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CORPORATE PERFORMANCE OF FINANCIAL SECTOR LISTED IN INDONESIA STOCK EXCHANGE

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This research fills the gap for a study of the Indonesian financial sector performance during the slowdown economic condition affected by the global financial crisis to determine the prevailing corporate performance level.This study is limited to financial sector which are continuously listed in the Indonesia Stock Exchange (IDX) for three consecutive years of 2007 to 2009.The published annual reports of 45 sample companies for respective years were used and analyzed using descriptive statistics and analysis of variance to answer the research problem. The results indicate that amid the enduring global economic crisis, financial institution in Indonesia successfully maintained their business effectiveness and the insurance sector's productivity is better than bank, financial institution, securities and others. With respect to market performance, Bank group is better than the four non-bank financial institutions. For the three consecutive years, the three corporate performance indicators (EPS, ATO, MB) reveal the same condition.

Keywords: ***asset turnover, corporate performance, earnings per share, financial sector, market to book value***

INTRODUCTION

Background of the study. The current global financial crisis can be seen as a consequence of financial sector development that is detached from its roots, which is real economic activity. Expansive development of the financial sector in many countries for over a decade has stemmed from financial product innovation as well as the great strides made in financial institutions. Such innovative growth has been made possible by the revolution in technology and global financial liberalization. Ahn (2010) suggests that Asia's economies should promote efficiency in the functioning of their financial systems along with manufacturing efficiency.

Meanwhile, amidst such inauspicious surroundings, Indonesia is certainly not in the worst position compared to other countries. Indonesia can be considered lucky as its financial sector's exposure to sub-prime mortgages is minimal. However, the country is certainly not immune to the impacts of the crisis. Some have expressed that the delay in integrating Indonesia's financial sector with the global financial network is really a blessing in disguise, as it has saved Indonesia from more serious crisis fallout,conformably with what Pucar (2010) stated that countries that have a big domestic market have a stronger standing than countries with smaller markets.

While Indonesia is considered as a large market with an estimated population of 243 million as of July 2010, the fourth largest country in the world (CIA, 2010), and as the Indonesian economy continues its steady growth, and in many ways, becomes more integrated in the world economy (Titiheruw & Atje, 2009), it is one that is very open to trade. Moreover, with the pace of financial market liberalization, the financial sector is facing

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increasing competition and greater volatility from external shocks. In such an environment, Indonesiathen needs to do more to protect the financial sector in a world vulnerable to shocks, since a financial sector that is sturdy and liquid will support the real sector (Suharmoko, 2009).

A well diversified financial sector with sound banks as well as non-bank financial institutions (NBFIs) is the key to supporting the Indonesian government's articulated development objectives of increased economic growth, greater job creation, and a better standard of living for Indonesians. Banks and NBFIs are both key elements of a health and stable system that complement each other and offer synergies. However, at present, the Indonesian financial sectors continue to be dominated by banks with nearly 80% of financial system assets and the more vigilant in conducting business of banking industry, encouraging banks to maintain their reputation risks helps partly in developing market confidence (Bank Indonesia, 2009). The rest of the financial sectors including insurance, pensions, mutual funds, leasing, factoring, and venture capital companies, are still small with less than 15 percent of GDP in assets combined.

Banks are at the heart of Indonesia's economic crisis in 1997/1998 with more than 50% of (2000) GDP spent to recapitalize them. Given the scale of the banking crisis, policy attention has until recently been focused on strengthening the banking system and its regulation and supervisions. In line with the economy wide shift towards a long term development agenda, as articulated in the various policy packages released in 2006, strengthening NBFIs is now an urgent policy imperative (The World Bank, 2006).

