

Q3 2014 Earnings

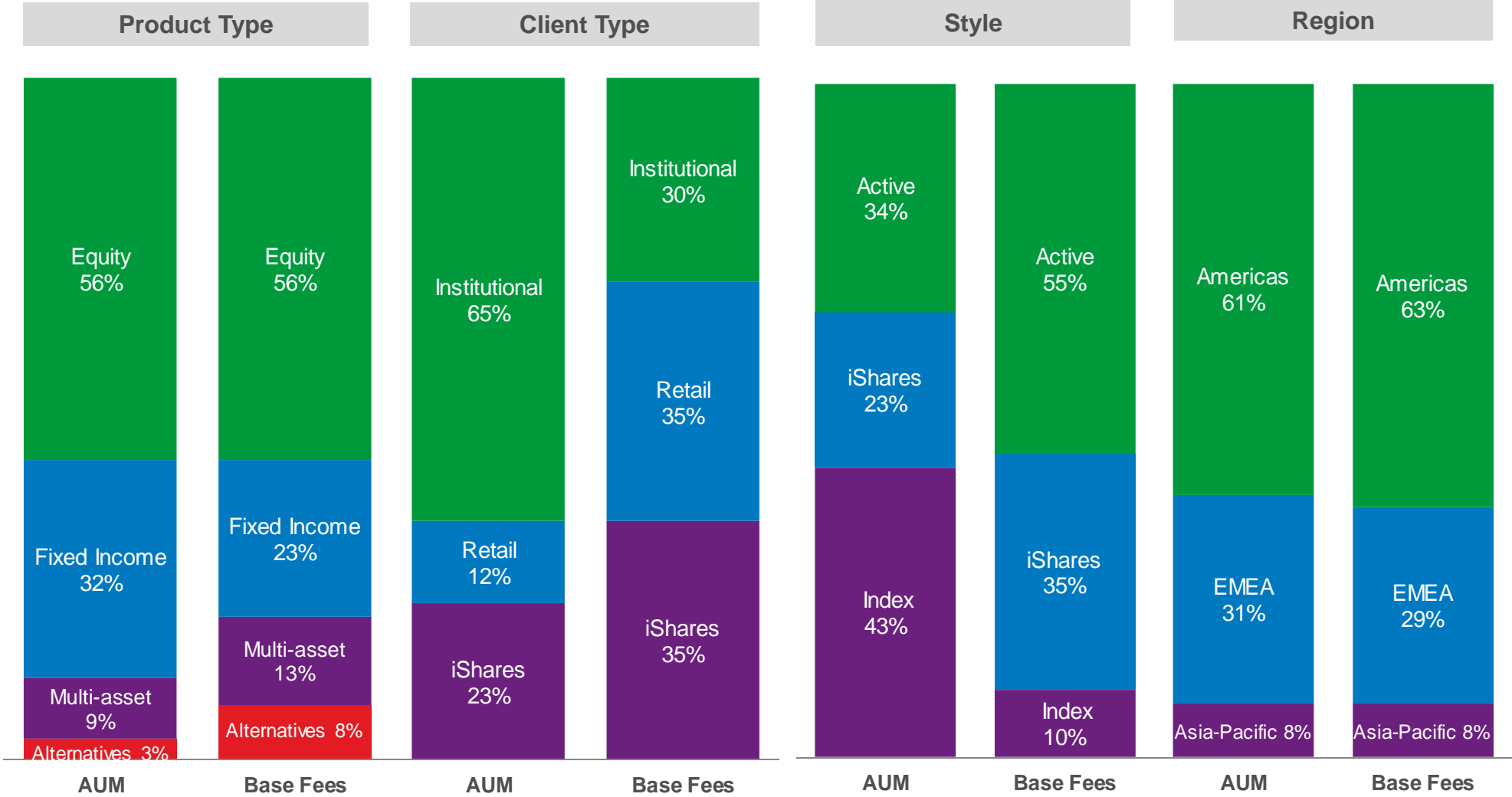
Earnings Release Supplement:

