (other than representatives of juristic persons) may not be the Chairman, Directors and employees of Investcorp (Article 203, Commercial Companies Law 21/2001, as amended).
3. Appointment/Proxy Forms are available (i) at the office of the Share Registrar whose address is shown below and (ii) on the website of the Company (www.investcorp.com).
4. Shareholders are requested to lodge letters of appointment/proxies with the Share Registrar, Karvy Computershare W.L.L. at their offices on 7th Floor, Al-Zamil Tower, Office 74, Building 31, Government Avenue, Road 383, Block 305, P.O.Box 514, Manama, Kingdom of Bahrain, Telephone 17215080.
5. Further information regarding Agenda Items 7 and 8 is provided in the Shareholders' Circular that is available on the website of the Company (www.investcorp.com).