Section 1: 10-Q (BLACKROCK, INC.)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended March 31, 2009

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from to .

Commission file number 001-33099

BlackRock, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**32-0174431** **(I.R.S. Employer Identification No.)**

40 East 52nd Street, New York, NY 10022
(Address of principal executive offices)
(Zip Code)

(212) 810-5300
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2009, there were 131,502,586 shares of the registrant’s common stock outstanding.

BlackRock, Inc.
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PART I

FINANCIAL INFORMATION

PART II

OTHER INFORMATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

BlackRock, Inc.
Condensed Consolidated Statements of Financial Condition
(Dollar amounts in millions, except per share data)
(unaudited)

	March 31, 2009	December 31, 2008
Assets		
Cash and cash equivalents	$ 1,793	$ 2,032
Accounts receivable	953	901
Due from related parties	110	309
Investments	1,137	1,429
Separate account assets	2,452	2,623
Deferred mutual fund sales commissions, net	120	135
Property and equipment (net of accumulated depreciation of $277 at March 31, 2009 and $259 at December 31, 2008)	256	260
Intangible assets (net of accumulated amortization of $360 at March 31, 2009 and $324 at December 31, 2008)	6,405	6,441
Goodwill	5,736	5,533
Other assets	261	261
Total assets	19,223	19,924
Liabilities		
Accrued compensation and benefits	$ 221	$ 826
Accounts payable and accrued liabilities	551	545
Due to related parties	116	103
Short-term borrowings	200	200
Convertible debentures	246	245
Long-term borrowings	697	697
Separate account liabilities	2,452	2,623
Deferred tax liabilities	1,783	1,826
Other liabilities	546	299
Total liabilities	6,812	7,364
Commitments and contingencies (Note 13)		
Temporary equity		
Redeemable non-controlling interests	134	266
Convertible debentures	3	—
Total temporary equity	137	266

BlackRock, Inc.
Condensed Consolidated Statements of Financial Condition (continued)
(Dollar amounts in millions, except per share data)
(unaudited)

	March 31, 2009	December 31, 2008
Permanent Equity		
BlackRock, Inc. stockholders' equity		
Common stock, $0.01 par value;	—	1
Shares authorized: 500,000,000 at March 31, 2009 and December 31, 2008;		
Shares issued: 48,301,735 at March 31, 2009 and 118,573,367 at December 31, 2008;		
Shares outstanding: 47,161,099 at March 31, 2009 and 117,291,110 at December 31, 2008		
Preferred stock (Note 12)	1	—
Additional paid-in capital	10,471	10,473
Retained earnings	1,961	1,982
Accumulated other comprehensive (loss)	(192)	(186)
Escrow shares, common, at cost (911,266 shares held at March 31, 2009 and December 31, 2008)	(143)	(143)
Treasury stock, common, at cost (229,370 and 370,991 shares held at March 31, 2009 and December 31, 2008, respectively)	(25)	(58)
Total BlackRock, Inc. stockholders' equity	12,073	12,069
Nonredeemable non-controlling interests	201	225
Total permanent equity	12,274	12,294
Total liabilities, temporary equity and permanent equity	$ 19,223	$ 19,924

See accompanying notes to condensed consolidated financial statements.

PART I - FINANCIAL INFORMATION (continued)

Item 1. Financial Statements (continued)

BlackRock, Inc.
Condensed Consolidated Statements of Income
(Dollar amounts in millions, except per share data)
(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Revenue		
Investment advisory and administration base fees		
Related parties	$ 507	$ 802
Other third parties	292	330
Investment advisory performance fees	11	42
Investment advisory and administration base and performance fees	810	1,174
BlackRock Solutions and advisory	140	60
Distribution fees	25	35
Other revenue	12	31
Total revenue	987	1,300
Expenses		
Employee compensation and benefits	351	469
Portfolio administration and servicing costs		
Related parties	104	132
Other third parties	25	24
Amortization of deferred mutual fund sales commissions	27	30
General and administration	151	212
Restructuring charges	22	—
Amortization of intangible assets	36	37
Total expenses	716	904
Operating income	271	396
Non-operating income (expense)		
Net gain (loss) on investments	(172)	(20)
Interest and dividend income	8	18
Interest expense	(15)	(18)
Total non-operating income (expense)	(179)	(20)
Income before income taxes	92	376
Income tax expense	30	130
Net income	62	246
Less: Net income (loss) attributable to non-controlling interests	(22)	5
Net income attributable to BlackRock, Inc.	$ 84	$ 241
Earnings per share attributable to BlackRock, Inc. common stockholders:		
Basic	$ 0.63	$ 1.81
Diluted	$ 0.62	$ 1.77
Cash dividends declared and paid per share	$ 0.78	$ 0.78
Weighted-average common shares outstanding:		
Basic	130,216,218	128,904,253
Diluted	131,797,189	131,620,744

See accompanying notes to condensed consolidated financial statements.

Item 1. Financial Statements (continued)

BlackRock, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Dollar amounts in millions)
(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Net income	$ 62	$ 246
Other comprehensive income:		
Change in net unrealized gain (loss) from available-for-sale investments, net of tax[1]	7	(5)
Minimum pension liability adjustment	1	(1)
Foreign currency translation adjustments	(14)	26
Comprehensive income	56	266
Comprehensive income attributable to non-controlling interests	—	—
Comprehensive income attributable to BlackRock, Inc.	$ 56	$ 266

(1) The tax benefit (expense) on the change in net unrealized gain (loss) from available-for-sale investments was ($3) and $2 during three months ended March 31, 2009 and 2008, respectively.

See accompanying notes to condensed consolidated financial statements.

BlackRock, Inc.
Condensed Consolidated Statement of Changes in Equity
(Dollar amounts in millions)
(unaudited)

	BlackRock, Inc. Stockholders' Equity									
	Common and Preferred Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Common Shares Held In Escrow	Treasury Stock Common	Total Stockholders' Equity	Nonredeemable Non-controlling Interests	Total Permanent Equity	Redeemable Non-controlling Interests (Temporary Equity)
December 31, 2008, as reported	$ 1	$ 10,461	$ 1,991	$ (186)	$ (143)	$ (58)	$ 12,066	$ —	$ 12,066	$ —
January 1, 2009 initial recognition of APB 14-1, SFAS No. 160 and EITF Topic No. D-98	—	12	(9)	—	—	—	3	225	228	266
December 31, 2008, as adjusted	1	10,473	1,982	(186)	(143)	(58)	12,069	225	12,294	266
Reclass to temporary equity - convertible debt	—	(3)	—	—	—	—	(3)	—	(3)	—
Net income	—	—	84	—	—	—	84	(22)	62	—
Dividends paid, net of dividend expense for unvested RSUs	—	—	(105)	—	—	—	(105)	—	(105)	—
Stock-based compensation	—	82	—	—	—	—	82	—	82	—
Treasury stock transactions	—	(70)	—	—	—	33	(37)	—	(37)	—
PNC capital contribution	—	6	—	—	—	—	6	—	6	—
Net tax shortfall from stock-based awards	—	(17)	—	—	—	—	(17)	—	(17)	—
Minimum pension liability adjustment	—	—	—	1	—	—	1	—	1	—
Subscriptions/ (redemptions/distributions) - non-controlling interest holders	—	—	—	—	—	—	—	(2)	(2)	(132)
Foreign currency translation adjustment	—	—	—	(14)	—	—	(14)	—	(14)	—
Change in net unrealized gain (loss) from available-for sale investments, net of tax	—	—	—	7	—	—	7	—	7	—
March 31, 2009	$ 1	$ 10,471	$ 1,961	$ (192)	$ (143)	$ (25)	$ 12,073	$ 201	$ 12,274	$ 134

