

## **Spain's ailing bank gets 4.5 bln euros injection in aid**

MADRID, Sept. 3 (Xinhua) -- Spain's Fund for Orderly Bank Restructuring (FOBR) announced Monday that it will immediately inject 4.5 billion euros (5.66 billion U.S. dollars) in BFA-Bankia, the country's fourth largest bank, to "ensure the safety of the deposits."

The announcement came after the bank announced that it had losses of up to 4.448 million euros in the first six months of the year and it experienced a flight of capital of nearly 7 billion euros in the first semester.

The decision came three days after the Spanish government passed a financial reform in order to receive a loan of 10 billion euros from the EU. The reform creates a "bad bank" for toxic assets, so that the Spanish banking sector can be reorganized.

The money will come from FROB, a bank rescue fund set up to help Spain's deeply troubled financial sector.

The injection is an advance of the loan that Spain will receive from the European Union, which can reach up to 10 billion euros.

The ailing bank was intervened by the Bank of Spain on May 9 this year. In May the Spanish government announced that it would make available more than 19 billion euros for Bankia.

Bankia was formed from the union of seven savings banks and received a capital of 4.465 billion euros at that time.