

## **ABSTRACT**

*Micro Waqf Bank is a financial institution that was established directly by the Service Authority at the proposal of Mr. Joko Widodo as the President of Indonesia. This Micro Waqf Bank is already in the form of a Sharia Microfinance Institution but cannot be called a bank because its capital is not as large as a bank, also the financing carried out there is only Qordhul Hasan which is devoted to micro-enterprises in the vicinity. This study aims to analyze the effect of financing and capital of Sunan Gunung Jati Ba'alawy Micro Waqf Bank on the development of micro and small enterprises in Semarang City and to determine the significant differences in the development of micro and small enterprises before and after the provision of financing.*

*This research method is quantitative by using primary data, questionnaires in data collection and by using multiple linear regression in analyzing data. The sample used as many as 150 d customers who are registered and receive financing from the Micro Waqf Bank Sunan Gunung Jati Ba'alawy. The variables in this study are capital (X1), financing (X2), and the development of micro business (Y).*

*The results of this study indicate that the capital and financing variables have a significant effect on the development of small businesses in the city of Semarang and there is a significant difference between the average business profits before and after financing the Micro Waqf Bank Sunan Gunung Jati Ba'alawy.*

*Keywords: Capital, Financing, Business Development, Micro Waqf Bank*