ABSTRACT

The level of the company ability to pay bond debt can be measured by bond rating. Bond rating is the security scale of a bond issued by a company in paying interest on time. A company's bond rating can be influenced by several factors.

This study aims to determine the factors that influence bond ratings. The variables studied are the firm size projected with natural logaritma total asset, maturity using the dummy variable, and activity ratio projected with total asset turnover. The population in this study is a banking companies rated by PEFINDO period 2015-2018.

The sampling technique used was purposive sampling.sample obtained were 17 banking companies that will be studied for four years. Data taken in the form of financial statements sourced from the Indonesian Stock Exchange (IDX) and corporate bond rating sourced from PEFINDO. The data analysis technique used is logistic regression analysis.

The result show that simultaneous firm size, maturity, and activity ratio had a significant effect on bond rating. Partially, firm size has a significant positive effect on bond rating, maturity has a significant positive effect on bond rating, and activity ratio has a significant negative effect on bond rating.

Based on the result of the study, the authors suggest for further researchers to add other variables that are suspected to affect bond ratings, increase the period of research and use objects except than banking companies. In addition, this research is expected to be a reference for companies to increase firm size and issue short term bonds because it can affect the quality of bond ratings for the better

Keywords : Firm Size, Maturity, Activity Ratio, Bond Rating