

## **ABSTRACT**

*The use of financial ratios designed to assess the performance of a company is a common practice for the purpose of assessing its financial performance. Investors place a high level of importance on a company's financial performance because it provides an overview of the business and reveals the state of the business at any given point in time.*

*This study used a quantitative data approach. Insurance sub-sector companies from 2017 to 2022 are the object of this study. Based on the purposive sampling technique, 12 companies were selected as samples, so that the research observation data became 72 samples. Data analysis techniques using panel data regression and data processing using Eviews 12.0 software.*

*Research findings show that simultaneously the intellectual capital component and the board characteristic component affect financial performance. Partially, the intellectual capital component, namely value-added capital employed (VACA), value added human capital (VAHU), and structural capital value added (STVA) is a positive and significant factor for financial performance. However, board characteristic components, namely board size, board diversity, and board compensation are not factors that affect financial performance.*

*The implication is that companies that uphold the intellectual capital component will provide a competitive advantage so that it becomes a unique thing that distinguishes them from other companies. Thus, investors tend to value companies that disclose intellectual capital superiorly.*

*Keywords: board characteristic, financial performance, intellectual capital.*