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Lehman records losses of \$2.8 billion and confirms capital increase

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The institution's shares have fallen 11% on the market since Lehman said it had sold \$130 billion in assets over the quarter. The US bank reduced credit assets and loans by about 20% it said in a communiqué released today, Bloomberg reported.

The capital increase is to boost the bank's liquidity as it had to amortise assets connected with the subprime to stop the institution from collapsing like Bear Stearns.

Financial institutions have already increased their capital by more than \$285 billion to face losses of over \$390 billion related with the credit crisis.

"I am very disappointed with this quarter's results", said the bank's CEO, Richard Fuld, in a communiqué released by the company and quoted by Bloomberg. "Nonetheless, with our strong balance sheet and improvements in the financial markets since March, we are in a good position to serve our clients and proceed with our strategy".

The institutions' shares have sunk 51% on the New York stock exchange this year, with investors fearing further losses connected with the subprime.