



# Q4 2017 Earnings

## Earnings Release Supplement

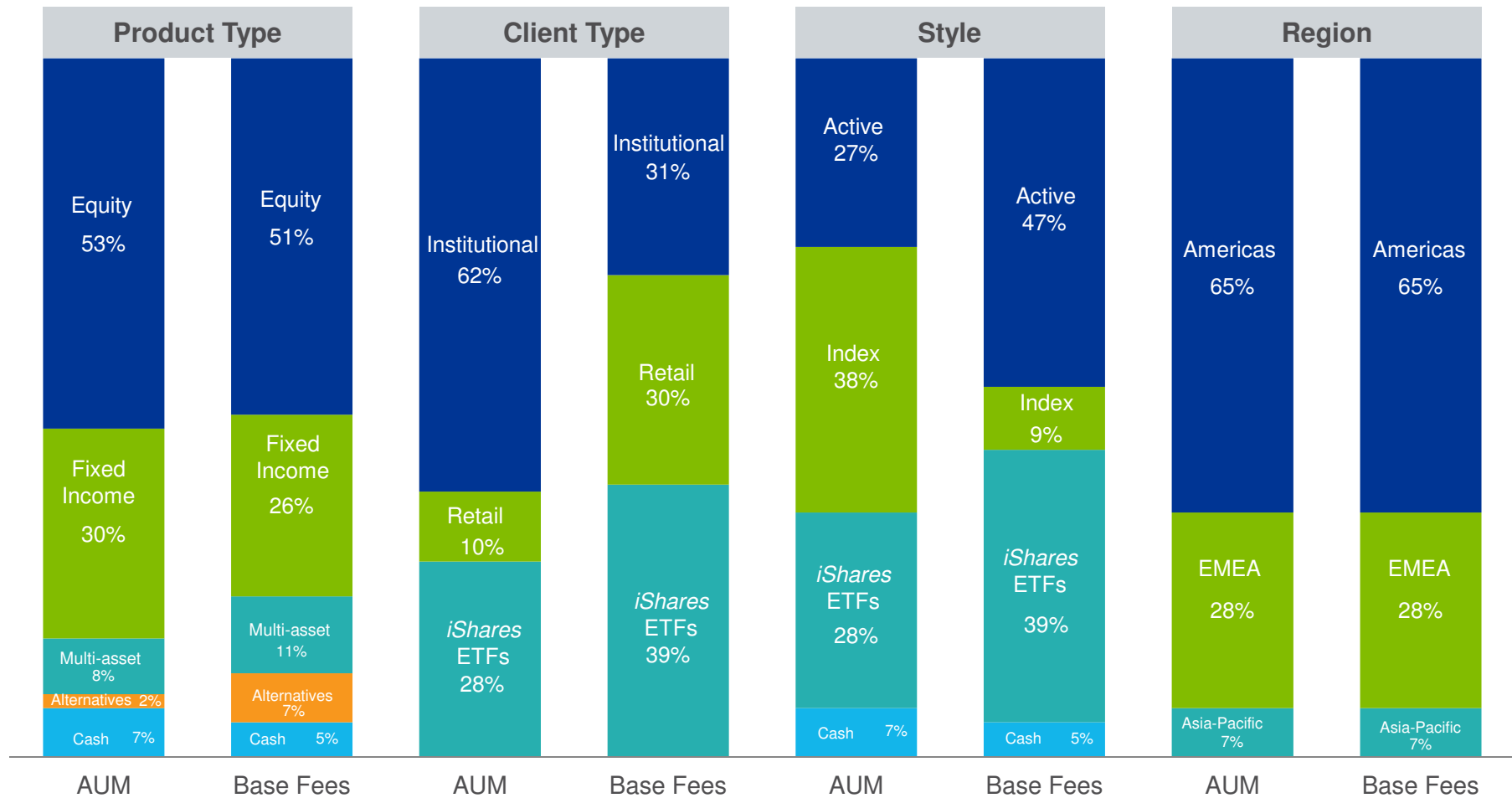
January 12, 2018



BLACKROCK®

# A broadly diversified business across clients, products and geographies

Q4 2017 Total Base Fees of \$2.896 billion  
Assets Under Management of \$6.288 trillion at December 31, 2017

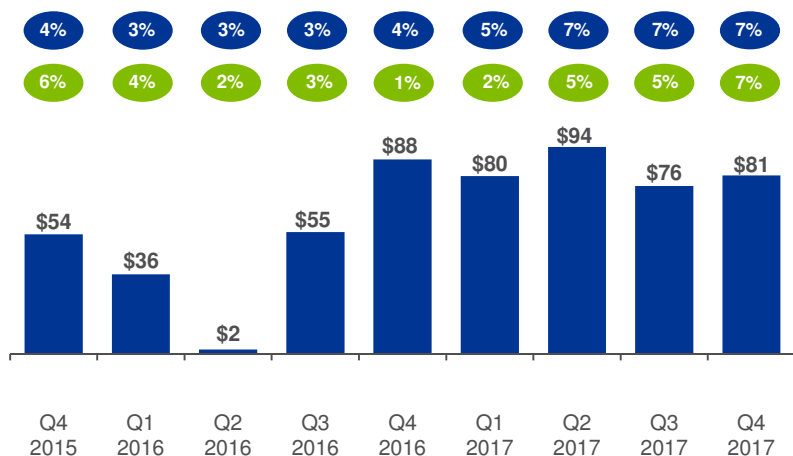


Note: Base Fees and AUM by region data is based on client domicile.

