

## ***ABSTRACT***

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Title : *The Effect of Risk of Litigation and Financial Performance on Bankruptcy Prediction in the Property and Real Estate Sector Listed on the Indonesia Stock Exchange in 2017 – 2019.*

*This study aims to analyze the factors that influence the prediction of bankruptcy. The variables in this study are risk of litigation and financial performance. The sample used in this study is property and real estate companies listed on the Indonesian stock exchange in 2017- 2019. Data processing in this study using SPSS software (statistical package for social sciences), the analytical methods used in this study include tolerance test and VIF (Variance Inflation Factor). The results of this study show that risk of litigation and financial performance significantly affect the prediction of bankruptcy, and this study suggests that the risk of litigation and financial performance can be a risk management strategy, which can be the basis for decision making by investors and corporate sustainability.*

**Keywords:** *Risk of Litigation, Financial Performance, prediction of bankruptcy*