The financial sector in Indonesia remains very underdeveloped relative to the benchmarks, with a dominant banking sector, emerging capital markets, and nascent non-bank financial institutions. While Indonesia faces less direct exposure to the recent global financial crisis, the country still faces serious indirect risks due to the flight of capital from emerging markets to lower risk investment environments, declining export prices, and difficulties in financing international trade transactions. Indonesia's overall degree of integration into the global trading system is relatively weak by benchmark standards. The fairly low ratio of trade to GDP provides some insulation against the recent downturn in world markets, but greater participation in regional and global markets is very much in Indonesia's long-term interests. Indonesia has also found it difficult since the 1997 financial crisis to attract foreign direct investments, though there have been positive developments since 2005. A combination of poor infrastructure, problems with governance and a weak business climate make Indonesia less attractive for foreign investors, particularly in the face of competition for FDI from strong regional competitors (Bolnick, Sundaram & James, 2008).

This research fills the need for a study of firms in Indonesia because of increasing competition with firms in developed countries due to rapid globalization, and to fill the gap for a study of the Indonesian financial sector performanceduring the slowdown economic condition affected by the global financial crisis.Recent global financial crisis started to show its effects in the middle of 2007 and into 2008, followed by the economic slowdown in 2009 (Shah, 2009). According to Data Consult (2008), the country's economy suffered a setback in 2008 especially in the last quarter of that year marked by a low growth, but the fiscal stimulus is expected to improve liquidity in the financial sector to help the business sector in facing the challenges in 2009 and Chia (2010) reported that economic growth for most East Asian economies slowed considerably in 2008 and 2009, but signs of recovering economies started to appear in the second half of 2009 in response to stimulus packages and some recovery in global trade.

The Main Problem. The main research problem of this study is to determine the prevailing corporate performance (CP) level of Indonesian financial sector. The choice of performance measurement is critical to every company in any industry. Selection of performance measurement system involves a complex interplay between strategy, the firm's internal and external environment, and to determine the relative importance of various measures of performance. The company must take into account all relevant factors for making short-term and long-term decisions.

Objectives of the Study. This study is directed to empirically investigate the Corporate Performance (CP) of the listed Indonesian financial sectors. In line with the primary objective of the study, the study was specifically expected to fulfill the following objectives: to present the prevailing CP measures of the listed Indonesian financial sectors.To find out if the five sub-sectors under study reveal similar or different CP. To compare the overall trends of CP with their indicators from 2007 to 2009.

Significance of the Study. The results of this research work can assist investors in better understanding the changing face of Indonesian business and a method for evaluating this change and its impact to the corporate performance, specifically as this study evaluates the listed financial sectors during the slowdown economic condition affected by the global financial crisis. This investigative work will also provide a more academic audience a deeper level of analysis, and therefore deeper and additional academic insights in relation to accounting data and disclosures of annual report.

LITERATURE REVIEW

Corporate performance (CP) is a term frequently used by various stakeholder groups, scholars and policy makers alike. According to Kajola (2008), CP is an important concept that is related to the way and manner in which financial resources available to an organization are judiciously used to achieve the overall objective of the organization. It keeps the organization in business and creates a greater prospect for future opportunities.

Dutta & Reichelstein (2005) find that an optimal performance measure must rely on both accounting variables and stock price. They argue that for the purpose of performance measurement, stock price is not only essential in providing investment incentives, but also for filtering out some of the variability in investment returns. Barton, Hansen, & Pownall (2010) examine the value relevance of a comprehensive set of summary performance measures. They find that, no single measure dominates around the world.

Thus for the purpose of investigatingthe CP in this study, the three different traditional measures of CP is selected (ATO, EPS and MB), based on Dutta & Rechelstein (2005), to include accounting and stock price variables:Asset turnover (ATO) shows how much sales the firm is generating for every dollar of investment in assets. This ratio reflects how well the firm's assets are being managed. It reflects the productivity of the company. It highlights how effective management is at using both short-term and long-term assets. All else equal, the higher the total asset turnover, the better. This ratio was used by Kamath (2008) and Shiu (2006) as one of several measures of performance in their studies. The formula to obtain ATO is calculated by dividing net sales by total assets.