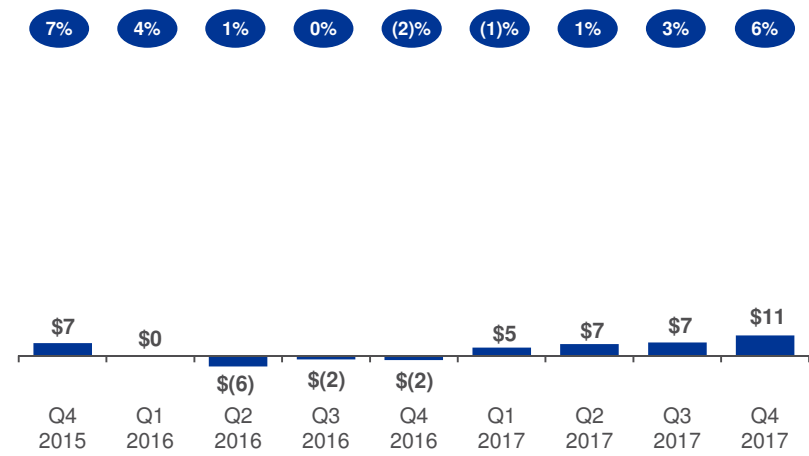
# Long-term net flows (\$ in billions)

● LTM organic asset growth rate (%)
 ● LTM organic base fee growth rate (%)

