



**PERFORMANCE BANK ISLAM MALAYSIA BERHAD AND
AFFIN HOLDINGS BERHAD SHARE PRICE DURING
ECONOMIC AND FINANCIAL CRISIS
(2007-2009)**

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“DECLARATION OF ORIGINAL WORK”

I, Nurzahidah Binti Jamaluddin, (I/C Number: 851116-01-5438)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged

Signature: _____

Date: _____

LETTER OF TRANSMITTAL

26 April 2010

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
Melaka City Campus

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled **“PERFORMANCE OF STOCKS OF BANK ISLAM MALAYSIA BERHAD (BIMB) AND AFFIN HOLDINGS BERHAD DURING ECONOMIC AND FINANCIAL CRISIS (2007 – 2009)”** to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank You.

Yours sincerely,

NURZAHIDAH JAMALUDDIN
2007145023
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1.2 Statement of Problem

The financial crisis of 2007 to 2009 is a crisis triggered by an insolvent United States banking system. It has resulted in the collapse of large financial institutions, the bailout of banks by national governments and downturns in stock markets around the world. In many areas, the housing market has also suffered, resulting in numerous evictions, foreclosures and prolonged vacancies. On the other hand, a survey of how businesses around the world are responding to the full-scale global economic downturn and how recovery is on track in Malaysia had been conducted by ICAEW Global Enterprise Survey. The survey reveals that businesses in Asia have been less negatively affected by the economic downturn compared to businesses in other regions. It shows, however, that businesses in the three Asian markets have experienced the downturn to different degrees; one in three (33%) Singapore businesses report a very negative effect on their business, compared with 21% in Hong Kong and only 9% in Malaysia (SME & Entrepreneurship Magazine). Therefore, since the Malaysian economy for 2007 to 2009 was vice versa with the global economy, As for BIMB share price and Affin Holdings share price, does the performance of the share prices had been affected by global financial and economic crisis.

1.3 Research Objectives

The general objective of the study is to measure the performance of BIMB (Shariah compliant stock) with Affin Holdings Berhad (non-Shariah compliant) share prices during 2007 to 2009. Does it affecting the performance of BIMB and Affin Holdings share prices?

1.4 Scope of Study

This study revolves around BIMB shares and Affin Holdings' share prices. The objective of the study is to analyze the performance of BIMB (Shariah compliant shares) and Affin Holdings (non-Shariah compliant shares) during global financial and economic crisis.

1.5 Significant of study

Initially, the conduct of the research is to measure the performance of the BIMB share prices and Affin Holdings share prices during 2007 to 2009. As we all know that during December 2007, the global financial and economic crisis had started officially (Guillen, M.F. 2009). In contrast, despite moderation in the United States (US) economy, higher oil prices and the onset of financial market turbulence in the second half year. Malaysian Economy remains strong in 2007 to 2008. During 2009 at the first three quarter, Malaysian had turned negative. (Annual Report of Bank Negara Malaysia).

1.6 Definition of key terms

Share prices of a stock can be affected by various factors. One the factor is the economic performance globally and economic performance domestically. The movement of the share prices was driven by the environment

1.6.1 Earning per share

Total earnings divided by the number of shares outstanding. Companies often use a weighted average of shares outstanding over the reporting term.