

# The UK's financial vulnerabilities as an EU member state

## UK MEMBERSHIP OF THE EU.

### TRADING ARRANGEMENTS ARE NOT SO IMPORTANT AS THE UK'S FINANCIAL WEAKNESS INCURRED BY EU MEMBERSHIP

We are often asked for the full presentation of all the financial aspects of the UK's relationship with the EU and the EU referendum.

While trading arrangements are important, they have not been as decisive as balance sheet destabilisations throughout history.

This latest analysis by Futurus considers the diminution in UK assets because of its budgetary contributions and the UK's increased liabilities and contingent liabilities due to EU membership.

Its conclusion points out that *"While EEA states have no risk exposure to EU liabilities, the UK has enormous exposure. Moreover, it is, in part, one-sided with no corresponding EU risk exposure to the Bank of England. It is likely that further collapse in the finances of eurozone governments and banks will not attract open-ended EU entity support as in the period 2009-13 and resort will be made to bail-ins and haircuts on bondholders. However, prudent finance would be for the UK to leave the political and monetary structure of the EU and move to EEA status urgently."*

To read the full report, [click here](#)