See accompanying notes to condensed consolidated financial statements

PART I - FINANCIAL INFORMATION (continued)

Item 1. Financial Statements (continued)

BlackRock, Inc.
Condensed Consolidated Statement of Changes in Equity
(Dollar amounts in millions)
(unaudited)

	BlackRock, Inc. Stockholders' Equity									
	Common and Preferred Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Common Shares Held In Escrow	Treasury Stock Common	Total Stockholders' Equity	Nonredeemable Non-controlling Interests	Total Permanent Equity	Redeemable Non-controlling Interests (Temporary Equity)
December 31, 2007, as reported	$ 1	$ 10,274	$ 1,622	$ 71	$ (188)	$ (184)	$ 11,596	$ —	$ 11,596	$ —
Retrospective adoption of APB 14-1, SFAS No. 160 and EITF Topic No. D-98	—	12	(6)	—	—	—	6	549	555	29
December 31, 2007, as adjusted	1	10,286	1,616	71	(188)	(184)	11,602	549	12,151	29
Net income	—	—	241	—	—	—	241	8	249	(3)
Dividends paid, net of dividend expense for unvested RSUs	—	—	(104)	—	—	—	(104)	—	(104)	—
Stock-based compensation	—	70	—	—	—	—	70	—	70	—
Treasury stock transactions	—	(75)	—	—	—	40	(35)	—	(35)	—
PNC capital contribution	—	5	—	—	—	—	5	—	5	—
Net tax benefit from stock-based awards	—	20	—	—	—	—	20	—	20	—
Minimum pension liability adjustment	—	—	—	(1)	—	—	(1)	—	(1)	—
Subscriptions/ (redemptions/distributions) - non-controlling interest holders	—	—	—	—	—	—	—	8	8	(6)
Net deconsolidations of sponsored investment funds	—	—	—	—	—	—	—	—	—	(6)
Foreign currency translation adjustment	—	—	—	26	—	—	26	—	26	—
Change in net unrealized gain (loss) from available-for sale investments, net of tax	—	—	—	(5)	—	—	(5)	—	(5)	—
March 31, 2008	$ 1	$ 10,306	$ 1,753	$ 91	$ (188)	$ (144)	$ 11,819	$ 565	$ 12,384	$ 14

See accompanying notes to condensed consolidated financial statements

Item 1. Financial Statements (continued)

BlackRock, Inc.
Condensed Consolidated Statements of Cash Flows
(Dollar amounts in millions)
(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash flows from operating activities		
Net income	$ 62	$ 246
Adjustments to reconcile net income to cash from operating activities:		
Depreciation and other amortization	57	59
Amortization of deferred mutual fund sales commissions	27	30
Stock-based compensation	82	70
Deferred income tax expense (benefit)	(44)	(42)
Net (gains) losses on non-trading investments	48	(10)
Purchases of investments within consolidated funds	(21)	7
Proceeds from sale and maturities of investments within consolidated funds	152	34
(Earnings) losses from equity method investees	114	10
Distributions of earnings from equity method investees	4	10
Other adjustments	2	—
Changes in operating assets and liabilities:		
Accounts receivable	(51)	(245)
Due from related parties	163	(79)
Deferred mutual fund sales commissions	(12)	(25)
Investments, trading	(74)	110
Other assets	(13)	(20)
Accrued compensation and benefits	(599)	(667)
Accounts payable and accrued liabilities	(10)	328
Due to related parties	7	(3)
Other liabilities	(20)	57
Cash flows from operating activities	(126)	(130)
Cash flows from investing activities		
Purchases of investments	(9)	(138)
Proceeds from sales and maturities of investments	126	27
Purchases of assets held for sale	(1)	—
Return of capital from equity method investees	4	2
Purchases of property and equipment	(16)	(25)
Cash flows from investing activities	104	(134)

BlackRock, Inc.
Condensed Consolidated Statements of Cash Flows (continued)
(Dollar amounts in millions)
(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash flows from financing activities		
Cash dividends paid	(105)	(104)
Proceeds from of stock options exercised	1	5
Reissuance of treasury stock	1	1
Purchases of common stock	(39)	(36)
Net (redemptions/distributions paid)/subscriptions received from non-controlling interests holders	(134)	2
Excess tax benefit from stock-based compensation	3	20
Net borrowings/(repayments of borrowings) by consolidated sponsored investment funds	72	(93)
Cash flows from financing activities	(201)	(205)
Effect of exchange rate changes on cash and cash equivalents	(16)	7
Net decrease in cash and cash equivalents	(239)	(462)
Cash and cash equivalents, beginning of period	2,032	1,656
Cash and cash equivalents, end of period	$ 1,793	$ 1,194
Supplemental cash flow information:		
Cash paid for interest	$ 26	$ 29
Cash paid for income taxes	$ 133	$ 58
Supplemental non-cash flow information:		
Issuance of treasury stock	$ 62	$ 74

See accompanying notes to condensed consolidated financial statements.

BlackRock, Inc.
Notes to Condensed Consolidated Financial Statements
(Dollar amounts in millions, except per share data)
(unaudited)

BlackRock, Inc. and its subsidiaries ("BlackRock" or the "Company") provide diversified investment management services to institutional clients and individual investors through various investment vehicles. Investment management services primarily consist of the active management of fixed income, cash management and equity client accounts, the management of a number of open-end and closed-end mutual fund families and other non-U.S. equivalent retail products serving the institutional and retail markets, and the management of alternative funds developed to serve various customer needs. In addition, BlackRock provides market risk management, financial markets advisory and enterprise investment system services to a broad base of clients. Financial markets advisory services include valuation services relating to illiquid securities, dispositions and workout assignments (including long-term portfolio liquidation assignments), risk management and strategic planning and execution.

In September 2006, Merrill Lynch & Co., Inc. ("Merrill Lynch") contributed the entities and net assets that constituted its investment management business (the "MLIM Business") to BlackRock via a capital contribution, referred to as the "MLIM Transaction", and in October 2007, BlackRock acquired certain assets and assumed certain liabilities of the fund of funds business of Quellos Group, LLC ("Quellos"), referred to as the "Quellos Transaction".

On January 1, 2009, Bank of America Corporation ("Bank of America") acquired Merrill Lynch, which continues as a subsidiary of Bank of America. In connection with this transaction, BlackRock entered into exchange agreements with each of Merrill Lynch and The PNC Financial Services Group, Inc. ("PNC") pursuant to which on February 27, 2009 each exchanged a portion of the BlackRock common stock it held for an equal number of shares of non-voting preferred stock. (See Note 12, Capital Stock, for more details on these transactions.)

