PILLAR 3 DISCLOSURE STATEMENT
YEAR ENDING 30 JUNE 2016

Introduction

Bloomberg Trading Facility Limited (the "**Company**") is authorised by the Financial Conduct Authority (the "**FCA**") with firm reference number 629485. The Company is authorised to operate a multilateral trading facility ("**BMTF**") and is classified as an "IFPRU 730K limited licence firm" under the FCA's regulatory capital regime. It is therefore required to comply with the applicable disclosure requirements set out in: (a) Part Eight of the Capital Requirements Regulation (EU) No 575/2013 ("**CRR**"), referred to commonly as the "Pillar 3" disclosure obligations; and (b) Article 96 of the Capital Requirements Directive (2013/36/EU) ("**CRD IV**").

The Company was authorised by the FCA on 23 July 2015 and the year ending the 30 June 2016 is the first financial year in which the Company has been subject to CRR and CRD IV. Except to the extent noted, all figures are based on the Company's audited accounts for the year ending 30 June 2016.

Unless otherwise noted, the information contained in this document (the "**Disclosure Statement**") has not been audited by the Company's external auditors and does not constitute any form of financial statement and must not be relied upon in making any judgement on the Company.

The Company is not a member of a UK Consolidation Group under CRR and consequently, does not report on a consolidated basis under CRR. The Company is not an institution of global systemic importance.

In accordance with Article 432 CRR, the Company may omit from this Disclosure Statement information that it deems not to be material to its business and proprietary and/or confidential information.

Risk management objectives and policies

The Company has assessed material risks to its business as part of its Internal Capital Adequacy Assessment Process ("**ICAAP**") and set out appropriate actions to manage them. In particular the Company identifies all material risks through scenario analysis and then assesses whether it is appropriate to hold capital against those risks and/or adopt alternative risk mitigants.

The Company is governed by its Board of Directors ("**Board**"), which is ultimately responsible for the Company's overall risk management and for maintaining an appropriate internal control framework. Responsibility for risk management is delegated to the Risk Committee. In addition, the Bloomberg group Internal Audit function reviews the business operations and system of internal controls for the Company's parent (Bloomberg L.P.) and its related entities, including the Company.

The heads of individual business units are responsible for identifying and analysing the risks relevant to their business unit and reporting to the Risk Committee. Risk issues are also addressed as part of the various standing items at Board meetings.

The Company has embedded a robust governance structure and the risk management framework is considered appropriate to the size, nature and complexity of the business.

Governance arrangements

The principal role of the Board is to provide leadership of the Company within a framework of prudent and effective controls and is responsible for overseeing the Company's business and for promoting the success of the Company as a whole by directing and supervising its affairs. Matters ultimately reserved for the Board include: (1) strategy and management; (2) financial reporting and controls and capital management; (3) internal controls; (4) expenditure; and (5) corporate governance matters. The Board reviews the matters reserved for the Board as and when required.

The Board comprises the Chairman, the Chief Executive Officer and three directors. Members of the Board may hold other directorships, on the boards of other companies within the wider Bloomberg business or otherwise.

The Company's directors are appointed having regard to their individual knowledge, skills and experience and the combined knowledge, skills, experience and diversity of the Board as a whole. The Company appoints directors who have substantial experience of working at senior levels of the wider Bloomberg business or at the senior levels of other businesses and have therefore accumulated the relevant knowledge, skills and experience to fulfil their duties as members of the Board. The Company has detailed compliance systems and controls in place which include the induction and training of members of the Board. Before a director is appointed to the Board, the Company undertakes a due diligence review of the candidate's background, competence and qualifications.

When appointing directors, the Company follows Bloomberg group policies on equal employment opportunities and is committed to treating all applicants for positions and employees in a non-discriminatory manner. Bloomberg group policies do not contain diversity targets.

The Board has delegated certain responsibilities and duties to the Executive Committee, the Risk Committee and the Remuneration Committee. The Executive Committee manages the day-to-day business and operations of the Company and escalates significant items to the Board. It comprises senior executive stakeholders from the business. Each committee is subject to the authority of the Board and the Board retains the authority to overrule the decisions of each committee. The Company is not required to have a nomination committee.