Results presented on an “as adjusted” basis, unless otherwise noted

October 15, 2014

A broadly diversified business across clients, products and geographies

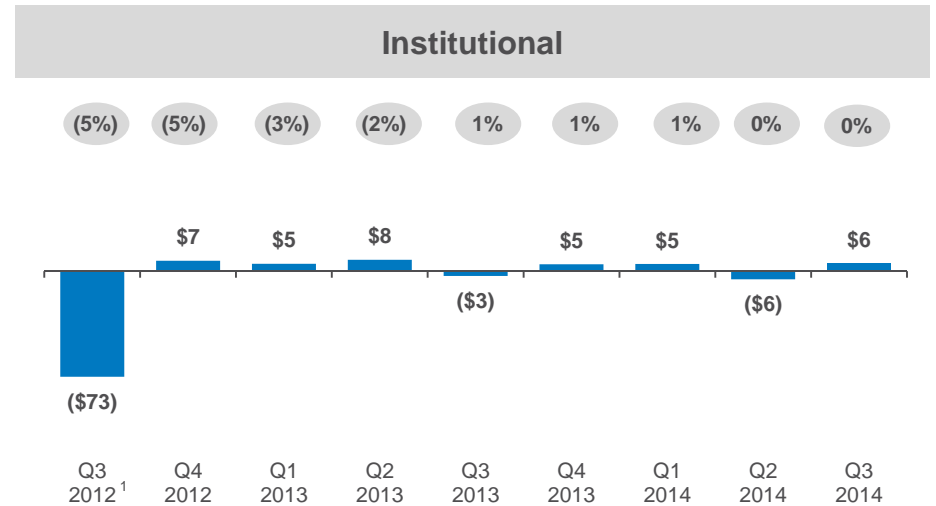
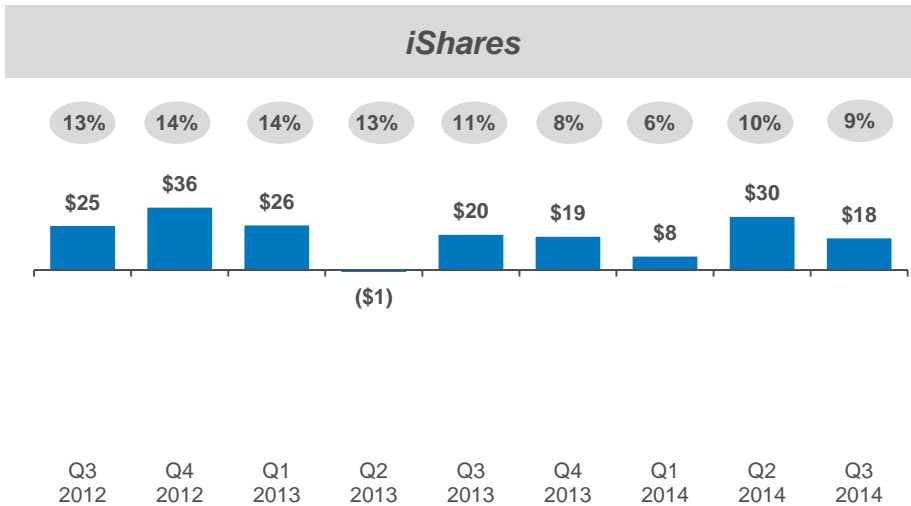
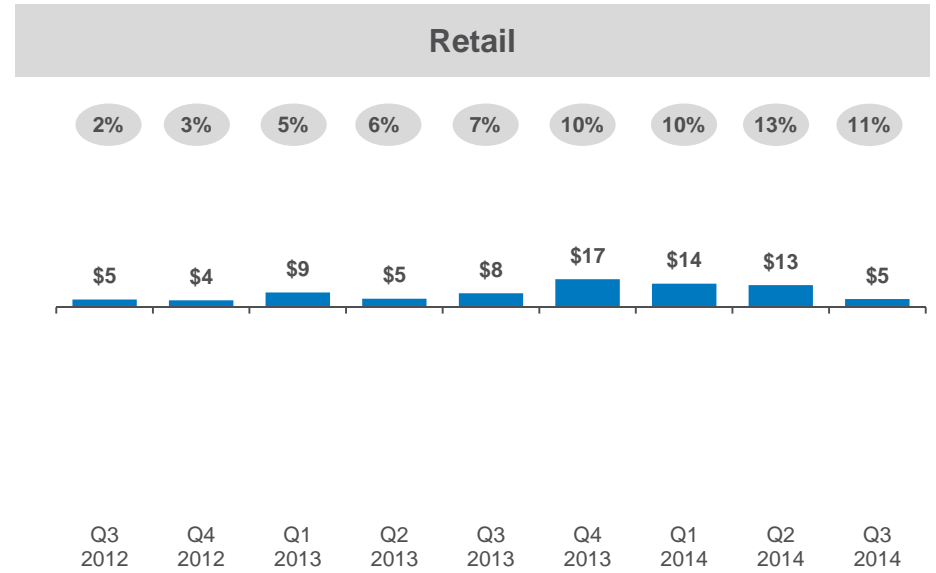
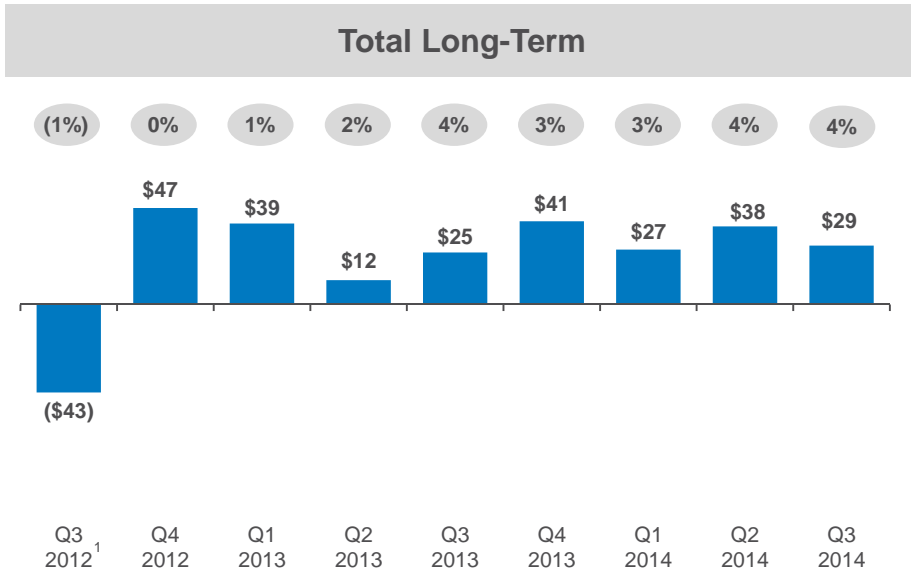
Q3 2014 Long-term Base Fees of \$2.396 billion
 Long-term Assets Under Management of \$4.220 trillion at September 30, 2014



