

# **Factors influencing the increase in non-performing loans in the Bank(Case Study: Agriculture Banks of Guilan)**

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**During recent years, the subject of banks non-performing loans has become one of the problems in the banking system of Iran. The increasing trend of payment of facilities since 2004, increased rate of inflation, reduced interest rate of bank facilities and lack of careful and comprehensive monitoring on the use of bank facilities have provided conditions that Iran's banking system non-performing loans are already far beyond international standards. The lack of solving this problem in this area and the continuation of the current situation are followed by reduced efficiency and weakness of banks, which it could lead to financial crises in future. Accordingly, the present study was conducted to investigate factors affecting the increase of agricultural bank non-performing loans and the population of study included all branch managers, deputies, and authorities of in agricultural bank branches facilities in the Gilan Province. The size of the study population was determined 118 people using the information received the agricultural bank supervision. To determine the sample size, Morgan table was used for the sample size was estimated to be 86 people. The analysis of the data in this study was conducted using the correlational method. The results of the study show that there is significant relationship between the creation of deferred payments and the lack of banking adequate monitoring, lack of obtaining valid guarantee and collaterals, and high banking interest rate. Among the three variables studied, the relationship between bank interest and creation of deferred payments was stronger.**

**Keywords : non-performing loans, the banking network, the Agricultural Bank, bank interest rate**

