

## **ABSTRACT**

*This study examines influence intellectual capital on financial performance in the banking industry in Indonesia based on core capital groups. Intellectual capital In this research, Human Capital Efficiency (HCE), Innovation Capital Efficiency (INVCE) and Capital Employed Efficiency (CEE) are used as independent variables. Financial performance in this research uses the Non Performing Loan (NPL), Cadangan Kerugian Penurunan Nilai atas Kredit Bermasalah terhadap Total Kredit Bermasalah (CKPN), Capital Adequacy Ratio (CAR), Return on Asset (ROA) and Beban Operasional dibanding Pendapatan Operasional (BOPO) ratios as dependent variables.*

*The research sample is data on intellectual capital, NPL ratio, CKPN, CAR, BOPO and CKPN for 94 (ninety-four) commercial banks in Indonesia as of June 2022 which are divided into 4 (four) groups based on KBMI. There are 62 (sixty-two) KBMI-1 banks, 16 (sixteen) KBMI-2 banks, 12 (twelve) KBMI-3 banks, and 4 (four) KBMI-4 banks. The research period is divided into 2 (two) periods, namely before the Covid-19 pandemic (January 2013 to December 2019) and the Covid-19 pandemic period (January 2020 to June 2022). Data analysis uses regression multiple or Multiple Regression Analysis with the help of Eviews software.*

*The research results showed that in KBMI-1 there were 5 hypotheses accepted and 10 hypotheses rejected in the period before Covid-19, while in the Covid-19 period there were 9 hypotheses accepted and 6 hypotheses rejected. KBMI-2 had 8 accepted hypotheses and 7 rejected hypotheses in the period before Covid-19, while in the Covid-19 period there were 7 accepted hypotheses and 8 rejected hypotheses. KBMI-3 had 10 accepted hypotheses and 5 rejected hypotheses in the pre-Covid-19 period, while in the Covid-19 period there were 9 accepted hypotheses and 6 rejected hypotheses. Finally, in KBMI-4 there were 11 accepted hypotheses and 4 rejected hypotheses in the period before Covid-19, while in the Covid-19 period there were 5 accepted hypotheses and 5 rejected hypotheses.*

**Keywords:** *Intellectual Capital, Financial Performance, Banking Industry in Indonesia*