1. Significant Accounting Policies

Basis of Presentation

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and include the accounts of the Company and its controlled subsidiaries. Non-controlling interests include the portion of consolidated sponsored investment funds in which the Company does not have direct equity ownership. All significant accounts and transactions between consolidated entities have been eliminated.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Certain financial information that normally is included in annual financial statements, including certain financial statement footnotes, is not required for interim reporting purposes and has been condensed or omitted herein. These financial statements should be read in conjunction with the Company's consolidated financial statements and notes related thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the Securities and Exchange Commission ("SEC") on March 2, 2009.

Item 1. Financial Statements (continued)

1. Significant Accounting Policies (continued)

Basis of Presentation (continued)

The interim financial information at March 31, 2009 and for the three months ended March 31, 2009 and 2008 is unaudited. However, in the opinion of management, the interim information includes all normal recurring adjustments necessary for the fair presentation of the Company's results for the periods presented. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year. Certain prior year amounts have been restated or reclassified to conform to 2009 presentation including those required by the retrospective adoptions of Financial Accounting Standards Board ("FASB") issued Staff Position ("FSP") APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)* ("FSP APB 14-1"), FSP Emerging Issues Task Force ("EITF") 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*, and Statement of Financial Accounting Standards ("SFAS") No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51* ("SFAS No. 160"). For more information please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the SEC on March 2, 2009.

Fair Value Measurements

BlackRock adopted SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157") as of January 1, 2008, which requires, among other things, enhanced disclosures about investments that are measured and reported at fair value. SFAS No. 157 establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Level 1, 2, and 3 inputs, as defined). The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Additionally, companies are required to provide enhanced disclosure regarding instruments in the Level 3 category (which have inputs to the valuation techniques that are unobservable and require significant management judgment), including a reconciliation of the beginning and ending balances separately for each major category of assets and liabilities.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs - Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date. Level 1 assets include listed mutual funds, equities and certain debt securities.

Level 2 Inputs - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Assets which generally are included in this category may include short-term floating rate notes and asset-backed securities held by consolidated sponsored cash management funds, securities held within consolidated hedge funds, certain limited partnership interests in hedge funds in which the valuations for substantially all of the investments within the fund are based upon Level 1 or Level 2 inputs, as well as restricted public securities valued at a discount.

Level 3 Inputs - Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets included in this category generally include general and limited partnership interests in private equity funds, funds of private equity funds, real estate funds, hedge funds, and funds of hedge funds and certain held for sale real estate assets.

1. Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fair Value Measurements (continued)

Level 3 inputs include BlackRock capital accounts for its partnership interests in various alternative investments, including distressed credit hedge funds, real estate and private equity. The various partnerships are investment companies which record their underlying investments at fair value based on fair value policies established by management of the underlying fund. Fair value policies at the underlying fund generally require the fund to utilize pricing/valuation information, including independent appraisals, from third party sources, however, in some instances current valuation information, for illiquid securities or securities in markets that are not active, may not be available from any third party source or fund management may conclude that the valuations that are available from third party sources are not reliable. In these instances fund management may perform model-based analytical valuations that may be used to value these investments.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Classification and Measurement of Redeemable Securities

EITF Topic No. D-98, *Classification and Measurement of Redeemable Securities*, requires temporary equity classification for instruments that are currently redeemable or convertible for cash or other assets at the option of the holder. At March 31, 2009 and December 31, 2008 the Company determined that $134 and $266, respectively, of non-controlling interests related to certain consolidated sponsored investment funds were redeemable for cash or other assets, resulting in temporary equity classification on the condensed consolidated statements of financial condition. The amount of temporary equity related to convertible instruments is measured as the excess of the amount of cash required to be exchanged in a hypothetical settlement, as of the balance sheet date, over the current carrying amount of the liability component. During the three months ended March 31, 2009, the 2.625% convertible debentures became convertible at the option of the holders into cash and shares of the Company's common stock. The amount of cash required to be paid out in a hypothetical settlement exceeded the current carrying amount of the liability component by $3, which was classified as temporary equity - convertible debentures on the condensed consolidated statement of financial condition.

Assets and Liabilities to be Disposed of by Sale

In the course of the business of establishing real estate and private equity sponsored investment funds, the Company may purchase land, properties and third party private equity funds while incurring liabilities directly associated with the assets, together a disposal group, with the intention to sell the disposal group to sponsored investment funds upon their launch. In accordance with the provisions of SFAS No. 144, *Accounting for the Impairment or Disposal of Long-lived Assets*, the Company treats these assets and liabilities as a "disposal group", measured at the lower of the carrying amount or fair value. Losses are recognized for any initial or subsequent write-down to fair value and gains are recognized for any subsequent increase in fair value, but not in excess of the cumulative loss previously recognized.

At March 31, 2009, the Company held disposal group assets of $51 and related liabilities of $50 in other assets and other liabilities, respectively, on its condensed consolidated statement of financial condition. Disposal group liabilities include approximately $48 of borrowings directly associated with the disposal group assets. During the three months ended March 31, 2009, the Company recorded a net loss of $1 within non-operating income (expense) on its condensed consolidated statement of income related to the disposal group.

1. Significant Accounting Policies (continued)

Basis of Presentation (continued)

Accounting Policies Adopted in the Three Months Ended March 31, 2009

Fair Value Measurements

In February 2008, the FASB issued FSP FAS 157-2, *Effective Date of FASB Statement No. 157* (“FSP FAS 157-2”). FSP FAS 157-2 delays the effective date of the application of SFAS No. 157 to fiscal years beginning after November 15, 2008 for all non-financial assets and liabilities recognized or disclosed at fair value in the financial statements on a non-recurring basis. Non-recurring non-financial assets and liabilities include goodwill, indefinite-lived intangible assets, long-lived assets and finite-lived intangible assets each measured at fair value for purposes of impairment testing; asset retirement and guarantee obligations initially measured at fair value; and those assets and liabilities initially measured at fair value in a business combination or asset purchase. The adoption of the provisions of FSP FAS 157-2 on January 1, 2009 for non-recurring non-financial assets and liabilities did not have a material impact on Company’s condensed consolidated financial statements.

Non-Controlling Interests

In December 2007, the FASB issued SFAS No. 160. SFAS No. 160 establishes accounting and reporting standards for a non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary and clarifies that a non-controlling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity, separate from the parent’s equity, in the consolidated financial statements. In addition, consolidated net income should be adjusted to include the net income attributed to the non-controlling interests. The Company adopted SFAS No. 160 on January 1, 2009. SFAS No. 160 required retrospective adoption of the presentation and disclosure requirements for existing non-controlling interests. All other requirements of SFAS No. 160 are applied prospectively. The adoption of SFAS No. 160 did not impact the Company’s stockholders’ equity on the condensed consolidated statements of financial condition.

Business Combinations

In December 2007, the FASB issued SFAS No. 141 (revised), *Business Combinations*, and in April 2009, the FASB issued FSP 141(R)-1, *Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise From Contingencies,* together (“SFAS No. 141(R)”). SFAS No. 141(R) replaces SFAS No. 141, *Business Combinations* (“SFAS No. 141”), while retaining the fundamental requirements of SFAS No. 141 that the acquisition method of accounting (the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. SFAS No. 141(R) further defines the acquirer, establishes the acquisition date and broadens the scope of transactions that qualify as business combinations.