(1) Earnings per share (EPS) is a way to relate income to ownership on a per share basis and is used in evaluating share price. It is a commonly used measure by analysts in the evaluation of companies in the financial market. It gives a measure of profitability that incorporates the result of operating, investing and financing decisions. This ratio relates to the earnings

generated by the business and period referring to the number of shares in issue (Atrill, 2009). Tan, Plowman, & Hancock (2007) used EPS as one of the three ratios selected as proxy measures for company's performance. The formula to obtain the EPS is calculated by dividing earnings available to ordinary shareholders by the number of ordinary shares in issue.

(2) Market to book ratio (MB) is an investment formula to measure ratio of market capitalization in relation to book value of total net assets of the firm for the given year. Market capitalization = total shares outstanding x market price per share (Tagliani, 2009). MB ratio was used by Kamath (2008), Shiu (2006a), and Ze´ghal & Maaloul (2010) as a proxy for stock market performance. Thus the formula to obtain the MB is calculated by dividing market capitalization by book value of the total net assets.

RESEARCH METHODOLOGY

Research Design. This study made use of the descriptive and comparative research designs to answer the research problem and objectives posed at the beginning of the study. Descriptive research design was conducted to describe the prevailing conditions ofCP measures used in this study. Comparative research was undertaken to confirm if the five sub-sectors reveal similar or different performance. Time series study was utilized to compare and to analyze the overall trends of CP from 2007 to 2009.

available to shareholders during a

Population. The listed Indonesian financial sectors in general offer an ideal area of corporate performance research, becausethere are reliable data available in the form of published annual reports and the participants of stock exchange are deeply concerned with performance and valuation of firms. This study is limited to financial sector which are continuously listed on the Indonesia Stock Exchange (IDX) for three consecutive years of 2007 to 2009. The classification of the sectors according to IDX is as follows: (1) bank; (2) financial institution; (3) securities company; (4) insurance; (5) investment fund/mutual fund; and (6) others. During the three consecutive years, no company was listed under investment/mutual fund classification. There were 69 sample companies listed according to IDX for the year 2009, 67 companies for the year 2008, and 70 companies for the year 2007. Not all companies were used for this study for a variety of reasons, such that over the three-year period, several companies were de-listed, merged or acquired; several companies were newly listed in 2008 or 2009; some companies whose balance sheets degenerated into negative net worth or negative earnings per share; and several companies did not submit their annual reports for at least one of the three years to the IDX were eliminated from analysis. Given these limitations and constraints, all other remaining companies were selected, but there were only 45 companies that existed in the three consecutive years used for this study. Table 1 shows the reduced sample of common companies that were used to find out the similarity or different performanceamong sub-sectors and in different periods. The list of 45 companies are shown in Appendix 1.

Table 1. Financial Sector Demographics

	Unscreened Companies			Final Sample			Common Companies
Sector	**2009**	**2008**	**2007**	**2009**	**2008**	**2007**	*****
Bank	29	28	29	19	22	29	19
Financial Institution	12	11	10	7	8	7	6
Securities Company	9	9	10	7	7	8	6
Insurance	11	11	11	11	11	9	9
Others	8	8	10	6	6	8	5
Total Firms	69	67	70	50	54	61	45

*Companies that existed in 2007, 2008, 2009

Data Collection. This study used secondary data: annual reports of the listed Indonesian financial sector, IDX statistics and stock prices, which were available in the Indonesia Stock Exchange (IDX) website. Data needed to derive CP indicators were standard financial numbers that were available from audited financial reports of companies as part of the annual reports except the data for market capitalization which were found from IDX statistics. Data for market capitalization were reconfirmed with number of shares outstanding according to the annual report and the stock price. A number of previous studies have used the annual report as the basis for analysis. Campbell & Rahman (2010) noted that annual report adequately conveyed reporting intent because the company has total editorial control over the document and it is usually the most widely distributed of all public documents produced by the company. In concurring with this analysis, the annual report was used as medium for this study.