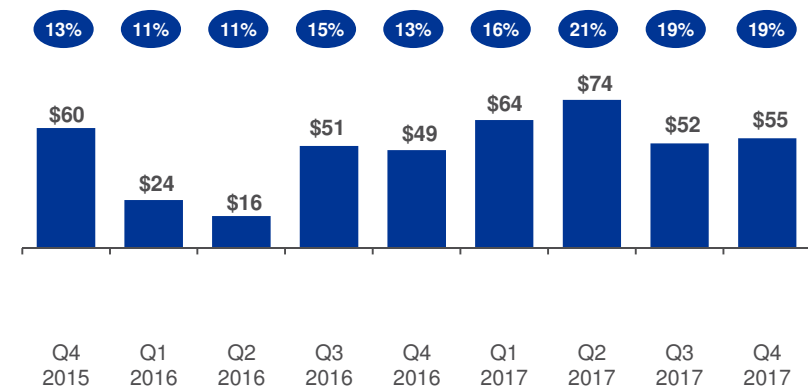
## Total Long-Term



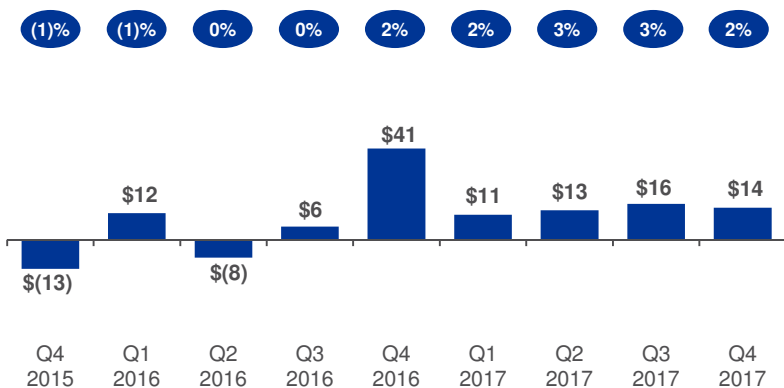
## Retail



## iShares ETFs



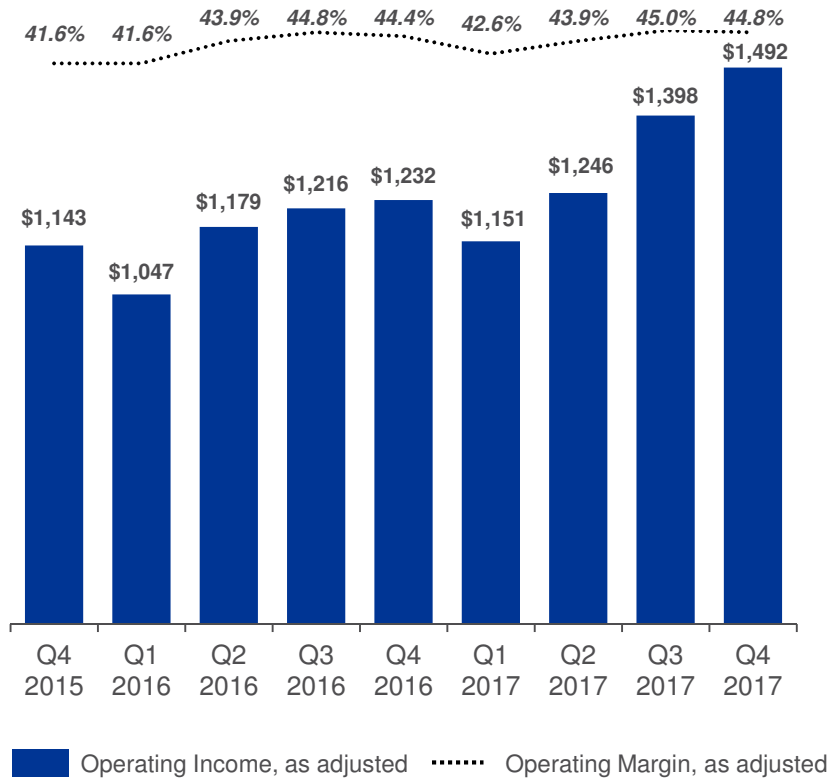
## Institutional



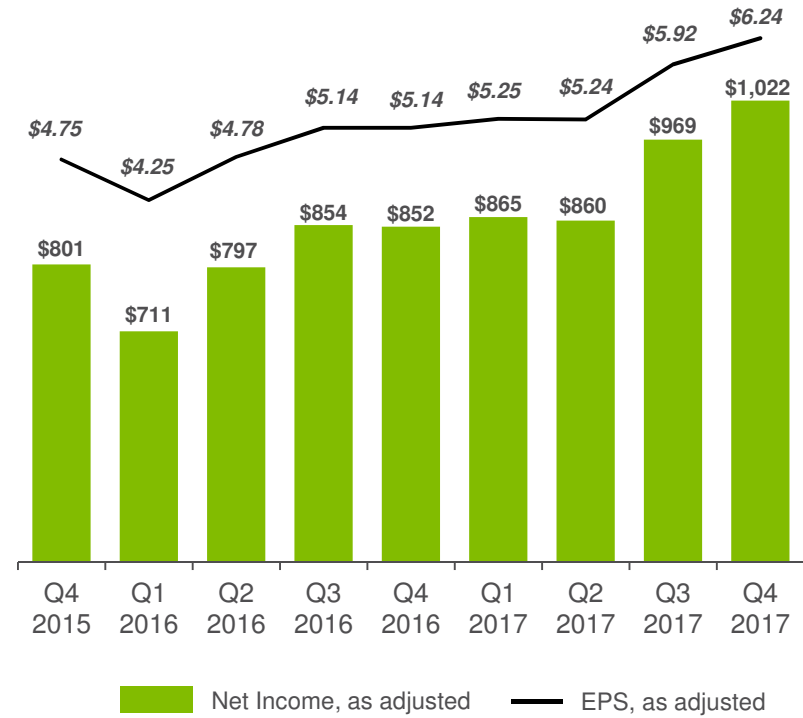
Note: LTM organic asset growth rate measures rolling last twelve months net flows over beginning of period assets.

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

Operating Income and Margin, as adjusted



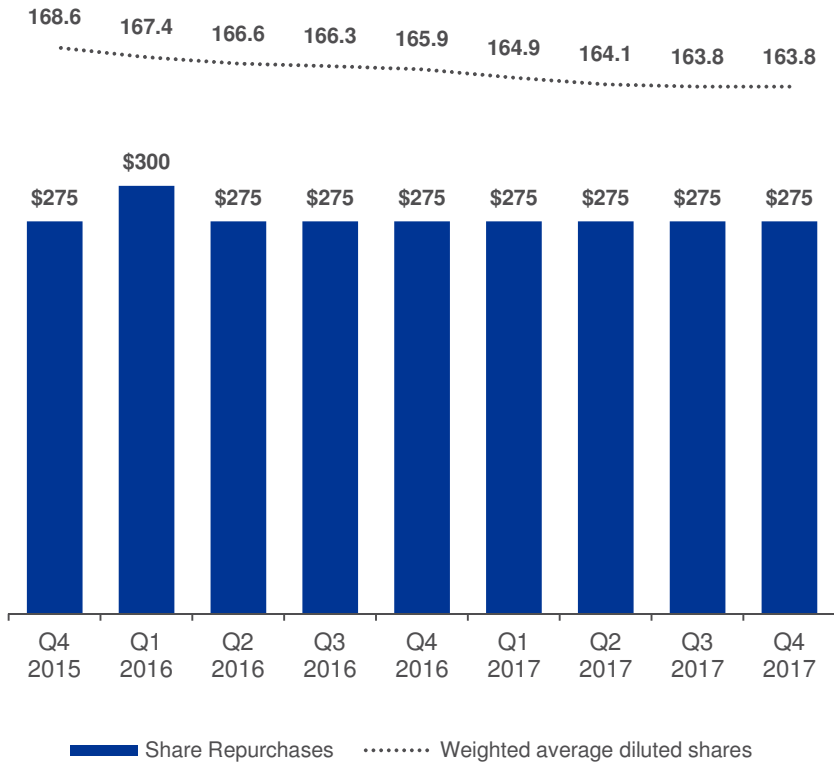
Net Income and EPS, as adjusted



For further information and reconciliations between GAAP and as adjusted, see page 12 of this earnings release supplement, notes (1) through (3) 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



## Dividends per share



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

## Major market indices and exchange rates

	Spot			% Change 12/31/2017 vs.		Average			% Change Q4 2017 vs.	
	12/31/2016	9/30/2017	12/31/2017	9/30/2017	12/31/2016	Q4 2016	Q3 2017	Q4 2017	Q3 2017	Q4 2016
<b>Equity Indices:</b>										
<i>Domestic</i>										
S&P 500	2,239	2,519	2,674	6%	19%	2,186	2,467	2,604	6%	19%
<i>Global</i>										
MSCI Barra World Index	1,751	2,001	2,103	5%	20%	1,718	1,958	2,052	5%	19%
MSCI Europe Index	123	131	131	-%	7%	117	128	132	3%	13%
MSCI AC Asia Pacific Index	135	161	174	8%	29%	137	160	169	6%	23%
MSCI Emerging Markets Index	862	1,082	1,158	7%	34%	877	1,068	1,125	5%	28%
S&P Global Natural Resources	3,123	3,512	3,810	8%	22%	3,010	3,373	3,613	7%	20%
BLK Equity Index <sup>(1)</sup>				6%	23%				5%	21%
<b>Fixed Income Index:</b>										
Barclays U.S. Aggregate Bond Index	1,976	2,038	2,046	-%	4%	1,994	2,036	2,040	-%	2%
<b>Foreign Exchange Rates:</b>										
GBP to USD	1.23	1.34	1.35	1%	10%	1.24	1.31	1.33	2%	7%
EUR to USD	1.05	1.18	1.20	2%	14%	1.08	1.18	1.18	-%	9%

