Europe’s banks will need to raise 114.7 billion euros ($152.7 billion) in fresh capital as part of measures introduced in response to the euro area’s sovereign-debt crisis, according to documents from the region’s banking regulator obtained by Bloomberg News.

German banks need 13.1 billion euros and Italian banks 15.4 billion euros in core tier 1 capital, the European Banking Authority said in a document. European lenders will have to raise a total of 8 billion euros more than previously estimated by the EBA in October.

The EBA estimated two months ago that the region’s financial institutions needed 106 billion euros to reach the 9 percent core Tier 1 capital goal by mid-2012, after marking their sovereign bonds to match market prices. European leaders are demanding the region’s banks bolster capital to withstand writedowns after they agreed to take losses on Greek bonds.

“This must come as a bit of a relief as some people had been expecting the amount of new capital required to double,” said Neil Smith, a banking analyst at WestLB AG in Dusseldorf, Germany, said in a telephone interview.

The Bloomberg Europe Banks and Financial Services Index (BEbanks) fell 3.1 percent to 72.45 at 4:53 p.m. in London.

“The objective of the capital exercise is to create an exceptional and temporary capital buffer to address current market concerns over sovereign risk and other residual credit risk,” the EBA said in a report on its website.

German Lenders

The updated figures take into account sovereign holdings through the end of September, rather than estimates which used June data.

Banks received financial support today from the European Central Bank, which coupled an interest-rate cut with a pledge to offer banks unlimited cash for three years in an effort to help banks avoid a liquidity crisis.

The regulator asked German lenders to boost their capital levels by more than twice the original 5.2 billion-euro estimate for the country’s banks in October.
Germany’s Landesbank Hessen-Thueringen, known as Helaba, said yesterday it would need 1.5 billion euros more than estimated because state participation securities didn’t comply with the regulator’s definition of core capital. Core Tier 1 capital is considered high-quality, loss-absorbing capital.

Helaba blamed “technical formalities” for needing more capital than originally estimated.

**French Capital**

Under the measures, French banks will have to raise 7.3 billion euros, 1.5 billion euros less than previously estimated.

The regulator gave banks more time to submit their plans for raising the money to national supervisors, extending the deadline to Jan. 20, from Dec. 25.

“These plans will have to be agreed with national authorities and reviewed, shared and consulted on with the EBA and with other relevant competent authorities within colleges of supervisors as appropriate,” the agency said.

The EBA rejected calls to extend the June 30 deadline to raise the final amount of capital. Italian lenders had asked for more time to raise the money.

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