***ABSTRACT***

***PT. Telekomunikasi Indonesia Tbk. or known as PT. Telkom is a company that included in the Badan Usaha Milik Negara (BUMNs) are engaged in the service of technology of information and communication’s service and telecommunications networks. Based on research at the company, that PT. Telkom under threat in terms of competition, especially in the survival of the company. It is characterized by the total income and total assets is less than subsidiaries in each year.***

***Aim of this study is to determine the prediction of bankruptcy of the company at PT. Telkom. The method used is descriptive method. The primary data collection techniques performed by non-participant observation and structured interviews. Meanwhile, secondary data collection is done by the study of literature. The technique of analysis data used is the method from Altman Z-Score.***

***Based on calculations using the Altman Z-Score’s model, can be categorized that PT. Telkom is in a healthy condition, which means that PT. Telkom is in the safe zone because it has a Z-Score’s total above the standard every year. To avoid the risk of bankcruptcy, PT. Telkom did some efforts by improving their operating performance, improving their financial performance and have a promising prospect that match with what people’s and country’s needs in the future.***

***The suggestions that can researchers suggested are: According to the Altman Z-Score’s method, companies need to increase the value of the Capital Works by increasing the current assets which will also increase the level of liquidity, and then also increasing the value of Retained Earnings by increasing sales and pay more attention to the costs of operations in order make it more effective and efficient of obtaining the profits.***

***Keywords: Prediction of Bankruptcy, Altman Z-Score***