# *ABSTRACT*

*The rapid development of the banking industry in Indonesia requires banks to improve their financial performance to remain competitive. One of the factors that can influence financial performance is Intellectual Capital and Board Size. Intellectual Capital represents the intellectual resources owned by a company in creating added value, while Board Size refers to the number of board members involved in strategic decision-making. However, previous studies have shown inconsistent findings regarding the effect of these two factors on the financial performance of conventional banks.*

*This study aims to analyze the effect of Intellectual Capital and Board Size on the financial performance of conventional banks listed on the Indonesia Stock Exchange (IDX) during the 2019-2023 period. Intellectual Capital is measured using the Value Added Intellectual Coefficient (VAIC™) method, while Board Size is measured based on the number of board members in a company. Financial performance in this study is assessed using Return on Assets (ROA) as the primary indicator. The background of this research is based on the crucial role of Intellectual Capital and corporate governance in improving the financial performance of banking institutions.*

*This research employs a quantitative method using secondary data obtained from the annual financial reports of conventional banks listed on the IDX during the study period. The data analysis technique used is panel data regression, processed with EViews 12 software. In addition, classical assumption tests are applied to ensure the reliability of the research model.*

*The results show that, simultaneously, Intellectual Capital and Board Size affect the financial performance of banks. Partially, Intellectual Capital has a positive and significant effect on ROA, while Board Size has no significant effect.*

*This research is expected to contribute to the academic field by enriching the literature on the influence of Intellectual Capital and Board Size on banking financial performance. Furthermore, it can serve as a reference for bank management in formulating policies related to optimizing intellectual resources and corporate governance to improve financial performance.*

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*Keywords: Boar Size, Conventional Banks, Financial Performance, Intellectual Capital,*