Statistical Tools Used. For the purpose of empirical analysis, this study used descriptive analysis and one-way analysis of variance as the underlying statistical test. The statistical tools used for descriptive analysis were mean, median, standard deviation, minimum and maximum to evaluate the prevailing performance of CP measures of the listed Indonesian financial sectors.One-way analysis of variance (ANOVA) was used to measure if the five sub-sectors under studied reveal similar or different performanceand to compare and analyze the overall trends of CP indicators from 2007 to 2009. *F-test* was used to test the overall significance, followed by Tukey Post Hoc to test between groups to indicate which means differ from another. When the ANOVA leads to a conclusion that there is evidence that the group means differ, then Tukey Post Hoc test would show which of the means are different. Tukey Post Hoc test is one of several tests that can be used to determine which means amongst a set of means differ from the rest.

RESULTS AND DISCUSSIONS

Table 2 shows the comparisons of CP indicators for the three years. The overall mean of CP indicators (EPS, ATO and MB) slowed considerably in 2008 but started to recover in 2009. The results are confirmed by the report of Data Consult (2009), the country's economy suffered a setback in 2008 marked with liquidity problem but the fiscal stimulus is expected to improve liquidity in the financial sector to help the business sector in facing the challenges in 2009. This result is inline with Chia (2010) that economic growth for most East Asian economies slowed considerably in 2008, but signs of recovering economies started to appear in the second half of 2009 in response to stimulus packages and some recovery in global trade.

Table 2. Descriptive Statistics
Corporate Performance Indicators of 45 Companies

	2007	2008	2009
ATO			
Mean	0.25	0.25	0.27
Median	0.13	0.16	0.17
Std.Dev.	0.24	0.23	0.24
Minimum	0.04	0.05	0.07
Maximum	0.93	0.94	0.98
EPS			
Mean	98.96	94.47	116.11
Median	42.00	31.00	41.00
Std.Dev.	132.94	177.03	206.38
Minimum	2.00	0.29	1.00
Maximum	560.00	1,020.00	1,212.00
MB			
Mean	1.58	1.10	1.39
Median	1.61	0.79	1.10
Std.Dev.	0.98	0.91	0.99
Minimum	0.15	0.10	0.18
Maximum	4.64	4.48	4.29

Table 3 shows earnings per share (EPS) of financial institution were higher than the other four groups. This indicates that amid the enduring global economic crisis, finance companies in Indonesia successfully maintained their business effectiveness. This is confirmed by the report of Bank Indonesia (2009) that in semester I 2009, the nominal profit of finance companies in Indonesia continued to increase even though annual growth tended to decelerate from 38.76% in June 2008 to 21.66% in June 2009. This slowdown, further compounded by a decline in total assets and capital, resulted in a comparatively stable Return on Assets and Return on Equity. Furthermore, finance companies maintained their business efficiency (Bank Indonesia, 2010), while mean score ATO (0.56) of insurance is higher than the other four groups. This result indicates that during 2009, the insurance sector's productivity is better than the other groups. This is inline with the report of Bank Indonesia (2010) that the performance of the insurance industry in Indonesia in general, increased and its growth correlates closely to public awareness of insurance products and income level.

Table 3 also shows that the mean score MB (1.90) of banks is higher than the other four groups. This result indicates that banks are better than the other four groups in stock market performance. Among the possible reasons could be the more vigilant in conducting business of banking industry, better technical skills regarding bank risk management, improved transparency and greater openness to the general public, encouraging banks to maintain their reputation risks helps partly in developing market confidence (Bank Indonesia, 2009). Another reason could also be as claimed by Soewarno and Utami (2010) that improvements in bank cost efficiency appear to be reflected in the banks' market value and helps partly explain the gap between market and book values. Then positive investor sentiment to the stability of the domestic financial market could be another contribution.