Note: Revenue and AUM by region data is based on client domicile.

Long-term net flows (\$ in billions)

● LTM organic asset growth rate (%)



(1) Includes the effect of a single-client institutional fixed income index redemption that totaled \$74.2 billion in Q3 2012.

Note: LTM organic asset growth rate measures rolling last twelve months net new flows over beginning period assets.

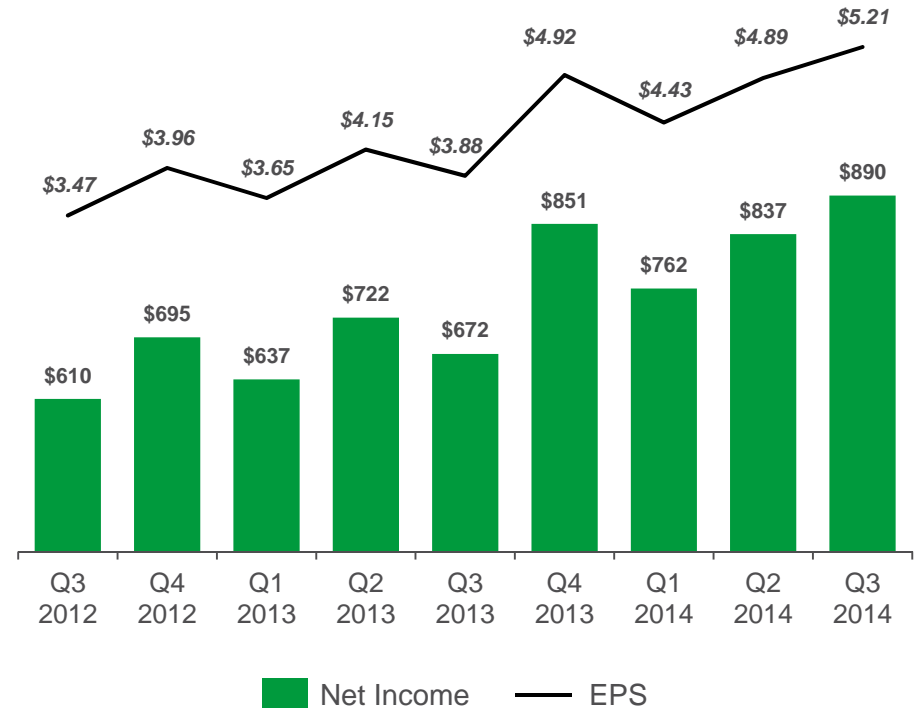
Profitability (\$ in millions, except per share data)