Own funds

Details of the Company's own funds capital resources as at 30 June 2016 are set out below. The column headed 'Balance sheet item' maps each item to the corresponding item in the Company's balance sheet at page 9 of its financial statements as at 30 June 2016.

	Own funds disclosure	U.S.$000	Balance sheet item
Common Equity Tier 1 (CET1) capital: Instruments and reserves			
1	Capital Instruments and the related share premium accounts		
	of which: Instrument type 1 (Ordinary shares)	22,651	Share capital
2	Retained earnings	(3,228)	Retained earnings
3	Accumulated other comprehensive income (and other reserves)	0	N/A
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**19,423**	**Total equity**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
25a	Losses for the current financial year (negative amount)	0	N/A
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	0	N/A
29	**Common Equity Tier 1 (CET1) capital**	**19,423**	**Total equity**
59	**Total capital (TC = T1 + T2)**	**19,423**	**Total equity**
60	**Total risk weighted assets**	**3,882**	**Cash and cash equivalents x 0.2**
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	500%	N/A
62	Tier 1 (as a percentage of total risk exposure amount)	500%	N/A
63	Total capital (as a percentage of total risk exposure amount)	500%	N/A

The following table sets out the key features of the Company's CET 1 share capital.

1.	Issuer	Bloomberg Trading Facility Limited
3.	Governing law(s) of the instrument	English law
	Regulatory treatment	
5.	Post-transitional CRR rules	Common Equity Tier 1
6.	Eligible at solo / (sub-) consolidated / solo & (sub-) consolidated	Solo
7.	Instrument type	Ordinary shares
8.	Amount recognised in regulatory capital	U.S.$22,651,086
9.	Nominal amount of the instrument	GBP1 (U.S.$1.549)[1]
9a.	Issue price	GBP 1 each / GBP14,625,002 total (i.e. U.S.$22,651,086 total)[1]
10.	Accounting classification	Shareholders' equity
11.	Original date of issuance	On incorporation of the Company (30 April 2014). Additional allotments of ordinary shares were made on 29 July 2014 and 2 June 2015.

12.	Perpetual or dated	Perpetual
13.	Original maturity date	No maturity
14.	Issuer call subject to prior supervisor approval	No
	Coupons / dividends	
17.	Fixed/floating dividend/coupon	Floating dividend
19.	Existence of a dividend stopper	No
20a.	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b.	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21.	Existence of step up or other incentives to redeem	No
22.	Noncumulative or cumulative	Noncumulative
23.	Convertible or non-convertible	Non-convertible
30.	Write down features	No
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Lowest ranking
36.	Non-compliant transitioned features	No

[1] Measured using the FX rates at the date of the capital infusion

Capital requirements

The Company has implemented a bottom-up and a top-down approach to identify risks that are relevant and material to the business as a whole. The Company assesses whether it is appropriate to hold capital against those risks either on the base case or under stressed scenarios. The Company separately calculates the wind-down cost for the business under stressed scenarios. The Pillar 2 requirement has been determined as the wind-down requirement since it is the higher of the amount required against business risks and the wind-down requirement.

As set out in its ICAAP for the 2016 fiscal year, the Company considers the wind-down requirement to be its overall capital requirement which is calculated as follows:

Risk type	Value (U.S.$000)
Pillar 2 credit risk	420
Pillar 2 market risk	1,885
Pillar 2 business risk	1,689
Pillar 2 assessment of total capital requirements	3,994
Wind-down requirement	6,339
Total regulatory capital requirement	**6,339**

The Company does not utilise the Internal Ratings Based Approach and it has concluded that information concerning its capital requirement amounts for credit risk for each standardised approach exposure class is not material to its business.

The Company is not required to have a countercyclical capital buffer.

Credit risk

The Company does not trade as principal in the course of operating its services; hence the Company is not exposed to counterparty credit risk arising out of unsettled trades.

The Company's assets are held entirely in cash and so the main source of credit risk for the Company arises from cash balances it holds at banks. It is the Company's policy to only deposit cash balances with banks which have a credit rating at least equivalent to the FCA's credit quality step 2 rating. The Company does not hold any investments that require it to calculate its credit risk requirements using a credit rating agency.

The Company does not employ credit risk adjustments.

