

INTELLECTUAL CAPITAL AND FINANCIAL PERFORMANCE MEASURED BY CAMELS PERSPECTIVE

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Abstract

This study empirically examines the impact of intellectual capital on banks financial performance in 57 public listed banks from Indonesia, Malaysia, and Thailand over the period of 2019 to 2020. Intellectual capital is measured by Pulic's Value Added Intellectual Coefficient (VAICTM), while banking performance is measured according to CAMELS analysis method. Through the method of partial least squares analysis to find the path coefficients value of each variable, the results obtained show that there is a significant positive impact of VAICTM on management quality (NPM) and earnings (ROA) in Indonesian, Malaysian, and Thai Banks, and significant negative impact of VAICTM on asset management (NPL) of Indonesian, Malaysian, and Thai Banks. On the other side, VAICTM is considered to have an insignificant impact on the capital adequacy (CAR), liquidity (LDR), and sensitivity to market risk (IER) of the in Indonesian, Malaysian, and Thai Banks in 2019-2020.

Keywords

Intellectual capital, financial performance, banking, Value Added Intellectual Coefficient.

JEL Classification

G21, G32

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