- Operating income, as adjusted of \$1,214 million, up 24% year-over-year
- Operating margin, as adjusted of 44.2% expanded 300 bps year-over-year
- Net income, as adjusted of \$890 million, up 32% year-over-year
- EPS, as adjusted of \$5.21, up 34% year-over-year

Operating Income and Margin, as adjusted



Net Income and EPS, as adjusted



For further information and reconciliation between GAAP and as adjusted, see page 9 of this earnings release supplement, notes (1) through (4) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

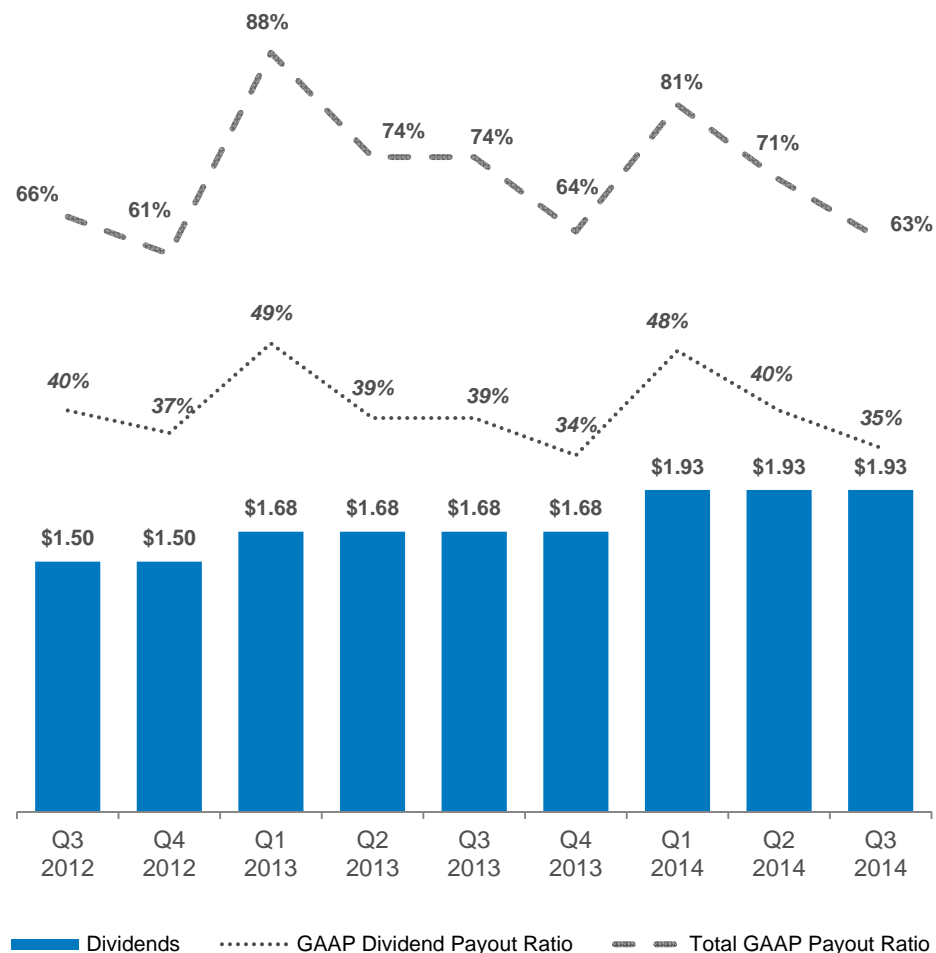
Capital management (amounts in millions, except per share data)

Share repurchases and weighted average diluted shares



Amounts above exclude repurchases of employee tax withholdings related to employee stock transactions.

