This paper investigated the performance of intellectual capital of Indonesian banking industry for the period 2007-2009. It sought to measure the Value Added Intellectual Coefficient (VAIC™) and to analyze the performance of Indonesian banks. The Pulic model is utilized to estimate the intellectual capital coefficient, and the panel data regression was applied to test the impacts of human capital and physical capital on intellectual capital. The results of Pulic model showed that there were increasing number of top performance banks during the period of study, rising from 2 banks in 2007 to 4 banks in 2009. There was a slight decrease in the bad performance banks, from 9 banks in 2007 to 8 banks in 2009. Bank Mandiri bank appeared to be the only government bank that was classified as the top performer during the period of study, while Bank PAN Indonesia, Bank Victoria, and Bank Himpunan Saudara 1906 emerged to be the top performers among the private banks. The findings from panel data regression suggested that both human capital and physical capital had positive significant impacts on intellectual capital. When the estimation was done toward human capital and physical capital separately, the results were closely similar to the results in the original model.

Key words: intellectual capital, Indonesian banks, Pulic model, Panel data regression