

**Relationship between Intellectual Capital and Company Performance:
Empirical Evidence from Bank, Finance and Insurance Listed in Colombo
Stock Exchange**

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Abstract

It is no doubt that successful companies tend to be those that persistently renovate, depend on new technologies and emphasizing on skills and knowledge of their workforce. Knowledge being the new engine of financial institutions, High-tech institutions as well as in the manufacturing companies in order to sharpen their competitive edge. Not only by the knowledge base, but also value is generated by the intangible assets. So the Intellectual Capital (IC) has become more and more important to the companies. This study provides insight into the relationship between IC and organizational performance as the main topic of the research. Population is companies listed in Colombo Stock Exchange (CSE) under the Bank Finance and Insurance sector. The selected sample is 30 companies and it is fifty four percent of the sector. Research used data from the period of 2010 to 2014, using the Value Added Intellectual Coefficient (VAIC) method as the evaluation system. The study constructed three empirical research model based on economic performance, financial performance and stock market performance to find out the company performance. Through results of the study it can be concluded that economic performance, financial performance and stock market performance are affected by Intellectual Capital.

Key words: *Intellectual Capital, Economic Performance, Financial Performance, Stock market performance, Value Added Intellectual Coefficient (VAIC)*