Dividends and Payout Ratios



GAAP dividend payout ratio = Dividends declared / GAAP net income.

Total GAAP payout ratio = (Dividends declared + share repurchases) / GAAP net income.

Major market indices and exchange rates

	Spot			Average Level			% Change Q3 2014 vs.	
	June 30, 2014	September 30, 2014	% Change	Q3 2013	Q3 2014	Q2 2014	Q3 2013	Q2 2014
Equity Indices:								
<i>Domestic</i>								
S&P 500	1,960	1,972	1%	1,673	1,976	1,900	18%	4%
<i>Global</i>								
MSCI Barra World Index	1,743	1,698	(3%)	1,511	1,733	1,698	15%	2%
MSCI Europe Index	117	117	-%	104	116	116	12%	-%
MSCI AC Asia Pacific Index	146	140	(4%)	135	147	141	9%	4%
MSCI Emerging Markets Index	1,051	1,005	(4%)	956	1,067	1,024	12%	4%
S&P Global Natural Resources	3,733	3,438	(8%)	3,262	3,675	3,612	13%	2%
Fixed Income Index:								
Barclays U.S. Aggregate Bond Index	1,878	1,881	-%	1,795	1,880	1,862	5%	1%
Foreign Exchange Rates:								
GBP to USD	1.71	1.62	(5%)	1.55	1.67	1.68	8%	(1%)
EUR to USD	1.37	1.26	(8%)	1.32	1.33	1.37	1%	(3%)

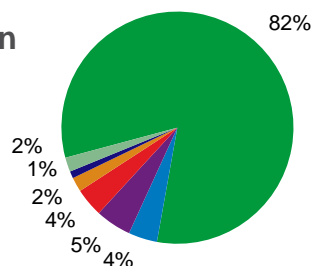
Source: Bloomberg

Revenue

Total Revenue

Q3 2014

\$2,849 million



- Base Fees ex. Securities Lending
- Securities Lending
- Performance Fees
- Aladdin
- Other BRS
- Distribution Fees
- Other Revenue

Percentage Change

- Base Fees ex. SL
- Securities Lending
- Performance Fees
- Aladdin
- Other BRS
- Distribution Fees
- Other Revenue

Year-over-Year

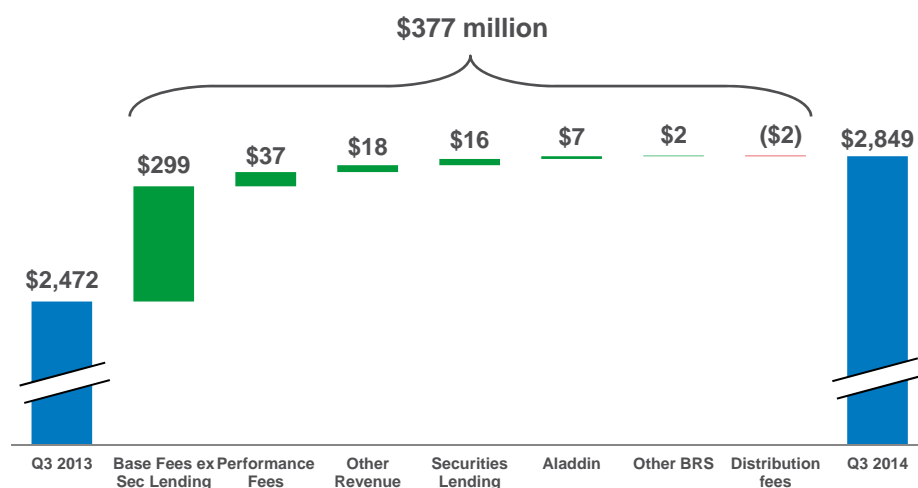
- 15%
- 16
- 39
- 6
- 5
- (11)
- 38
- 15

