

Abstract

The research aims at analyzing the influence of Micro, Small and Medium Enterprises financing, Small Business Loans, Capital Adequacy Ratio (CAR) and Operating Expenses to Operating Income of sharia banks in Indonesia from 2009 to 2014. 5 sharia banks were chosen as examples in this research: *Muamalat* Bank, *Sharia Mandiri* Bank, *Sharia Mega* Bank, *Bukopin* Bank and *People's Bank of Indonesia Sharia*. Secondary data taken from Financial Services Authority and Bank Indonesia was used in this research. The data was a time series data from the year of 2009 to 2014. Based on the regression test of panel data, it is found that Small Business Loans, Capital Adequacy Ratio (CAR) and Operating Expenses to Operating Income have significant influence to non-performing financing. Meanwhile, Micro, Small and Medium Enterprises do not have significant influence to non-performing financing (NPF) of sharia banks in Indonesia.

Keywords: *non-performing financing (NPF) of sharia banks, Micro, Small and Medium Enterprises financing, Small Business Loans financing, Capital Adequacy Ratio (CAR) and Operating Expenses to Operating Income*