1. Significant Accounting Policies (continued)

Accounting Policies Adopted in the Three Months Ended March 31, 2009

Business Combinations (continued)

Additionally, SFAS No. 141(R) changes the fair value measurement provisions for assets acquired, liabilities assumed and any non-controlling interest in the acquiree, provides guidance for the measurement of fair value in a step acquisition, changes the requirements for recognizing assets acquired and liabilities assumed subject to contingencies, provides guidance on recognition and measurement of contingent consideration and requires that acquisition-related costs of the acquirer generally be expensed as incurred. Liabilities for unrecognized tax benefits related to tax positions assumed in business combinations that settled prior to the adoption of SFAS No. 141 (R), affected goodwill. If such liabilities reverse subsequent to the adoption of SFAS No. 141(R), such reversals will affect the income tax provision in the period of reversal. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company adopted SFAS No. 141(R) on January 1, 2009. The adoption of SFAS No. 141(R) did not materially impact the Company's condensed consolidated financial statements.

Disclosures about Derivative Instruments

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities – an amendment of SFAS No. 133* ("SFAS No. 161"). SFAS No. 161 expands the disclosure requirements for derivative instruments and hedging activities. SFAS No. 161 specifically requires enhanced disclosures addressing: a) how and why an entity uses derivative instruments, b) how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations and c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. SFAS No. 161 is effective for fiscal years and interim periods beginning after November 15, 2008. The adoption on January 1, 2009 of the additional disclosure requirements of SFAS No. 161 did not materially impact the Company's condensed consolidated financial statements.

Useful Life of Intangible Assets

In April 2008, the FASB issued FSP FAS 142-3, *Determination of the Useful Life of Intangible Assets* ("FSP FAS 142-3"). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets* ("SFAS No. 142"). FSP FAS 142-3 requires that an entity shall consider its own experience in renewing similar arrangements. FSP FAS 142-3 is intended to improve the consistency between the useful life of an intangible asset determined under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141(R) and other GAAP. FSP FAS 142-3 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption on January 1, 2009 of FSP FAS 142-3 did not materially impact the Company's condensed consolidated financial statements.

1. Significant Accounting Policies (continued)

Accounting Policies Adopted in the Three Months Ended March 31, 2009

Meaning of Indexed to a Company's Own Stock

In June 2008, the FASB issued EITF No. 07-5, *Determining Whether an Instrument (or Embedded Feature) is Indexed to an Entity's Own Stock* ("EITF 07-5"). EITF 07-5 provides guidance for determining whether an equity-linked financial instrument (or embedded feature) is indexed to an entity's own stock. To meet the definition of "indexed to its own stock," an instrument's contingent exercise provisions must not be based on an observable market other than the market for the issuer's stock, and its settlement amount must be based only on those variables that are inputs to the fair value of a "fixed-for-fixed" forward or option on an entity's equity shares. EITF 07-5 was adopted on January 1, 2009 and did not change the classification or measurement of the Company's financial instruments.

Convertible Debt Instruments

In May 2008, the FASB issued FSP APB 14-1. FSP APB 14-1 specifies that for convertible debt instruments that may be settled in cash upon conversion, issuers of such instruments should separately account for the liability and equity components in the statement of financial condition. The excess of the initial proceeds of the convertible debt instrument over the amount allocated to the liability component creates a debt discount which should be amortized as interest expense over the expected life of the liability. FSP APB 14-1 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008 and is to be applied retrospectively. At December 31, 2008 the Company had $249 principal amount of convertible debentures outstanding, which were issued in February 2005, bear interest at a rate of 2.625%, and are due in 2035. The Company retrospectively adopted FSP APB 14-1 on January 1, 2009. The effective borrowing rate for nonconvertible debt at the time of issuance of the 2.625% convertible debentures was estimated to be 4.3%, which resulted in $18 of the $250 aggregate principal amount of the debentures issued, or $12 after taxes, being attributable to equity. At December 31, 2008, $4 of the initial $18 debt discount remained unamortized, and is expected to be amortized to the first put date of the convertible debentures in February 2010. The Company recognized approximately $1 of additional interest expense in each of the three months ended March 31, 2009 and 2008. Upon adoption of FSP ABP 14-1, the total cumulative impact to retained earnings at December 31, 2008 was a $9 reduction.

See below for retrospective EPS impact for the three months ended March 31, 2008 of adopting FSP APB 14-1.

1. Significant Accounting Policies (continued)

Accounting Policies Adopted in the Three Months Ended March 31, 2009

Earnings Per Share

In June 2008, the FASB issued FSP EITF 03-6-1 which specifies that all outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends or dividend equivalents are considered participating securities and should be included in the computation of EPS pursuant to the two-class method as defined in SFAS No. 128, *Earnings per Share*. FSP EITF 03-6-1 is effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. All prior period EPS data presented must be adjusted retrospectively. Prior to 2009, the Company awarded restricted stock and restricted stock units with nonforfeitable dividend equivalent rights. Restricted stock and restricted stock units awarded in 2009 are not considered participating securities as dividend equivalents are subject to forfeiture prior to vesting of the award. The Company adopted FSP EITF 03-6-1 on January 1, 2009. See below for the retrospective EPS impact for the three months ended March 31, 2008 of adopting FSP EITF 03-6-1.

EPS Impact of Adoption of FSP APB 14-1, FSP EITF 03-6-1 and SFAS No. 160

The following table illustrates the effect on net income attributable to BlackRock, Inc. and earnings per share upon retrospective application of FSP APB 14-1, FSP EITF 03-6-1 and SFAS No. 160 during the three months ended March 31, 2008.

	Three Months Ended March 31, 2008
Net income, as previously reported	$ 242
Impact of FSP APB 14-1	(1)
Net income attributable to BlackRock, Inc., as currently reported	$ 241
Earnings per share attributable to BlackRock, Inc. common stockholders:	
Basic earnings per common share, as previously reported	$ 1.87
Basic earnings per common share, as currently reported	$ 1.81
Diluted earnings per common share, as previously reported	$ 1.82
Diluted earnings per common share, as currently reported	$ 1.77

Item 1. Financial Statements (continued)

1. Significant Accounting Policies (continued)

Recent Accounting Developments

Fair Value Measurements Disclosures and Impairments of Securities:

In April 2009, the FASB issued the following three FSPs intended to provide additional application guidance and enhance disclosures regarding fair value measurements and impairments of securities:

FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments* ("FSP FAS 115-2 and FAS 124-2") amends current other-than-temporary impairment guidance in GAAP for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the financial statements. Under FSP FAS 115-2 and FAS 124-2, an other-than-temporary impairment is triggered if (1) an entity has the intent to sell the security, (2) it is more likely than not that an entity will be required to sell the security before recovery, or (3) an entity does not expect to recover the entire amortized cost basis of the security. If an entity does not intend to sell a security and it is not more likely than not that the entity will be required to sell the security, but the security has suffered a credit loss, the impairment charge will be separated into the credit loss component, which is recorded in earnings, and the remainder of the impairment charge, which is recorded in other comprehensive income. This FSP does not amend existing recognition and measurement guidance related to other-than-temporary impairments of equity securities.

