How far can the bail out go?

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This from Prem Sikka:

[T]he US statistics show that just five banks have derivatives with a face value of some $170tn (see page 12 here). JP Morgan has $2.251tn of assets and $91.339tn face value of derivatives (see table 2 here); and Citibank has 2.050tn of assets and 38.186tn face value of derivatives. Barclays Bank is party to derivatives with a face value of nearly £29tn. No doubt all these bets are hedged and if all works out well the economic exposure may be small, but bankers have not exactly excelled at risk management.

Even if only a small proportion of derivatives go bad they have a capacity to bankrupt nation states and printing presses will have to go into overdrive to print money. The US gross domestic product (GDP) is about $14tn and the UK GDP is about $2.7tn. Global GDP is about $60tn.

So what is the taxpayer bailing out and are there any limits? It is time the regulators and governments put their cards on the table.

Agreed.

But will they?