Source: Bloomberg

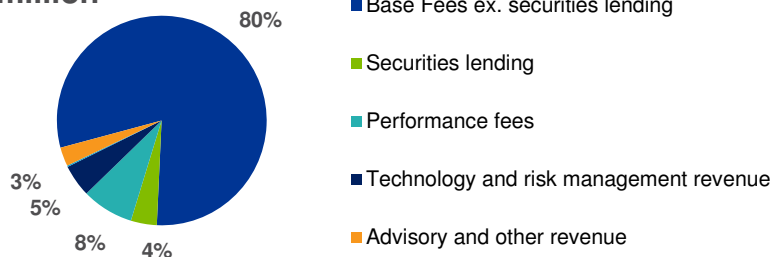
(1) Revenue weighted composite index calculated by BlackRock to approximate the impact of market fluctuations on BlackRock's equity base fees. The index is derived from publicly available market indices that represent applicable AUM benchmarks for each equity portfolio, as selected by BlackRock. The market impact information for each equity portfolio used to calculate the index may be substantially different from that shown. Index does not include portfolios that do not have an applicable market index. Index does not reflect BlackRock's investment performance, and is not indicative of past or future results.

# Quarterly revenue

## Total Revenue

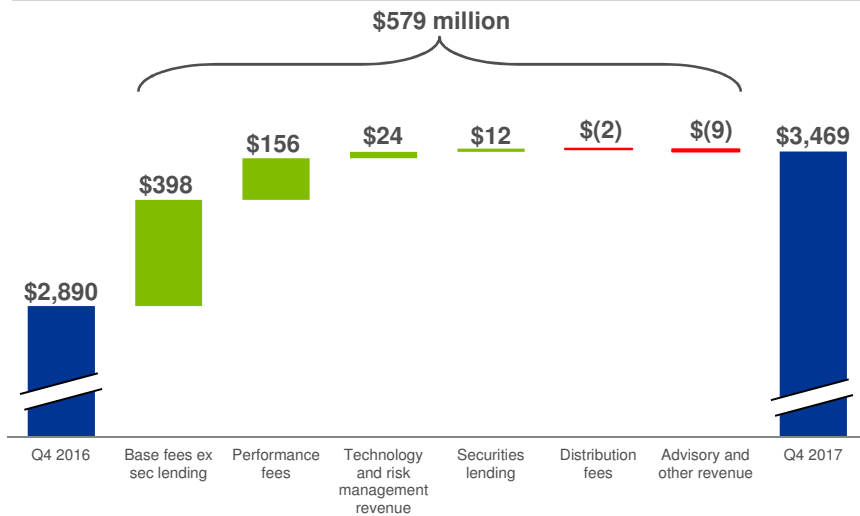
Q4 2017

\$3,469 million

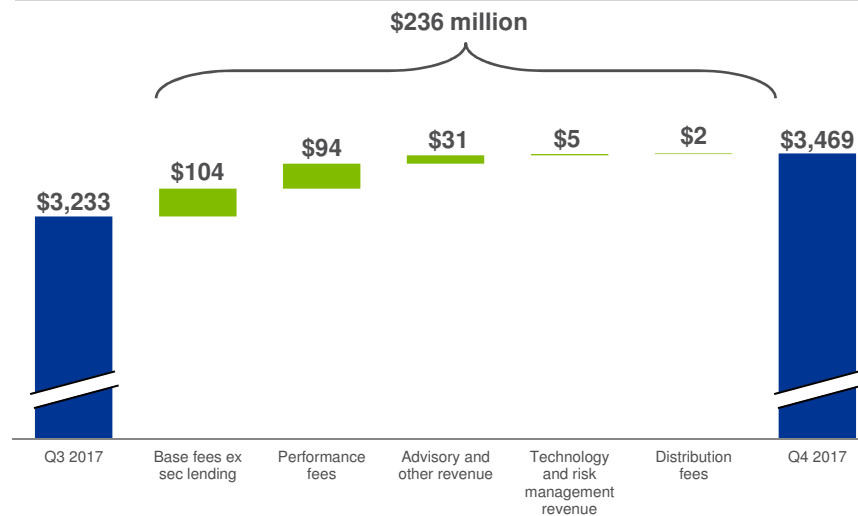


Percentage Change	Year-over-Year	Sequential
Base Fees ex. SL	17%	4%
Securities lending	9%	-%
Performance fees	121%	49%
Technology and risk management revenue	15%	3%
Distribution fees	(22)%	40%
Advisory and other revenue	(8)%	44%
<b>Total</b>	<b>20%</b>	<b>7%</b>

## Q4 2017 Compared to Q4 2016



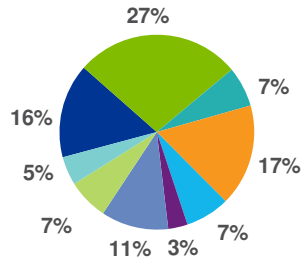
## Q4 2017 Compared to Q3 2017



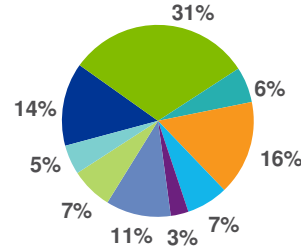
# Quarterly investment advisory, administration fees and securities lending revenue