FSP FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* ("FSP FAS 157-4"), provides additional guidance on determining when the volume and level of activity for the asset or liability has significantly decreased. FSP FAS 157-4 also includes guidance on identifying circumstances that indicate a transaction is not orderly.

FSP FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* ("FSP FAS 107-1 and APB 28-1"), amends SFAS. No. 107, *Disclosures about Fair Value of Financial Instruments*, to expand the required qualitative and quantitative disclosures about fair value of financial instruments to interim reporting periods for publicly traded entities. FSP FAS 107-1 and APB 28-1 also amends APB Opinion No. 28, *Interim Financial Reporting*, to require those disclosures in summarized financial information at interim reporting periods.

All three FSPs are effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The Company will adopt these FSPs in the second quarter 2009. The Company does not expect the impact of the three FSPs to have a material impact on its condensed consolidated financial statements.

Item 1. Financial Statements (continued)

2. Investments

A summary of the carrying value of total investments is as follows:

	Carrying Value	
	March 31, 2009	December 31, 2008
Available-for-sale investments	$ 97	$ 101
Trading investments	195	122
Other investments:		
Consolidated sponsored investment funds (non cash management funds)	296	349
Consolidated sponsored cash management funds	126	326
Equity method investments	402	501
Deferred compensation plan hedge fund equity method investments	21	30
Total other investments	845	1,206
Total investments	$ 1,137	$ 1,429

At March 31, 2009, the Company had $558 of total investments held by consolidated sponsored investment funds of which $136 and $422 were classified as trading investments and other investments, respectively.

2. Investments (continued)

Available-for-sale investments

A summary of the cost and carrying value of investments classified as available-for-sale, is as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Carrying Value
March 31, 2009				
Available-for-sale investments:				
Sponsored investment funds	$ 46	$ —	$ (5)	$ 41
Mortgage debt securities	42	—	(1)	41
Asset backed debt securities	7	2	(2)	7
Collateralized debt obligations (“CDOs”)	6	—	(3)	3
Corporate debt securities	5	—	(2)	3
Foreign government debt securities	2	—	—	2
Total available-for-sale investments	$108	$ 2	$ (13)	$ 97
December 31, 2008				
Available-for-sale investments:				
Sponsored investment funds	$109	$ —	$ (16)	$ 93
Collateralized debt obligations	6	—	(2)	4
Other debt securities	4	—	—	4
Total available-for-sale investments	$119	$ —	$ (18)	$ 101

The Company has reviewed the gross unrealized losses of $13 as of March 31, 2009 related to available-for-sale investments, of which $4 had been in a loss position for greater than twelve months, and determined that these unrealized losses were not other-than-temporary primarily because the Company has the ability and intent to hold the securities for a period of time sufficient to allow for recovery such unrealized losses. As a result, the Company recorded no additional impairments on such securities.

During the three months ended March 31, 2009 and 2008, the Company recorded other-than-temporary impairments of $0 and $1, related to debt securities and CDO available-for-sale investments.

Available-for-sale investments includes debt securities received upon closure of certain funds, in lieu of the Company’s remaining investment in the funds.

Item 1. Financial Statements (continued)

2. Investments (continued)

Trading and Other Investments

A summary of the cost and carrying value of trading and other investments is as follows:

	March 31, 2009		December 31, 2008	
	Cost	Carrying Value	Cost	Carrying Value
Trading investments:				
Deferred compensation plan mutual fund investments	$ 32	$ 33	$ 32	$ 29
Equity securities	103	59	109	75
Debt securities:				
Municipal debt	10	9	9	7
Foreign government debt	8	6	8	7
Corporate debt	1	1	1	1
U.S. government debt	2	2	3	3
Asset backed debt	85	85	—	—
Total trading investments	$ 241	$ 195	$ 162	$ 122
Other investments:				
Consolidated sponsored investment funds (non cash management)	$ 378	$ 296	$ 376	$ 349
Consolidated sponsored cash management funds	126	126	333	326
Equity method	763	402	752	501
Deferred compensation plan hedge fund equity method investments	38	21	39	30
Total other investments	$1,305	$ 845	$1,500	$ 1,206

Trading investments include certain deferred compensation plan mutual fund investments, equity and debt securities within certain consolidated sponsored investment funds and equity and debt securities held in separate accounts for the purpose of establishing an investment history in various investment strategies before being marketed to investors.

2. Investments (continued)

Maturity Dates

The carrying value of debt securities, classified as available-for-sale, trading investments and other investments, by maturity at March 31, 2009 and December 31, 2008 is as follows:

	Carrying Value	
Maturity date	March 31, 2009	December 31, 2008
<1 year	$ 163	$ 329
>1-5 years	94	2
>5-10 years	6	3
> 10 years	19	14
Total	$ 282	$ 348

At March 31, 2009 and December 31, 2008, the debt securities in the table above primarily consisted of floating rate notes and asset backed securities held by consolidated sponsored cash management funds and mortgage, asset backed, municipal, corporate, U.S. and foreign government debt securities a portion of which are consolidated in the Company's condensed consolidated statements of financial condition.

Impact of Consolidated Sponsored Investment Funds

The Company consolidates certain sponsored investment funds primarily because it is deemed to control such investments in accordance with GAAP. The investments that are owned by these consolidated sponsored investment funds are classified as other or trading investments. At March 31, 2009 and December 31, 2008, the following balances related to these funds were consolidated in the condensed consolidated statements of financial condition:

	March 31, 2009	December 31, 2008
Cash and cash equivalents	$ 53	$ 61
Investments	558	728
Other net assets (liabilities)	(72)	12
Non-controlling interests	(335)	(491)
Total net interests in consolidated investment funds	$ 204	$ 310

BlackRock's total exposure to consolidated sponsored investment funds of $204 and $310 at March 31, 2009 and December 31, 2008, respectively, represents the fair value of the Company's economic ownership interest in these sponsored investment funds. Valuation changes associated with these consolidated investment funds are reflected in non-operating income and non-controlling interests. Approximately $78 and $6 of borrowings by consolidated sponsored investment funds at March 31, 2009 and December 31, 2008, respectively, are included in other liabilities on the condensed consolidated statements of financial condition.

2. Investments (continued)

Impact of Consolidated Sponsored Investment Funds (continued)

The Company may not be readily able to access cash and cash equivalents held by consolidated sponsored investment funds to use in its operating activities. In addition, the Company may not be readily able to sell investments held by consolidated sponsored investment funds in order to obtain cash for use in its operations.

3. Equity Method Investments

BlackRock invests in hedge funds, funds of hedge funds, real estate funds and private equity funds to establish a performance track record or for co-investment purposes. BlackRock accounts for certain of these investments under the equity method of accounting. BlackRock's ownership percentage in its equity method investees range up to 50%.

Substantially all of BlackRock's equity method investments are investment companies which record their underlying investments at fair value. BlackRock's share of the investee's underlying net income or loss is recorded as non-operating income (expense). The Company's maximum exposure to loss is generally limited to its equity interest.

