ABSTRACT

The aim of this study was to determine the effect of Intellectual Capital on financial performance and its impact on the company value. The data used in this study were secondary data obtained from the financial statements of commercial banks listed on the Indonesia Stock Exchange in 2013-2017.

The research population was 43 financial statements of commercial banks listed on the Indonesia Stock Exchange while the research sample was 15 banks with purposive sampling method. The analytical method used in this study was the path analysis.

Results revealed that Intellectual Capital (IC) has a significant influence on financial performance (ROA) in a positive direction. Financial performance has a positive and significant effect on the company value. Similarly, Intellectual Capital (IC) also has a positive and significant influence on the company value. The positive influence of intellectual capital (IC) on PBV shows that companies with good intellectual capital development can increase company value. Intellectual capital has an effect on company value through financial performance. This means that financial performance (ROA) is able to mediate the influence of Intellectual capital on the company value.

Key word: intellectual capital, financial performance and company value.