UNIVERSITI TEKNOLOGI MARA

MEASURING SUSTAINABILITY PERFORMANCE: THE CASE OF INSURANCE AND TAKAFUL COMPANIES IN MALAYSIA

SAZUL FARRAH NAJWA BINTI ZULKIFLI
2019527825

**Bachelor of Business Administration (Hons)
Investment Management**

October 2020

ABSTRACT

Insurance is a contract where an individual is entitled to receives financial protection against losses from the insurance company. Meanwhile, takaful is a repayment in case of loss which organized according to the Islamic and *shariah* compliant. However, in order to gain the financial protection, there are several obligations and policy that need to be followed such as payment of the premium from the individual. This aim of this research is to examine the performance of insurance and takaful companies in Malaysia with the independent variables which is liquidity of firm, equity return, leverage, size of firm, underwriting risk, gross domestic product (GDP) and inflation rate. Every investor takes seriously towards the return on asset (ROA) as it can show how well a company can manage its business. By looking through the return on asset (ROA) of a company, investor can determine the ability the firm's ability to generate, sustain and increase their profits. According to Diane (2005), higher ROA value indicates a better company performance because of the high return on investment. A study by Abduh (2012), the ROA of takaful industry in Malaysia is low because takaful companies have limited places to invest as they are only allowed to invest with the business in accordance with the shariah instruments. Additional research is necessary to test the relationship between the internal factors (liquidity, equity return, leverage, size of firm and underwriting risk) and external factors (gross domestic product (GDP) and inflation rate) with the performance of insurance and Takaful companies.

ACKNOWLEGMENT

TABLE OF CONTENT

LIST OF TABLES