Five U.K. banks must find another 13.7 billion pounds ($21.2 billion) to plug a 27.1 billion-pound capital shortfall by the end of the year, the Bank of England said.

The five lenders, including Barclays Plc (BARC) (BARC), Lloyds Banking Group Plc (LLOY) (LLOY) and Royal Bank of Scotland Group Plc, have already submitted plans to raise 12.5 billion of the total, the London-based BOE said in a statement today.

“The challenge for the banks is that they have got many projects going on in the capital space,” Kevin Burrowes, a partner at PricewaterhouseCoopers, said in an e-mailed statement. "Many of those projects compete and some are duplicative. Banks need to align their projects and look at their business as a whole rather than in parts to get to the right capital position.”

The central bank, whose Prudential Regulation Authority unit took over as the U.K.’s banking supervisor from the Financial Services Authority this year, outlined potential losses for banks of 52 billion pounds in March. Lenders must “hold capital resources equivalent to at least 7 per cent of their risk weighted assets,” with those losses taken into account, the BOE said.

Barclays (BARC), the U.K.’s second-largest bank by assets, must raise an additional 3 billion pounds in fresh capital, the U.K. central bank said. Lloyds Banking Group (LLOY) must boost capital by a total of 8.6 billion pounds and Royal Bank of Scotland Group Plc (RBS) 13.6 billion pounds. The banks haven’t said how much they’ve raised so far.

Barclays ‘Confident’

Barclays said it was “confident it will exceed” the requirements by the 2013 deadline. Lloyds and RBS said earlier this year they could meet the requirements without needing to raise additional equity or sell contingent convertible securities, known as CoCos, which convert to equity automatically should capital levels deteriorate to a predetermined level.

Lloyds, Britain’s biggest mortgage lender, slipped 0.4 percent to 61.49 pence at 8:11 a.m. in London trading. Barclays fell 1.7 percent to 296.5 pence, while RBS dropped 1.3 percent to 315.9 pence. HSBC fell 1.2 percent to 680.6 pence.

Standard Chartered Plc (STAN), HSBC Holdings Plc (HSBA) and Banco Santander SA (SAN)’s U.K. unit already comply with the recommendation, the BOE said, while Nationwide Building Society must boost capital by 400 million pounds.

A Morgan Stanley report in March estimated that Lloyds needed 7 billion pounds, RBS needed 9.8 billion pounds and that Barclays has a capital shortfall of 9.1 billion pounds under the central bank’s measures.

The BOE said in March that possible loan losses could exceed provisions by 30 billion pounds, while future fines and conduct-related penalties could be 10 billion pounds more than banks expect. It said lenders underestimated assets weighted for risk by 170 billion pounds, leading to a 12 billion-pound capital shortfall in that category.

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