As required by SEC Regulation S-X, the following table includes summarized consolidated financial information of PCV/ST JV LLC, an equity method real estate investment of the Company:

	Three Months Ended March 31,	
	2009	2008
Income	$ 2	$ 3
Expenses	2	3
Operating loss	—	—
Net investment loss	(82)	(63)
Net loss attributable to PCV/ST JV LLC	$ (82)	$ (63)

At March 31, 2009 and 2008, BlackRock's ownership interest in PCV/ST JV LLC was 50%. BlackRock's share of the investee's underlying net income or loss is adjusted for certain items.

4. Fair Value Disclosures

Assets measured at fair value on a recurring basis at March 31, 2009 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Other Assets Not Held at Fair Value [(1)]	March 31, 2009
Assets:					
Investments:					
Available-for-sale	$ 43	$ 51	$ 3	$ —	$ 97
Trading	100	95	—	—	195
Other investments:					
Consolidated sponsored investment funds (non cash management funds)	—	8	288	—	296
Consolidated sponsored cash management fund	—	126	—	—	126
Equity method	9	—	362	31	402
Deferred compensation plan hedge fund equity method investments	—	8	13	—	21
Total investments	152	288	666	31	1, 137
Separate account assets	2,335	86	—	31	2,452
Other assets[(2)]	—	9	51	—	60
Total assets measured at fair value	$ 2,487	$ 383	$ 717	$ 62	$ 3,649
Liabilities:					
Other liabilities[(3)]	$ —	$ 2	$ 76		$ 78

(1) Comprised of equity method investments, which include investment companies, and other assets which in accordance with GAAP are not accounted for under a fair value measure. In accordance with GAAP, certain equity method investees do not account for both their financial assets and financial liabilities under fair value measures; therefore, the Company's investment in such equity method investee may not represent fair value.

(2) Includes disposal group assets and company-owned and split-dollar life insurance policies.

(3) Includes borrowings held at fair value by a consolidated sponsored investment fund and the fair value of outstanding total return swaps for the Company's seed capital hedging program.

PART I - FINANCIAL INFORMATION (continued)

Item 1. Financial Statements (continued)

4. Fair Value Disclosures (continued)

Assets measured at fair value on a recurring basis at December 31, 2008 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Other Assets Not Held at Fair Value [1]	December 31, 2008
Assets:					
Investments:					
Available-for-sale	$ 63	$ 34	$ 4	$ —	$ 101
Trading	113	9	—	—	122
Other investments:					
Consolidated sponsored investment funds (non cash management funds)	—	21	328	—	349
Consolidated sponsored cash management funds	—	326	—	—	326
Equity method	—	—	461	40	501
Deferred compensation plan hedge fund investments	—	10	20	—	30
Total investments	176	400	813	40	1,429
Separate account assets	2,461	85	4	73	2,623
Other assets[2]	—	9	64	—	73
Total assets measured at fair value	$ 2,637	$ 494	$ 881	$ 113	$ 4,125

(1) Comprised of equity method investments, which include investment companies, and other assets which in accordance with GAAP are not accounted for under a fair value measure. In accordance with GAAP, certain equity method investees do not account for both their financial assets and financial liabilities under fair value measures; therefore, the Company's investment in such equity method investee may not represent fair value.

(2) Includes disposal group assets and company-owned and split-dollar life insurance policies.

4. Fair Value Disclosures (continued)

Fair Value Measurements (continued)

A wholly-owned subsidiary of the Company is a registered life insurance company that maintains separate account assets, representing segregated funds held for purposes of funding individual and group pension contracts, and equal and offsetting separate account liabilities. At March 31, 2009 and December 31, 2008, the Level 3 separate account assets were approximately $0 and $4, respectively. The changes in Level 3 assets primarily relate to purchases, sales and gains/(losses). The net investment income and net gains and losses attributable to separate account assets accrue directly to the contract owner and are not reported as non-operating income (expense) on the condensed consolidated statements of income.

Level 3 assets, which include equity method investments and consolidated investments of real estate funds, private equity funds and funds of private equity funds, are valued based upon valuations received from internal as well as third party fund managers. Fair valuations at the underlying funds are based on a combination of methods which may include third-party independent appraisals and discounted cash flow techniques. Direct investments in private equity companies held by funds of private equity funds are valued based on an assessment of each underlying investment, incorporating evaluation of additional significant third party financing, changes in valuations of comparable peer companies, the business environment of the companies and market indices, among other factors.

Changes in Level 3 Investments Measured at Fair Value on a Recurring Basis for the Three Months Ended March 31, 2009

	Investments	Other Assets	Other Liabilities
December 31, 2008	$ 813	$ 64	$ —
Realized and unrealized gains / (losses), net	(118)	(14)	—
Purchases, sales, other settlements and issuances, net	(10)	1	76
Net transfers in and/or out of Level 3	(19)	—	—
March 31, 2009	$ 666	$ 51	$ 76
Total net (losses) for the period included in earnings attributable to the change in unrealized gains or (losses) relating to assets still held at the reporting date	$ (116)	$ (14)	—

4. Fair Value Disclosures (continued)

Fair Value Measurements (continued)

Changes in Level 3 Investments Measured at Fair Value on a Recurring Basis for the Three Months Ended March 31, 2008

	Investments
December 31, 2007	$ 1,240
Realized and unrealized gains / (losses), net	7
Purchases, sales, other settlements and issuances, net	42
Net transfers in and/or out of Level 3	—
March 31, 2008	$ 1,289
Total net (losses) for the period included in earnings attributable to the change in unrealized gains or (losses) relating to assets still held at the reporting date	$ (6)

Realized and unrealized gains and losses recorded for Level 3 investments are reported in non-operating income (expense) on the condensed consolidated statements of income. Non-controlling interest expense is recorded for consolidated investments to reflect the portion of gains and losses not attributable to the Company.

The Company transfers assets in and/or out of Level 3 as of the beginning of the period when significant inputs, including performance attributes, used for the fair value measurement become observable or when the book value of certain equity method investments no longer represent fair value as determined under fair value methodologies.

5. Variable Interest Entities ("VIEs")

In the normal course of business, the Company is the manager of various types of sponsored investment vehicles, including collateralized debt obligations and sponsored investment funds, which may be considered VIEs. The Company receives management fees or other incentive related fees for its services and may from time to time own equity or debt securities or enter into derivatives with the vehicles, each of which are considered variable interests. The Company engages in these variable interests principally to address client needs through the launch of such investment vehicles. The VIEs are primarily financed via capital contributed by equity and debt holders. The Company's involvement in financing the operations of the VIEs is limited to its equity interests, unfunded capital commitments for certain sponsored investment funds and two capital support agreements for two enhanced cash funds at December 31, 2008 and one capital support agreement at March 31, 2009, due to the closure of one of the funds in January 2009.

5. Variable Interest Entities ("VIEs") (continued)

The primary beneficiary of a VIE is the enterprise that has a variable interest (or combination of variable interests, including those of related parties) that will absorb a majority of the entity's expected losses, receive a majority of the entity's expected residual returns or both. In order to determine whether the Company is the primary beneficiary of a VIE, management must make significant estimates and assumptions of probable future cash flows and assign probabilities to different cash flow scenarios. Assumptions made in such analyses include, but are not limited to, market prices of securities, market interest rates, potential credit defaults on individual securities or default rates on a portfolio of securities, gain realization, liquidity or marketability of certain securities, discount rates and the probability of certain other outcomes.

