

ABSTRACT

This research aims to analyze the factors that affect on SMEs Financing. To see how Capital Adequacy Ratio (CAR), Return on Assets (ROA), Operating Income and Operating Expense (BOPO), Financing to Deposite Ratio (FDR) affect to SMEs Financing. The sample in this research is all financing of SMEs by Shariah Commercial Bank period 2011-2016. Data obtained from monthly report of Shariah Public Bank through publication of Otoritas Jasa Keuangan (OJK). With the number of observation objects 72 data. The method of analysis used is Vector Error Correction Model (VECM) with Eviews application tool is 7.2 version. Based on the result of VECM analysis, it is found that in the short term, CAR, ROA have positive and significant effect to SMEs financing. While BOPO has a positive and insignificant effect on SMEs financing, and FDR has negative but not significant effect to SMEs financing. In the long term all of independent variables significantly influence the dependent variable. Where CAR, ROA, BOPO and FDR have positive and significant effect on SMEs financing.

Keyword: SMEs Financing, CAR, ROA, BOPO, FDR, VECM