Sequential

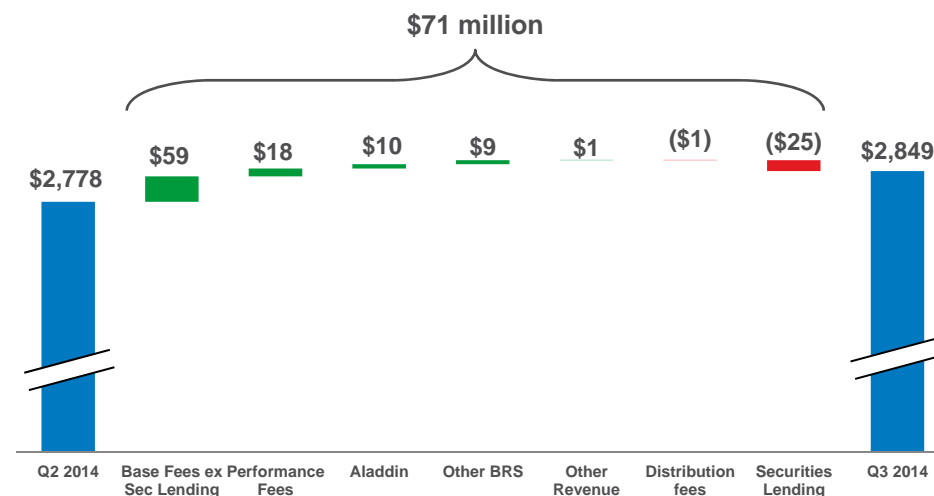
- 3%
- (18)
- 16
- 9
- 24
- (6)
- 2
- 3

Total

Q3 2014 Compared to Q3 2013



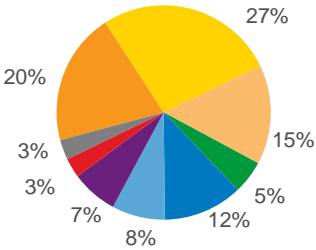
Q3 2014 Compared to Q2 2014



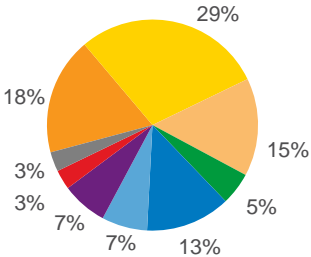
Investment advisory, administration fees and securities lending revenue