Market risk

The Company's assets are not subject to market fluctuation as they are held in cash. The Company does not face settlement risk or commodities risk. The Company does face foreign currency risk attributable to accounting remeasurement because the Company's reporting currency is in US dollars whereas the Company's assets are held and liabilities are generally owed in GBP. The Board does not expect to realize losses connected with this foreign currency risk. The Company's market risk requirement referred to above reflects its foreign currency risk.

Remuneration policy and disclosures

The Company has adopted a Remuneration Policy Statement ("**RPS**") that complies with applicable remuneration provisions in SYSC 19A of the FCA Handbook in a manner that the Company considers proportionate, including the disapplication of remuneration principles to the extent permitted for Tier 3 firms.

The Company identifies its Remuneration Code staff pursuant to the FCA Rules and Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile.

The Company has established a Remuneration Committee as a sub-committee of the Board comprised of senior Bloomberg staff which is responsible for reviewing and approving the Company's RPS, ensuring that the requirements of the FCA remuneration code applicable to the Company are met, taking into account the proportionality principle and for ensuring the Company identifies remuneration code staff annually. The Company's RPS and Remuneration Code staff list will be subject to review and approval by the Company's Remuneration Committee on at least an annual basis.

The remuneration system aims to incentivize high level performance of staff and promote sound risk management. It comprises fixed and variable remuneration elements. The fixed remuneration component is made up of fixed salary, minor benefits and, for eligible staff, a contribution to a group personal pension scheme. The variable remuneration component comprises a cash bonus.

The cash bonus payable to an individual is determined by reference to the collective level of success of Bloomberg and the performance of the individual. The total bonus pool available in any given performance year is based on the profits of the Bloomberg group as a whole and the amount of remuneration available to each division within the Bloomberg group.

Relevant quantitative information is included within the Company's annual report and accounts.

Bloomberg Trading Facility Limited

Country by Country Reporting
Financial Year Ended 30 June 2016

Registered Number: 9019569

Introduction

Bloomberg Trading Facility Limited (the "Company") is authorised by the Financial Conduct Authority (the "FCA") with firm reference number 629485. The Company is a limited company incorporated in England and Wales on 30 April 2014 under Company No. 9019569. The Company is wholly-owned by Bloomberg L.P. ("BLP") a Delaware limited partnership. The Company is authorised to operate a multilateral trading facility and is classified as an "IFPRU 730K limited licence firm" under the FCA's regulatory capital regime.

The Company is required to comply with the provisions of Statutory Instrument 2013 No. 3118 Capital Requirements (Country-by-Country Reporting) Regulations 2013. These regulations have been transposed into U.K. law to impose certain reporting obligations on institutions within the United Kingdom within the scope of Capital Requirements Directive (CRD IV).

The Company was authorised by the FCA on 23 July 2015 and the year ending the 30 June 2016 is the first financial year in which the Company has been subject to CRD IV. Except to the extent noted, all figures noted below are based on the Company's audited accounts for the year ending 30 June 2016.

Country by Country Reporting 1

Company Name	Bloomberg Trading Facility Limited
Nature of activities	Operator of a multilateral trading facility
Geographical location	United Kingdom
Turnover (U.S. $'000)	730
Number of employees	nil
Loss before tax (U.S. $'000)	(3,355)
Corporation tax paid on loss (U.S. $'000)	nil
Public subsidies received (U.S. $'000)	nil

1 The information in this table has been prepared based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and has been audited by the Company's auditors, Pricewaterhouse Coopers LLP (PwC).

Independent auditors' report to the Directors of Bloomberg Trading Facility Limited

We have audited the accompanying schedule of Bloomberg Trading Facility Limited for the year ended 30 June 2016 ("the schedule"). The schedule has been prepared by the directors based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Directors' Responsibility for the schedule

The directors are responsible for the preparation of the schedule in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the schedule, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the country-by-country information in the schedule as at 30 June 2016 is prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the schedule, which describes the basis of preparation. The schedule is prepared to assist the directors to meet the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the schedule may not be suitable for another purpose.

Our report is intended solely for the benefit of the directors of Bloomberg Trading Facility Limited. We do not accept or assume any responsibility or liability to any other party save where terms are agreed between us in writing.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants

16 December 2016