## Investment advisory, administration fees and securities lending revenue

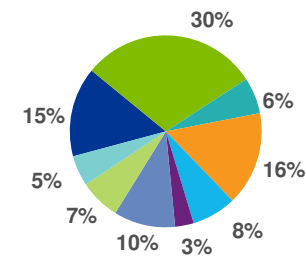
Q4 2016: \$2,486 million



Q4 2017: \$2,896 million

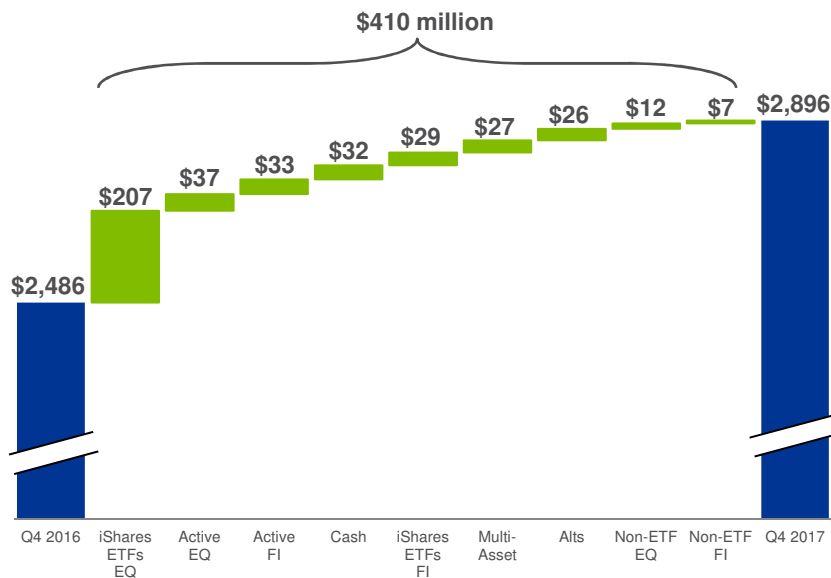


Q3 2017: \$2,792 million

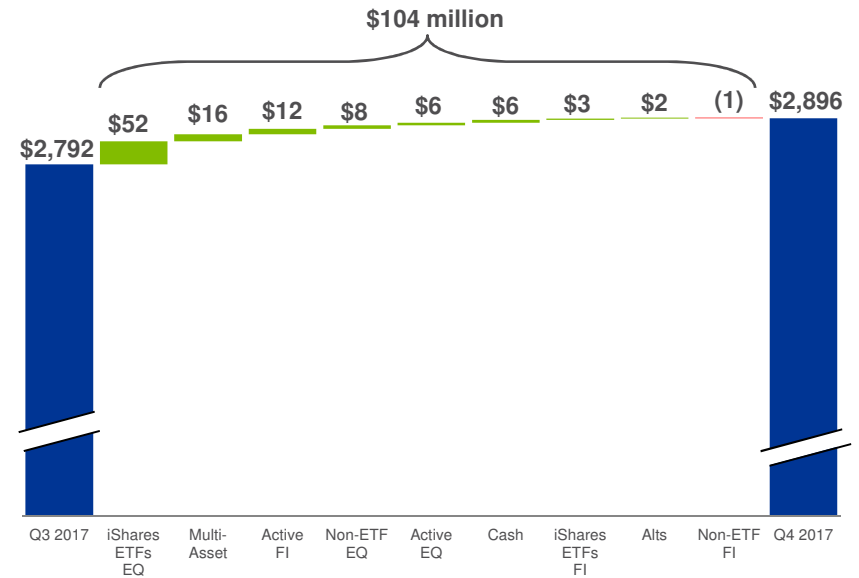


■ Active Equity 
 ■ iShares ETFs Equity 
 ■ Non-ETF Index Equity 
 ■ Active Fixed Income 
 ■ iShares ETFs Fixed Income 
 ■ Non-ETF Index Fixed Income 
 ■ Multi-Asset 
 ■ Alternatives 
 ■ Cash