VIE's in which BlackRock is the Primary Beneficiary

At March 31, 2009 and December 31, 2008, the Company's carrying value of assets and its maximum risk of loss related to VIEs in which it the Company was the primary beneficiary, was as follows:

As of March 31, 2009

		Maximum Risk of Loss		
	VIE Net Assets That the Company Consolidates	Equity Interests	Capital Support Agreement	Total
Sponsored enhanced cash management fund	$ 126	$ —	$ 20	$ 20
Other sponsored investment funds	58	—	—	—
Total	$ 184	$ —	$ 20	$ 20

As a result of consolidating three private investment funds, at March 31, 2009, the Company recorded $184 of net assets, primarily investments and cash and cash equivalents. These net assets were offset by $190 of non-controlling interests which reflect the equity ownership of third parties, on the Company's condensed consolidated statements of financial condition. For the period ended March 31, 2009, the Company recorded a non-operating expense of $12 offset by a $12 net loss attributable to non-controlling interests on its condensed consolidated statements of income.

The maximum risk of loss related to the capital support agreement in the table above reflects the Company's total obligation under the capital support agreement with one enhanced cash fund. The fair value of the Company's obligation related to the remaining capital support agreement recorded at March 31, 2009 was $6.

5. **Variable Interest Entities (continued)**

As of December 31, 2008

	VIE Net Assets That the Company Consolidates	Maximum Risk of Loss: Equity Interests	Capital Support Agreements	Total
Sponsored enhanced cash management funds	$ 328	$ 88	$ 45	$133
Other sponsored investment funds	55	—	—	—
Total	$ 383	$ 88	$ 45	$133

As a result of consolidating three private investment funds, at December 31, 2008, the Company recorded $383 of net assets, primarily investments and cash and cash equivalents. These net assets were offset by $319 of non-controlling interests which reflect the equity ownership of third parties, on its condensed consolidated statements of financial condition.

The maximum risk of loss related to the capital support agreements in the table above reflect the Company's total obligation under the capital support agreements with the two enhanced cash funds. The fair value of the Company's obligation related to the two capital support agreements recorded at December 31, 2008 was $18.

VIEs in which BlackRock holds significant variable interests or is the sponsor that holds a variable interest but is not the Primary Beneficiary of the VIE

At March 31, 2009 and December 31, 2008, the Company's carrying value of assets and liabilities and its maximum risk of loss related to VIEs in which it holds a significant variable interest or is the sponsor that holds a variable interest, but for which it was not the primary beneficiary, was as follows:

As of March 31, 2009

	VIE Assets That the Company Does Not Consolidate	VIE Liabilities That the Company Does Not Consolidate	Variable Interests on the Condensed Statement of Financial Condition: Investments	Receivables	Other Net Assets (Liabilities)	Maximum Risk of Loss
CDOs	$ 5,822	$ 14,210	$ 3	$ 4	$ (1)	$ 23
Sponsored cash management funds	1,149	—	—	—	—	—
Other sponsored investment funds	5,719	456	12	10	—	22
Total	$ 12,690	$ 14,666	$ 15	$ 14	$ (1)	$ 45

5. Variable Interest Entities (continued)

The assets of the VIEs are primarily comprised of cash and cash equivalents and investments and the liabilities are primarily comprised of debt obligations (CDO debt holders) and various accruals.

At March 31, 2009, BlackRock's maximum risk of loss associated with these VIEs primarily relates to: (i) BlackRock's equity investments, (ii) management fee receivables and (iii) the credit protection sold by BlackRock in a synthetic CDO transaction.

As of December 31, 2008

			Variable Interests on the Condensed Statement of Financial Condition			
	VIE Assets That the Company Does Not Consolidate	VIE Liabilities That the Company Does Not Consolidate	Investments	Receivables	Other Net Assets (Liabilities)	Maximum Risk of Loss
CDOs	$ 6,660	$ 14,487	$ 4	$ 5	$ (1)	$ 25
Sponsored cash management funds	733	—	—	—	—	—
Other sponsored investment funds	5,813	440	9	9	(6)	18
Total	$ 13,206	$ 14,927	$ 13	$ 14	$ (7)	$ 43

The assets of the VIEs are primarily comprised of cash and cash equivalents and investments and the liabilities are primarily comprised of debt obligations (CDO debt holders) and various accruals.

At December 31, 2008, BlackRock's maximum risk of loss associated with these VIEs primarily relates to: (i) BlackRock's equity investments, (ii) management fee receivables and (iii) the credit protection sold by BlackRock in a synthetic CDO transaction.

6. Derivatives and Hedging

For the three months ended March 31, 2009 and 2008, the Company did not hold any derivatives designated in a formal hedge relationship under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended.

During first quarter 2009 and 2008, the Company was a counterparty to a series of total return swaps to economically hedge against changes in fair value of certain investments in sponsored investment products. At March 31, 2009, the outstanding total return swaps had an aggregate notional value of approximately $39 and net realized and change in unrealized gains of approximately $5 and $9 for the three months ended March 31, 2009 and 2008, respectively, which were included in non-operating income (expense) in the Company's condensed consolidated statements of income. At March 31, 2009, a $2 unrealized loss is included in other liabilities on the condensed consolidated statement of financial condition.

In December 2007, BlackRock entered into capital support agreements, up to $100, with two enhanced cash funds. These capital support agreements were backed by letters of credit issued under BlackRock's revolving credit facility. In December 2008, the capital support agreements were modified to be up to $45 and were no longer backed by the letters of credit. In January 2009, one capital support agreement was terminated, due to the closure of the related fund, leaving only one capital support agreement, with a total $20 potential obligation outstanding. During the three months ended March 31, 2009, the Company provided approximately $3 of capital contributions to the remaining fund under the capital support agreement. At March 31, 2009 and December 31, 2008, the derivative liability for the fair value of the capital support agreements for two funds totaled approximately $6 and $18, respectively. The fair value of these liabilities will increase or decrease as BlackRock's obligation under the guarantee fluctuates based on the fair value of the derivative. Upon the closure of one fund, the liability decreased $6, while the change in the remaining liability is included in general and administration expenses. Due to consolidation of the one fund at March 31, 2009, the derivative liability was eliminated against the receivable recorded by the fund on the condensed consolidated statements of financial condition.

7. Goodwill

Goodwill at March 31, 2009 and changes during the three months ended March 31, 2009 were as follows:

December 31, 2008	$5,533
Goodwill adjustments related to:	
Quellos	203
March 31, 2009	$5,736

During the three months ended March 31, 2009, the Company increased goodwill by $203. The increase relates to the $208 accrual of a purchase price liability, recorded in other liabilities, related to the first contingent payment in connection with the Quellos Transaction, offset by a $5 decline related to tax benefits realized from tax-deductible goodwill in excess of book goodwill. At March 31, 2009, the balance of the Quellos tax-deductible goodwill in excess of book goodwill was approximately $400. Goodwill will continue to be reduced in future periods by the amount of tax benefits realized from tax-deductible goodwill in excess of book goodwill.