Table 3. Descriptive Statistics
Means of Groups Analysis in 2009

Group	Bank	Financial Institution	Securities Company	Insurance	Others
N	19	6	6	9	5
EPS	110.79	303.00	52.33	91.00	33.80
ATO	0.11	0.37	0.18	0.56	0.31
MB	1.90	1.03	1.37	0.56	1.36

Table 4 displays the results from one-way between-groups ANOVA on the five sub-sectors in 2009. Subjects were divided into five groups according to Indonesian Stock Exchange (IDX) classification. A one-way between-groups analysis of variance was conducted to explore the similarity or differences of CP indicators. From the analysis of variance at the F (4, 40) = 2.61, p< 0.05 level for the five sub-sectors in 2009, the results show that there was statistically significant difference in asset turnover (ATO) and market to book value (MB). Post-hoc comparisons using the Tukey test (see Table 4.1) indicates that the mean score of Bank Group was significantly lower than Financial Institution Group and the Insurance Group, p< 0.05, but was not significantly lower than the other two non-bank financial institutions. This result indicates that the productivity of Bank Group was lower than Financial Institution Group and Insurance Group in 2009. This indicates that the assets of Financial Institution and Insurance Groups were better managed compared to Bank Group. This result is in-line with the effort to strengthen the regulatory framework and enforcement capacity in the NBFI sector (The World Bank, 2006).

ATO of Securities Company Group was significantly lower than Insurance Group, p< 0.05 but was not significantly lower than OthersGroup. This result indicates that the productivity of Insurance group in 2009 was better than Securities Company Group as the assets were well managed.

Table 4. Analysis of Variance
Means of Groups (Sub-sectors) 2009

Y	*Df*	*F***	*Prob.**	Significant/ Not Significant
EPS	4	1.71	0.17	Not Significant
ATO	4	11.54	0.00*	Significant
MB	4	3.85	0.01*	Significant

***$F_{4,40}$= 2.61; *Significant at the 0.05 level*

Table 4.1. Post Hoc Tests-Tukey (ATO 2009)

F (4, 40) = 11.54, p = 0.00

Group 1	Group 2	Mean Diff.	*Prob.**
Bank	Financial Institution	-0.26	0.02*
	Securities Company	-0.07	0.92
	Insurance	-0.44	0.00*
	Others	-0.20	0.15
Financial Institution	Securities Company	0.19	0.29
	Insurance	-0.18	0.27
	Others	0.06	0.98
Securities Company	Insurance	-0.38	0.00*
	Others	-0.13	0.69
Insurance	Others	0.24	0.10

**Significant at the 0.05 level*

With respect to market to book value (MB), post-hoc comparisons using the Tukey test (see Table 4.2) indicates that the mean score of Bank Group was significantly higher than Insurance Group, $p< 0.05$ but no significant higher than the other three groups of non-bank financial institutions. The Financial Institution Group did not differ significantly from the other three groups of non-bank financial institutions. Securities Company Group did not differ significantly from either the Insurance or OthersGroup. The Insurance Group did not differ significantly from OthersGroup. This result indicates that in terms of market performance Bank Group is better than the other groups. This performance indicated a relatively high level of market confidence in the banking industry compared to the non-bank financial institutions.

Table 4.2. Post Hoc Tests-Tukey (MB 2009)

F (4, 40) = 3.85, p = 0.01

Group 1	Group 2	Mean Diff.	*Prob.**
Bank	Financial Institution	0.87	0.24
	Securities Company	0.53	0.70
	Insurance	1.34	0.01*
	Others	0.54	0.74
Financial Institution	Securities Company	-0.34	0.96
	Insurance	0.47	0.85
	Others	-0.33	0.97
Securities Company	Insurance	0.81	0.42
	Others	0.01	1.00
Insurance	Others	-0.80	0.49