### Q4 2017 Compared to Q4 2016



### Q4 2017 Compared to Q3 2017



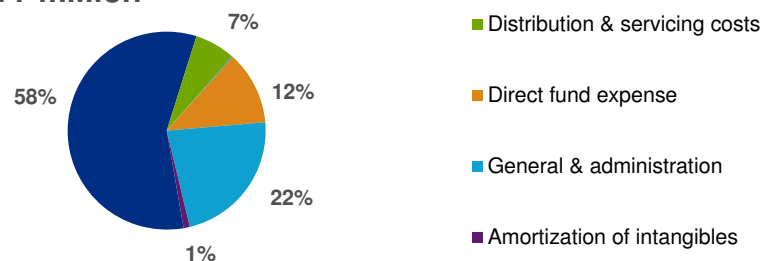


# Quarterly expense

## Expense, as adjusted, by category

Q4 2017

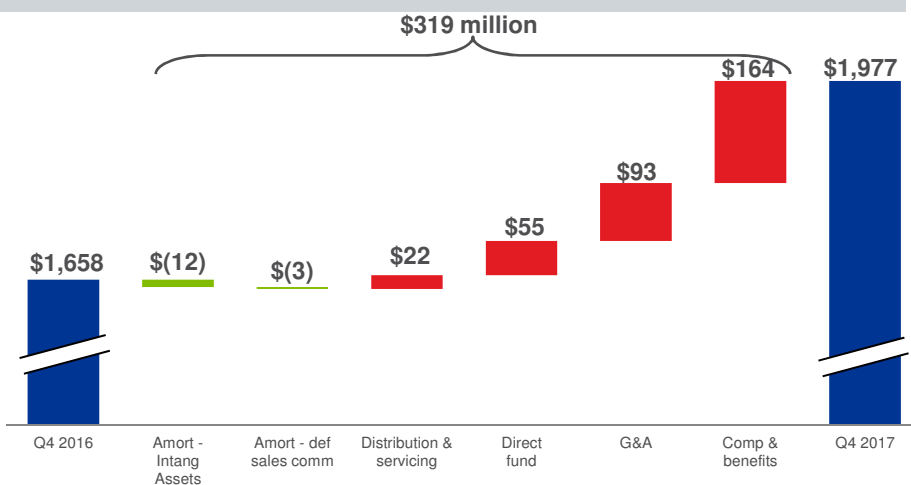
\$1,977 million



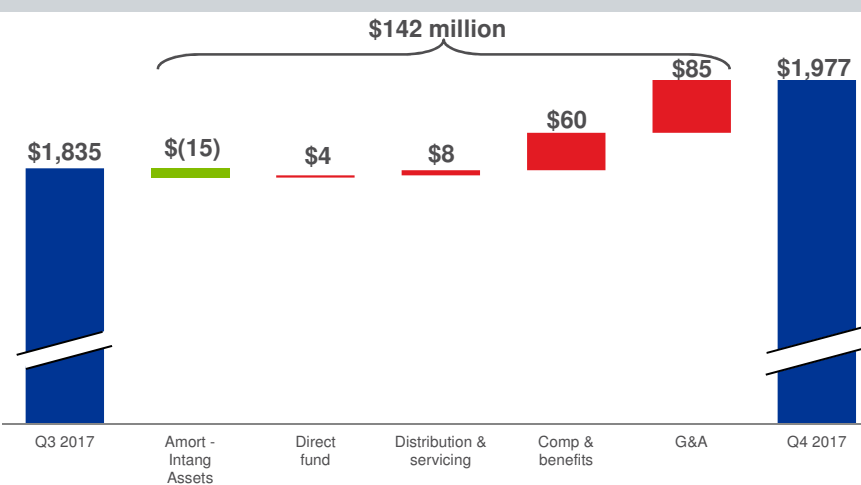
### Percentage Change

	Year-over-Year	Sequential
Employee comp. & benefits	17%	6%
Distribution & servicing costs	20%	7%
Amort. of deferred sales commissions	(43)%	-%
Direct fund expense	30%	2%
General & administration	26%	23%
Amortization of intangibles	(50)%	(56)%
<b>Total</b>	<b>19%</b>	<b>8%</b>

## Q4 2017 Compared to Q4 2016, as adjusted



## Q4 2017 Compared to Q3 2017, as adjusted



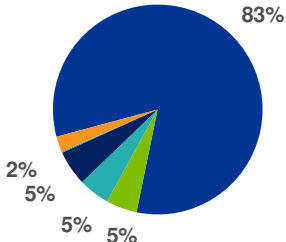
Expense, as adjusted, includes non-GAAP adjustments related to PNC LTIP funding obligation of \$3 million in the fourth quarter of 2017, \$7 million in the fourth quarter of 2016 and \$4 million in the third quarter of 2017. For further information, see notes (1) through (3) in the current earnings release.

# Full year revenue

## Total Revenue

### Full year 2017

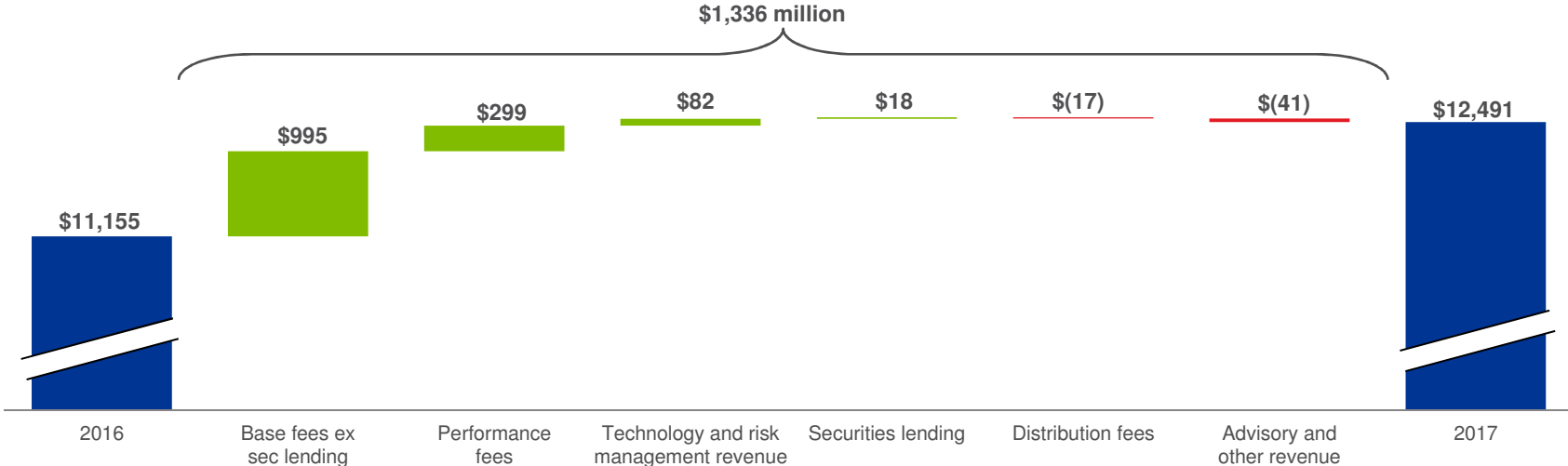
\$12,491 million



- Base Fees ex. securities lending
- Securities lending
- Performance fees
- Technology and risk management revenue
- Advisory and other revenue