Investment advisory, administration fees and securities lending revenue

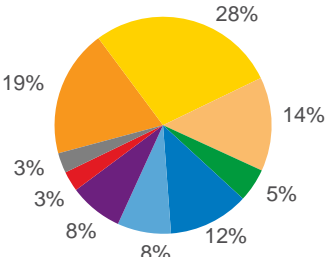
Q3 2013: \$2,153 million



Q3 2014: \$2,468 million



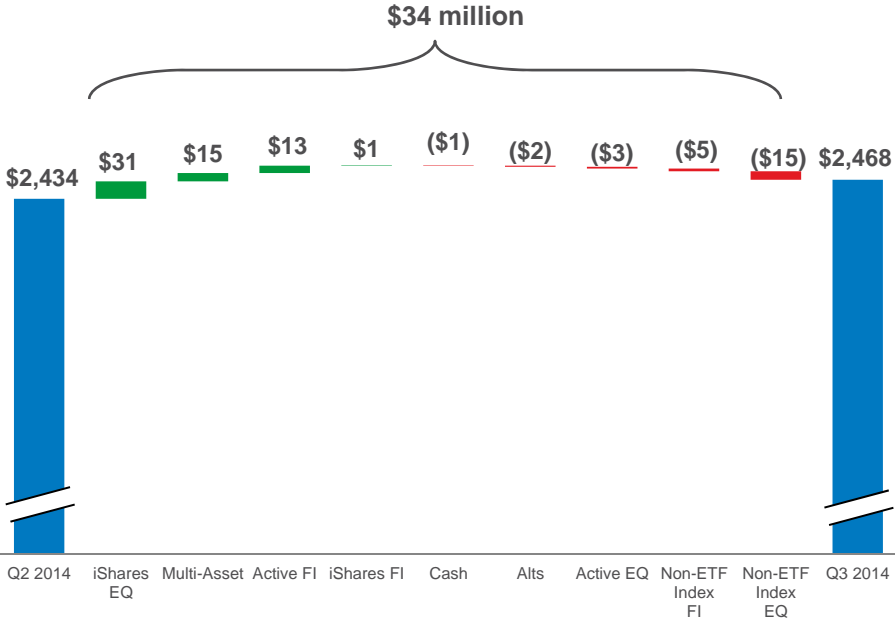
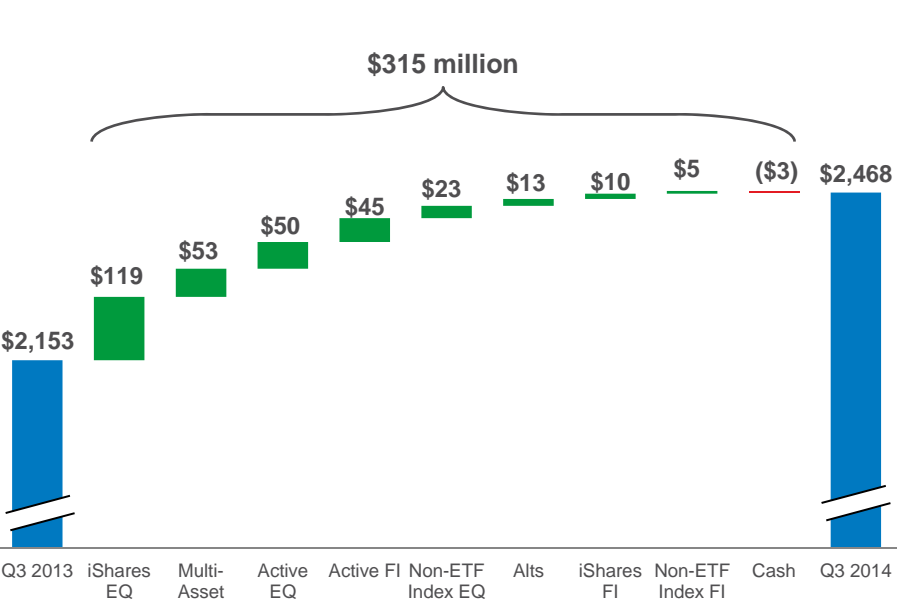
Q2 2014: \$2,434 million



Active Equity iShares Equity Active Fixed Income iShares Fixed Income Multi-Asset Alternatives Non-ETF Index Equity Non-ETF Index Fixed Income Cash

Q3 2014 Compared to Q3 2013

Q3 2014 Compared to Q2 2014

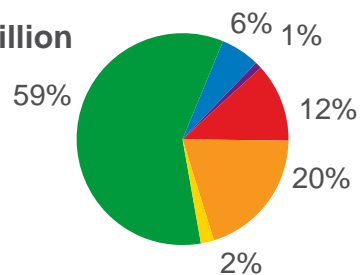


Expense

Expense, as adjusted, by Category

Q3 2014

\$1,635 million

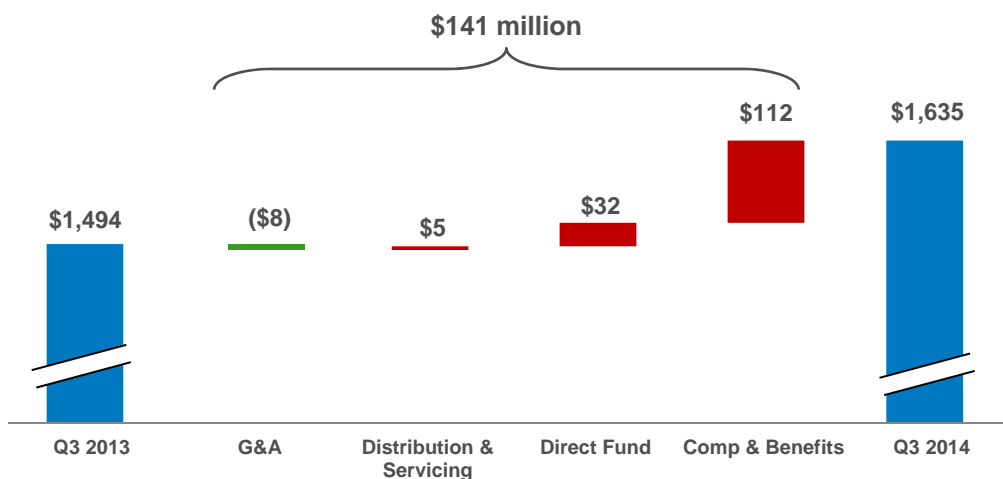


- Employee Comp. & Benefits
- Distribution & Servicing Costs
- Amort. of Deferred Sales Commissions
- Direct Fund Expense
- General & Administration
- Amortization of Intangibles