**Significant at the 0.05 level*

Table 5 displays the results from one-way between-groups ANOVA on the five sub-sectors in 2008. Subjects were divided into five groups according to Indonesian Stock Exchange (IDX) classification. From the analysis of variance at the F (4, 40) = 2.61, $p< 0.05$ level for the five sub-sectors, the results show that there was no statistically significant difference for earnings per share (EPS), F (4, 40) < 2.61, $p> 0.05$, but there were statistically significant difference in asset turnover (ATO) andmarket to book value (MB). Post-hoc comparisons using the Tukey test (see Table 5.1) indicated that ATO of Financial

Institution Group was not significantly different from the other three non-bank financial institutions. ATO of Securities Company Group was significantly lower than Insurance Group, $p< 0.05$, but was not significantly lower than OthersGroup. This result indicates that the productivity of Insurance group in 2008 was better than Securities Company Group, but similar to Others Group. This performance is similar to 2009. These results are in-line with the report of Bank Indonesia (2010) that the performance of the insurance industry in Indonesia in general, increased and its growth correlated closely to public awareness of insurance products and income level. The mean score of Bank Group was significantly lower than Insurance Group, $p< 0.05$, but not significantly lower than the other three non-bank financial institutions. This result indicates that the productivity of Bank Group was lower than the non-bank financial institutions in 2008. The assets of non-bank financial institutions were better managed compared to Bank Group. This result is similar to 2009.

Post-hoc comparisons using Tukey test (see Table 5.2) indicates that the mean score of Bank group was higher than Insurance group, $p< 0.05$, but not significantly higher than the other three groups of non-bank financial institutions. The financial institutions Group did not differ significantly from the other three goups of non-bank financial institutions. Securities company group did not differ significantly from either the Insurance or OthersGroup. The Insurance Group did not differ significantly from OthersGroup. This result indicates that in terms of market performance, Bank Group is better than the non-bank financial institutions and the four non-bank financial institutions are similar in 2008. This performance is similar to 2009. This finding supported by Bank Indonesia (2009) that maintaining their reputation risks helps banking industry in developing market confidence.

Table 5. Analysis of Variance
Means of Groups (Sub-sectors) 2008

Y	*Df*	*F***	*Prob.**	Significant/ Not Significant
EPS	4	2.02	0.11	Not Significant
ATO	4	8.20	0.00*	Significant
MB	4	3.55	0.01*	Significant

***$F_{4,40}$= 2.61; *Significant at the 0.05 level*

Table 5.1. Post Hoc Tests-Tukey (ATO 2008)
F (4, 40) = 8.20, p = 0.00

Group 1	Group 2	Mean Diff.	*Prob.**
Bank	Financial Institution	-0.24	0.06
	Securities Company	-0.08	0.86
	Insurance	-0.40	0.00*
	Others	-0.19	0.24
Financial Institution	Securities Company	0.15	0.58
	Insurance	-0.16	0.44
	Others	0.05	0.99
Securities Company	Insurance	-0.31	0.02*
	Others	-0.11	0.87
Insurance	Others	0.21	0.25

**Significant at the 0.05 level*

Table 5.2. Post Hoc Tests-Tukey (MB 2008)
F (4, 40) = 3.55, p = 0.01

Group 1	Group 2	Mean Diff.	*Prob.**
Bank	Financial Institution	0.82	0.23
	Securities Company	0.22	0.98
	Insurance	1.15	0.01*
	Others	0.63	0.54
Financial Institution	Securities Company	-0.59	0.72
	Insurance	0.33	0.94
	Others	-0.18	0.10
Securities Company	Insurance	0.92	0.22
	Others	0.41	0.92
Insurance	Others	-0.51	0.79

**Significant at the 0.05 level*

Table 6 displays the results from one-way between-groups ANOVA on the five sub-sectors in 2007. Subjects were divided into five groups according to Indonesian Stock Exchange (IDX) classification. A one-way between-groups analysis of variance was conducted to explore the different performance ofCP indicators. From the analysis of variance at the F (4, 40) = 2.61, p< 0.05 level for the five sub-sectors in 2007, the results show that there were no statistically significant difference for earnings per share (EPS), F (4, 40) < 2.61, p> 0.05, there was statistically significant difference in asset turnover (ATO) and market to book value (MB).