Percentage Change	Year-over-Year
Base Fees ex. SL	11%
Securities lending	3%
Performance fees	101%
Technology and risk management revenue	14%
Distribution fees	(41)%
Advisory and other revenue	(12)%
<b>Total</b>	<b>12%</b>

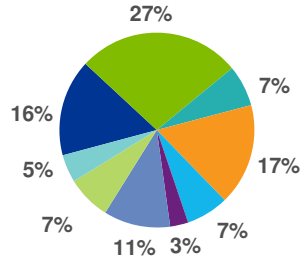
## 2017 Compared to 2016



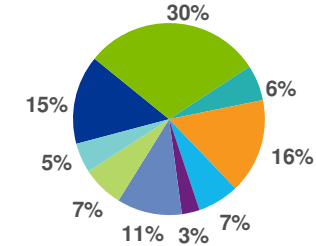
# Full year investment advisory, administration fees and securities lending revenue

## Investment advisory, administration fees and securities lending revenue

Full year 2016: \$9,880 million

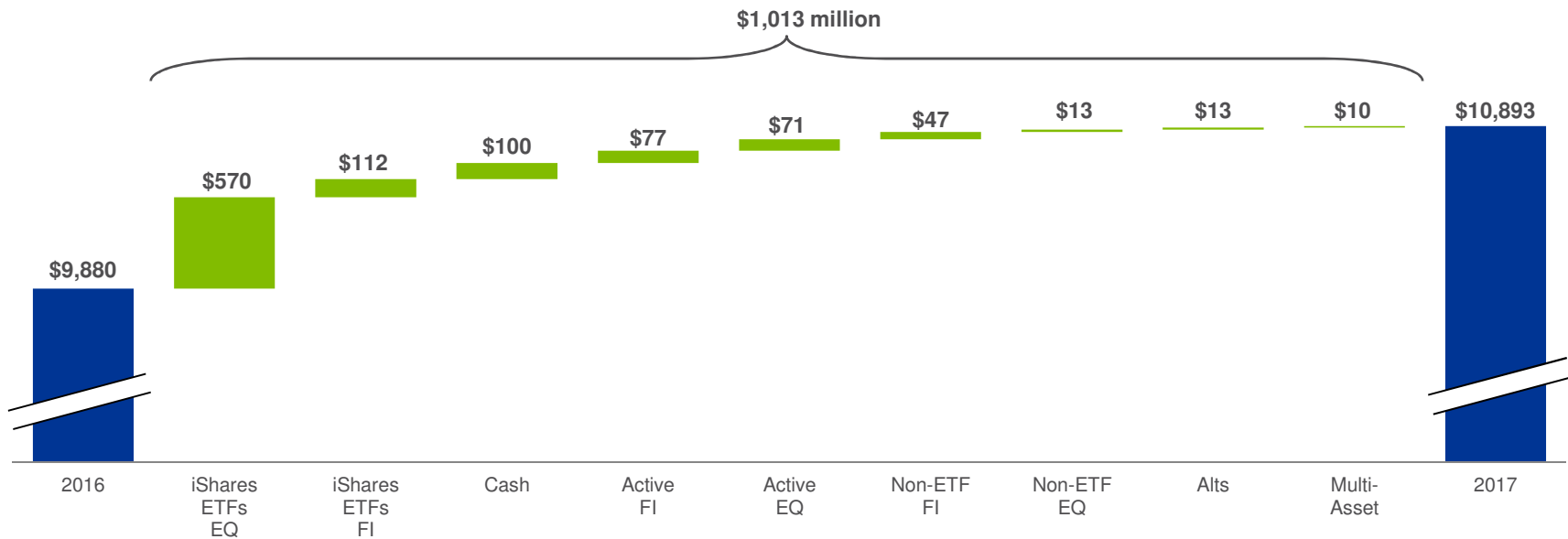


Full year 2017: \$10,893 million



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

## 2017 Compared to 2016

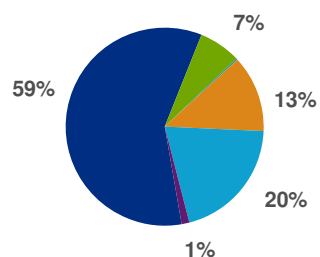


# Full year expense

## Expense, as adjusted, by category

### Full year 2017

\$7,204 million



- Employee comp. & benefits
- Distribution & servicing costs
- Direct fund expense
- General & administration
- Amortization of intangibles