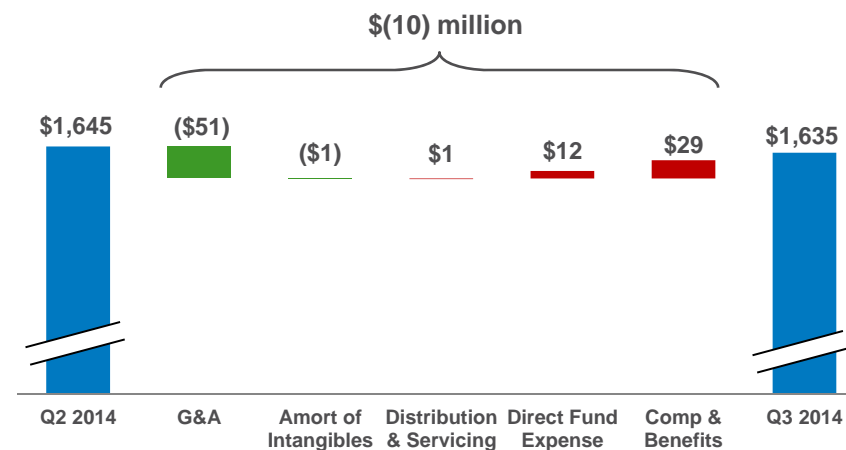
Percentage Change

	Year-over-Year	Sequential
Employee Comp. & Benefits	13%	3%
Distribution & Servicing Costs	6	1
Amort. of Deferred Sales Commissions	-	-
Direct Fund Expense	19	6
General & Administrative	(2)	(14)
Amortization of Intangibles	-	(2)
Total	9	(1)

Q3 2014 Compared to Q3 2013, as adjusted



Q3 2014 Compared to Q2 2014, as adjusted



For further information and reconciliation between GAAP and as adjusted, see page 9 of this earnings release supplement and notes (1) through (4) in the current earnings release.

Reconciliation between GAAP and as adjusted (\$ in millions)

	2012		2013				2014		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating Income									
GAAP	\$875	\$1,005	\$909	\$849	\$966	\$1,133	\$1,051	\$1,122	\$1,157
Non-GAAP adjustments	1	36	12	133	12	10	11	11	57
As Adjusted	<u>\$876</u>	<u>\$1,041</u>	<u>\$921</u>	<u>\$982</u>	<u>\$978</u>	<u>\$1,143</u>	<u>\$1,062</u>	<u>\$1,133</u>	<u>\$1,214</u>
Nonoperating Income (Expense)									
GAAP	\$30	(\$67)	\$41	\$69	(\$18)	\$24	\$17	\$16	(\$52)
Non-GAAP adjustments	(17)	40	(38)	(57)	(3)	(11)	9	(36)	44
As Adjusted	<u>\$13</u>	<u>(\$27)</u>	<u>\$3</u>	<u>\$12</u>	<u>(\$21)</u>	<u>\$13</u>	<u>\$26</u>	<u>(\$20)</u>	<u>(\$8)</u>
Net Income									
GAAP	\$642	\$690	\$632	\$729	\$730	\$841	\$756	\$808	\$917
Non-GAAP adjustments	(32)	5	5	(7)	(58)	10	6	29	(27)
As Adjusted	<u>\$610</u>	<u>\$695</u>	<u>\$637</u>	<u>\$722</u>	<u>\$672</u>	<u>\$851</u>	<u>\$762</u>	<u>\$837</u>	<u>\$890</u>

Non-GAAP adjustments include amounts related to the reduction of an indemnification asset, the PennyMac Charitable Contribution, U.K. lease exit costs, a contribution to short-term investment funds ("STIFs"), PNC LTIP funding obligation, compensation related to appreciation (depreciation) on certain deferred compensation plans and noncash income tax matters, as applicable.

For further information and reconciliation between GAAP and as adjusted, see notes (1) through (4) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Important Notes

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This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations on page 9 of this earnings release supplement, our current earnings release dated October 15, 2014, and BlackRock’s other periodic reports, which are available on BlackRock’s web site at www.blackrock.com.