Table 6. Analysis of Variance
Means of Groups (Sub-sectors) 2007

Y	*Df*	*F***	*Prob.**	Significant/ Not Significant
EPS	4	0.74	0.57	Not Significant
ATO	4	14.37	0.00*	Significant
MB	4	4.13	0.01*	Significant

***$F_{4,40}$= 2.61; *Significant at the 0.05 level*

Post-hoc comparisons using the Tukey test (see Table 6.1) indicates that ATO of Bank Group was significantly lower than Insurance Group, p< 0.05, but not significantlylower than the other three non-bank financial institutions. This result establishes that the productivity of Bank Group was lower than the non-bank financial institutions in 2007. The assets of non-bank financial institutions were better managed compared to the Bank Group. This performance is similar to 2008 and 2009 and supported by the report of Bank Indonesia (2010) that the performance of the insurance industry in Indonesia in general, increased and its growth correlated closely to public awareness of insurance products and income level.

ATO of Financial Institution Group was significantly lower than Insurance Group, p< 0.05, but was not significantly lower than the other two non-bank financial institutions. ATO of Securities Company Group was significantly lower than Insurance Group, p< 0.05, but was not significantly lower than OthersGroup. ATO of Insurance Group was significantly

higher than Others Group, $p< 0.05$. This result indicates that the productivity of Insurance group in 2007 was better than the other four groups. This productivity performance is similar to 2008 and 2009.

Table 6.1. Post Hoc Tests-Tukey (ATO 2007)

F (4, 40) = 14.37, p = 0.00

Group 1	Group 2	Mean Diff.	*Prob.**
Bank	Financial Institution	-0.19	0.11
	Securities Company	-0.02	1.00
	Insurance	-0.46	0.00*
	Others	-0.21	0.09
Financial Institution	Securities Company	0.17	0.38
	Insurance	-0.28	0.02*
	Others	-0.02	1.00
Securities Company	Insurance	-0.44	0.00*
	Others	-0.19	0.32
Insurance	Others	0.26	0.04*

**Significant at the 0.05 level*

Concerning market to book value (MB), post-hoc comparisons using the Tukey test (see Table 6.2) indicates that the mean score of Bank Group was significantly higher than Insurance Group, $p< 0.05$, but not significantly higher than the other three groups of non-bank financial institutions. The Financial Institution Group did not differ significantly from the other three groups of non-bank financial institutions. Securities Company Group did not differ significantly from either the Insurance or OthersGroup. The Insurance Group did not differ significantly from OthersGroup. This result indicates that in terms of market performance, Bank Group is better than the non-bank financial institutions and the four non-bank financial institutions are similar in 2007. This performance is similar to 2008 and 2009. This result confirmed by Bank Indonesia (2009) that the possible reason could be the more vigilant in conducting business of banking industry, encouraging banks to maintain their reputation risks helps partly in developing market confidence.

Table 6.2. Post Hoc Tests-Tukey (MB 2007)

F (4, 40) = 4.13,p = 0.01

Group 1	Group 2	Mean Diff.	*Prob.**
Bank	Financial Institution	0.98	0.13
	Securities Company	0.36	0.90
	Insurance	1.33	0.00*
	Others	0.61	0.63
Financial Institution	Securities Company	-0.62	0.73
	Insurance	0.35	0.94
	Others	-0.37	0.96
Securities Company	Insurance	0.97	0.24
	Others	0.26	0.99
Insurance	Others	-0.71	0.59