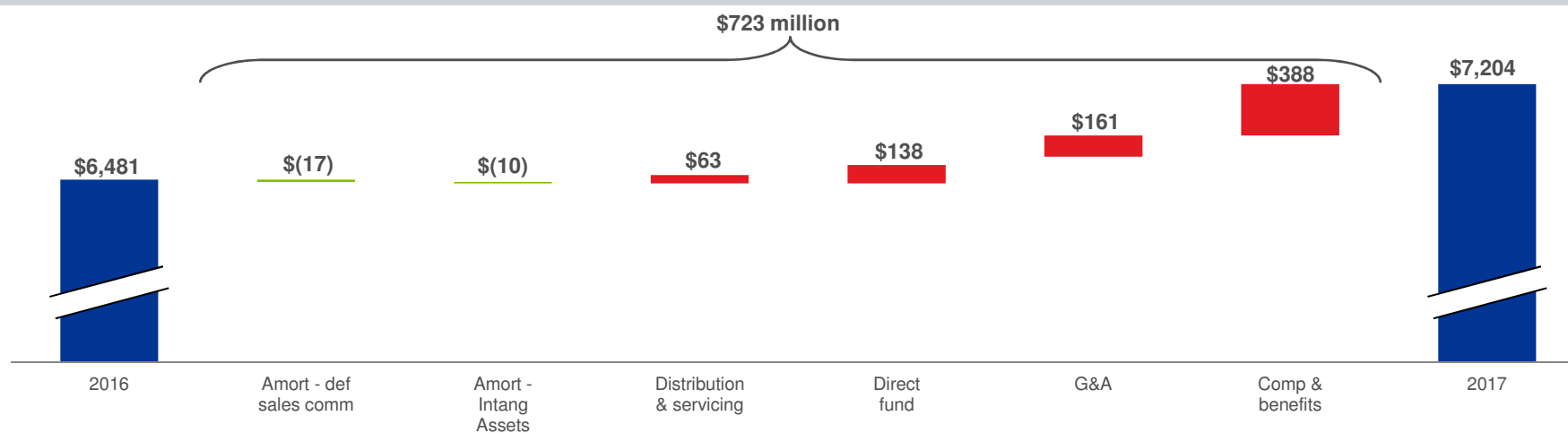
### Percentage Change

Employee comp. & benefits	10%
Distribution & servicing costs	15%
Amort. of deferred sales commissions	(50)%
Direct fund expense	18%
General & administration	12%
Amortization of intangibles	(10)%

### Year-over-Year

<b>Total</b>	<b>11%</b>
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## 2017 Compared to 2016, as adjusted



Expense, as adjusted, includes non-GAAP adjustments related to a restructuring charge of \$76 million in 2016 and PNC LTIP funding obligation of \$15 million and \$28 million in 2017 and 2016, respectively. For further information, see notes (1) through (3) in the current earnings release.

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

	2015	2016				2017			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Operating Income</b>									
GAAP	\$ 1,137	\$ 963	\$ 1,173	\$ 1,209	\$ 1,225	\$ 1,147	\$ 1,242	\$ 1,394	\$ 1,489
Non-GAAP adjustments	6	84	6	7	7	4	4	4	3
As Adjusted	<u>\$ 1,143</u>	<u>\$ 1,047</u>	<u>\$ 1,179</u>	<u>\$ 1,216</u>	<u>\$ 1,232</u>	<u>\$ 1,151</u>	<u>\$ 1,246</u>	<u>\$ 1,398</u>	<u>\$ 1,492</u>
<b>Nonoperating Income (Expense)</b>									
GAAP	\$ 11	\$ (48)	\$ (25)	\$ 1	\$ (38)	\$ (7)	\$ 1	\$ 10	\$ 1
Non-GAAP adjustments	(10)	10	(6)	(2)	-	(9)	(10)	(12)	(6)
As Adjusted	<u>\$ 1</u>	<u>\$ (38)</u>	<u>\$ (31)</u>	<u>\$ (1)</u>	<u>\$ (38)</u>	<u>\$ (16)</u>	<u>\$ (9)</u>	<u>\$ (2)</u>	<u>\$ (5)</u>
<b>Net Income</b>									
GAAP	\$ 861	\$ 657	\$ 789	\$ 875	\$ 851	\$ 862	\$ 857	\$ 947	\$ 2,304
Non-GAAP adjustments	(60)	54	8	(21)	1	3	3	22	(1,282)
As Adjusted	<u>\$ 801</u>	<u>\$ 711</u>	<u>\$ 797</u>	<u>\$ 854</u>	<u>\$ 852</u>	<u>\$ 865</u>	<u>\$ 860</u>	<u>\$ 969</u>	<u>\$ 1,022</u>

Non-GAAP adjustments include amounts related to a restructuring charge, PNC LTIP funding obligation, compensation related to appreciation (depreciation) on certain deferred compensation plans, the effects of the Tax Cuts and Jobs Act and other noncash income tax matters, as applicable.

For further information and reconciliation between GAAP and as adjusted, see notes (1) through (3) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

## Important Notes

This presentation, and other statements that BlackRock may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock's future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" and similar expressions.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

BlackRock has previously disclosed risk factors in its Securities and Exchange Commission ("SEC") reports. These risk factors and those identified elsewhere in this earnings release, among others, could cause actual results to differ materially from forward-looking statements or historical performance and include: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) the relative and absolute investment performance of BlackRock's investment products; (4) the impact of increased competition; (5) the impact of future acquisitions or divestitures; (6) the unfavorable resolution of legal proceedings; (7) the extent and timing of any share repurchases; (8) the impact, extent and timing of technological changes and the adequacy of intellectual property, information and cyber security protection; (9) the potential for human error in connection with BlackRock's operational systems; (10) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock or PNC; (11) changes in law and policy and uncertainty pending any such changes; (12) terrorist activities, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (13) the ability to attract and retain highly talented professionals; (14) fluctuations in the carrying value of BlackRock's economic investments; (15) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products or transactions, which could affect the value proposition to clients and, generally, the tax position of the Company; (16) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (17) the failure by a key vendor of BlackRock to fulfill its obligations to the Company; (18) any disruption to the operations of third parties whose functions are integral to BlackRock's ETF platform; (19) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (20) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

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 12 of this earnings release supplement, our current earnings release dated January 12, 2018, and BlackRock's other periodic reports, which are available on BlackRock's website at [www.blackrock.com](http://www.blackrock.com).