

For the attention of the Board of Directors of the UK Municipal Bonds Agency Plc  
27-28 Eastcastle Street  
London  
W1W 8DH

Thursday, 18 January 2018

Dear Members of the Board

**Subject: Letter of comfort**

The Local Government Association, ('LGA') having been instrumental in the establishment of the UK Municipal Bonds Agency Plc, ('UKMBA') and as its founding shareholder, wishes to reaffirm their ongoing support for the UK MBA and desire to see it achieve its potential to deliver cheaper financing to UK local authorities. In this respect the original reasons for establishing the UK MBA remain increasingly compelling today.

Therefore, the LGA is pleased to offer its ongoing support in promoting the UK MBA across the local authority sector. Such support will encompass public relations, promotion, marketing and other administrative support

As the largest shareholder with retained powers over the UK MBA, the LGA confirms that it stands behind the Agency in meeting its commitments and its non-financing related liabilities going forward. In this respect, the LGA will ensure that the UK MBA has adequate support to ensure its business continuity.

This letter of comfort produces its effect for a period of 10 years from the signature date of this letter.

Yours faithfully



Lord Porter of Spalding CBE  
Chairman