

## **ABSTRACT**

*This study aims to provide empirical evidence of factors affecting the rating of bonds. Financial performance consisting of the ratio of liquidity (current ratio), solvency (debt to equity ratio), profitability (return on assets) and earnings management (dammy).*

*Population in this research is the companies that issue bonds circulating in Indonesian Stock Exchange and registered by PT PEFINDO in the period 2013-2015. Sample selection was done by using purposive sampling method, this obtained 14 samples qualified financial companies. The data used is secondary data from financial report and bond rating database PT. PEFINDO. The analytical method used was description analysis, and verification analysis that assisted by SPSS 22 application. Verification analysis the logit type, Determination coefficient Nagelkerke's R Qsquare, Chi-Square, and wald test.*

*The results show that managerial ownership variables, liquidity, solvability, profitability, and earnings management significant positive effect on bond ratings.*

**Keywords : Bond Ratings, Liquidity, Solvability, Profitability, and earnings management**