**Significant at the 0.05*

Table 7 presents the results from one-way between-groups ANOVA on CP indicators between the three year periods under study. The result shows that there was no significant difference detected from all CP indicators from year on year, $p > 0.05$. The results indicate that the listed Indonesian financial sector reveals the same conditionin relation toCP for the three years. This condition indicated that amidst such inauspicious surroundings, Indonesia can be considered lucky as its financial sector's exposure to sub-prime mortgages is minimal, as confirmed by Pucar (2010) that countries that have a big domestic market have a stronger standing than countries with smaller markets and the delay in integrating Indonesia's financial sector with the global financial network is really a blessing in disguise.

Table 7. Analysis of Variance
Means of Groups (Years 2007-2009)

Y	*Df*	*F*	*Prob.**	Significant/ Not Significant
EPS	2	0.19	0.83	Not Significant
ATO	2	0.07	0.93	Not Significant
MB	2	2.91	0.06	Not Significant

**Significant at the 0.05 level*

CONCLUSIONS

The overall performance of Indonesian financial sector slowed considerably in 2008 but started to recover in 2009. This trend is consistent with the trend of economic growth of most East Asian economies. During the three consecutive years, there were no statistically significant difference for earnings per share of the five groups, but asset turnover of Insurance group is higher than the other four groups for the three consecutive years. This result indicates that the insurance sector's productivity is better than the other four groups. With respect to market to book value, bank group is better than the four non-bank financial institutions during 2007 to 2009. In relations to three corporate performance indicators for the three years, the results of this study indicate that the listed Indonesian financial sector reveals the same condition. This condition indicated that amidst such inauspicious surrounding, Indonesia can be considered lucky as its financial sector's exposure to sub-prime mortgages is minimal.

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Appendix 1

List of Common Companies used in This Study

No	1. Bank	No	3. Securities Company
1	Bank Agroniaga Tbk	1	Asia Kapitalindo Securities Tbk
2	Bank Artha Graha Internasional Tbk	2	Kresna Graha Sekurindo Tbk
3	Bank Bukopin Tbk	3	Panca Global Securities Tbk
4	Bank Bumi Artha Tbk	4	Panin Sekuritas Tbk
5	Bank Capital Indonesia Tbk	5	Reliance Securities Tbk
6	Bank Central Asia Tbk	6	Trimegah Securities Tbk
7	Bank Danamon Indonesia Tbk		
8	Bank Himpunan saudara 1906 Tbk	**No.**	**4. Insurance**
9	Bank Kesawan Tbk	1	Asuransi Bina Dana Arta Tbk
10	Bank Madiri (Persero) Tbk	2	Asuransi Dayin Mitra Tbk
11	Bank Mayapada Internasional Tbk	3	Asuransi Harta Aman Pratama Tbk
12	Bank Mega Tbk		
13	Bank Negara Indonesia Tbk	4	Asuransi Multi Artha Guna Tbk
14	Bank Nusantara Parahyangan Tbk	5	Asuransi Ramayana Tbk
15	Bank Pan Indonesia Tbk	6	Lippo General Insurance Tbk
16	Bank Permata Tbk	7	Maskapai reasuransi Ind. Tbk
17	Bank Rakyat Indonesia (Persero) Tbk	8	Panin Insurance Tbk
18	Bank Swadesi Tbk	9	Panin Life Tbk
19	Bank Victoria International Tbk		
No	**2. Financial Institution/Companies**	**No.**	**5. Others**
1	Adira Dinamika Multi Finance Tbk	1	Arthavest Tbk
2	BFI Finance Indonesia Tbk	2	Bhakti Capital Indonesia Tbk
3	Buana Finance Tbk	3	Equity Development Investama Tbk
4	Clipan Financé Indonesia Tbk		
5	Mandala Multifinance Tbk	4	Pan Pacific International Tbk
6	Trust Finance Indonesia Tbk	5	Sinar Mas Multiartha Tbk