

ABSTRACT

Intellectual Capital is a unique resources. Company that is able to efficiently utilize it's Intellectual Capital will improve financial performance and market value. The purpose of this study is to investigate and examine the influence of Intellctual Capital, Financial Performance (Profitability), Firm Value and also the direct effect and indirect effect of Firm Performance (Profitability) as a intervening variable on banking sector which listed in the Indonesia Stock Exchange (BEI) in the period 2009 to 2012.

The method of the research is purposive sampling which define as a sample of taking method which take an object by certain criteria. The amount of sample which required to the criteria are 29 Bank in Indonesian Stock Exchange. Analysis of data using Partial Least Square, preceded by Outer Model Calculation and the Inner Model Calculation using PLS Algorithm and Bootstraping then use Sobel test to calculate mediating variable.

Results of data analysis of Partial Least Square indicate that Intellectual Capital do not have a significant influence on Firm Value, Intellectual Capital has a significant in the 5% level on Firm Performance (Profitability), Firm Performance (Profitability) has a significant in the 10% level on Firm Value and indirect effect between Intellectual capital on Firm value shows that Financial performance (Profitability) are complete mediation variable.

Keywords: Intellectual Capital, Financial Performance (Profitability), Firm Value, Indirect Effect and Partial Least Square (PLS).