

ABSTRACT

Economic growth is defined as Modern Economic Growth, economic growth can be interpreted as a process of growing output per capita in the long term, the existence of increasingly sophisticated technology and information resulting in advanced economic growth, in this case the banking sub-sector is a sub-sector that has an important role in maintaining the stability of the economy of a country. country, for this reason it is important to improve financial performance in banking.

This study has two variables that affect financial performance, namely intellectual capital and firm size. This study aims to determine the effect of intellectual capital and firm size on the financial performance of the banking sub-sector companies listed on the Indonesia Stock Exchange (IDX). The object of this research is the banking sub-sector companies listed on the IDX. The period in this study is the year 2017-2020.

In this study, financial performance is proxied by Return On Assets (ROA) which is seen from the results of the current year's profit sharing and the company's total assets, the higher the result, the better the company's financial performance. Meanwhile, intellectual capital is proxied by the VAIC formula and company size is proxied by the Ln Total Assets formula. The total population in this study were 33 companies. The sampling technique used is purposive sampling, obtained a sample of 132. The analytical method used in this study is the panel data regression analysis method.

The results of this study indicate that simultaneously, intellectual capital and firm size affect the financial performance of the banking sub-sector companies listed on the IDX. Partially, intellectual capital has an effect on financial performance and firm size has no effect on financial performance.

From the results of this study, the researcher hopes that this research will become a reference in the company. In addition, the researcher hopes that this research can be abstracted again in a wider direction.

Keywords: financial performance, intellectual capital, and company size