8. Intangible Assets

The carrying amounts of identifiable intangible assets are summarized as follows:

	Indefinite-lived intangible assets	Finite-lived intangible assets	Total
December 31, 2008	$ 5,378	$ 1,063	$6,441
Amortization expense	—	(36)	(36)
March 31, 2009	$ 5,378	$ 1,027	$6,405

9. Borrowings

Short-Term Borrowings

In August 2007, the Company entered into a five-year $2,500 unsecured revolving credit facility ("the 2007 facility"), which permits the Company to request an additional $500 of borrowing capacity, subject to lender approval, up to a maximum of $3,000. The 2007 facility requires the Company not to exceed a maximum leverage ratio (ratio of net debt to earnings before interest, taxes, depreciation and amortization, where net debt equals total debt less domestic unrestricted cash) of 3 to 1, which was satisfied at March 31, 2009.

At March 31, 2009, the Company had $200 outstanding under the 2007 facility with an interest rate of 0.67% and a maturity date during April 2009. During April 2009, the Company rolled over the $200 in borrowings to an interest rate of 0.59% and a maturity date during May 2009.

Lehman Commercial Paper, Inc. has a $140 participation under the 2007 facility; however, BlackRock does not expect that Lehman Commercial Paper, Inc. will honor its commitment to fund additional amounts.

Bank of America, a related party, has a $140 participation under the 2007 facility.

In June 2008, BlackRock Japan Co., Ltd., a wholly owned subsidiary of the Company, entered into a five billion Japanese yen commitment-line agreement with a banking institution (the "Japan Commitment-line"). The term of the Japan Commitment-line is one year and interest will accrue at the applicable Japanese short-term prime rate. The Japan Commitment-line is intended to provide liquidity flexibility for operating requirements in Japan. At March 31, 2009, the Company had no borrowings outstanding under the Japan Commitment-line.

Convertible Debentures

The carrying value of the convertible debentures included the following:

	March 31, 2009	December 31, 2008
2.625% Convertible debentures due in 2035		
Maturity amount	$ 249	$ 249
Unamortized discount	(3)	(4)
Total	$ 246	$ 245

In the three months ended March 31, 2009 and March 31, 2008, the Company recognized $3 and $3, respectively of interest expense, comprised in both periods of $2 related to the coupon and $1 related to amortization of the discount.

At March 31, 2009, the estimated fair value of the convertible debentures was $338, which was estimated using a market price at March 31, 2009.

9. Borrowings (continued)

Long-Term Borrowings

The carrying value of long-term borrowings included the following:

	March 31, 2009	December 31, 2008
6.25% Senior notes due in 2017		
Maturity amount	$ 700	$ 700
Unamortized discount	(5)	(5)
Total long-term senior notes	695	695
Other long-term borrowings	2	2
Total long-term borrowings	$ 697	$ 697

At March 31, 2009, the estimated fair value of the senior notes was $609, which was estimated using an applicable bond index at March 31, 2009.

10. Related Party Transactions

At March 31, 2009, the Company was committed to provide financing of up to $60, until March 2010, to Anthracite Capital, Inc. (“Anthracite”), a specialty commercial real estate finance company that is managed by a subsidiary of BlackRock. The financing is collateralized by Anthracite pledging its ownership interest in an investment fund which is also managed by a subsidiary of BlackRock. At March 31, 2009, $33.5 of financing was outstanding at an interest rate of 4.6% which matures in July 2009 and may be repaid and reborrowed and was included in due from related parties on the Company’s condensed consolidated statement of financial condition. Based on the value of the collateral and the borrowings outstanding of such date, the Company has no obligation to loan new amounts to Anthracite under this facility. The Company and other creditors of Anthracite have granted temporary waivers for certain breaches of financial covenants of Anthracite’s credit facilities.

In July 2008, the Company entered into an amended and restated stockholder agreement and an amended and restated global distribution agreement with Merrill Lynch.

These changes to the stockholder agreement with Merrill Lynch, among other items, (i) provide Merrill Lynch with additional flexibility to form or acquire asset managers substantially all of the business of which is devoted to non-traditional investment management strategies such as short selling, leverage, arbitrage, specialty finance and quantitatively-driven structured trades; (ii) expand the definition of change in control of Merrill Lynch to include the disposition of two-thirds or more of its Global Private Client business; (iii) extend the general termination date to the later of July 16, 2013 or the date Merrill Lynch’s beneficial ownership of BlackRock voting securities falls below 20%; and (iv) clarify certain other provisions in the agreement.

10. Related Party Transactions (continued)

The changes in the global distribution agreement in relation to the prior agreement, among other things, (i) provide for an extension of the term to five years from the date of a change in control of Merrill Lynch (to January 1, 2014 following Bank of America's acquisition of Merrill Lynch) and one automatic 3-year extension if certain conditions are satisfied; (ii) strengthen the obligations of Merrill Lynch to achieve revenue neutrality across the range of BlackRock products distributed by Merrill Lynch if the pricing or structure of particular products is required to be changed; (iii) obligate Merrill Lynch to seek to obtain distribution arrangements for BlackRock products from buyers of any portion of its distribution business on the same terms as the global distribution agreement for a period of at least 3 years; and (iv) restrict the manner in which products managed by alternative asset managers in which Merrill Lynch has an interest may be distributed by Merrill Lynch.

In connection with the closings under the exchange agreements, see Note 12, Capital Stock, on February 27, 2009 BlackRock entered into a second amended and restated stockholder agreement with Merrill Lynch and an amended and restated implementation and stockholder agreement with PNC, and a third amendment to the share surrender agreement with PNC.

The changes contained in the amended and restated stockholder agreement with Merrill Lynch, in relation to the prior agreement, among other things, (i) revised the definitions of "Fair Market Value," "Ownership Cap" and "Significant Stockholder"; and (ii) amended or supplemented certain other definitions and provisions therein to incorporate series B preferred stock and series C preferred stock, respectively. The changes contained in the amended and restated stockholder agreement with PNC, in relation to the prior agreement, among other things, (i) revised the definitions of "Fair Market Value," "Ownership Cap," "Ownership Percentage," "Ownership Threshold" and "Significant Stockholder"; and (ii) amended or supplemented certain other provisions therein to incorporate series B preferred stock and series C preferred stock, respectively.

The amendment to the share surrender agreement provides for the substitution of series C preferred stock for the shares of common stock currently subject to the share surrender agreement.

11. Restructuring Charges

During the three months ended March 31, 2009 the Company continued to reduce its workforce globally. This action was the result of a business reengineering efforts designed to streamline operations, enhance competitiveness and better position the Company in the asset management marketplace. The Company recorded a pre-tax restructuring charge of $22 ($14 after-tax) for the three months ended March 31, 2009. This charge was comprised of $15 of severance and associated outplacement costs, $4 of property costs associated with the lease payments for the remaining term in excess of the estimated sublease proceeds and $3 of expenses related to the accelerated amortization of previously granted stock-based compensation awards.

The following table presents a rollforward of the Company's restructuring liability, which is included within other liabilities on the Company's condensed consolidated statements of financial condition.

Liability as of December 31, 2008	$ 21
Additions	22
Cash payments	(16)
Non-cash charges	(3)
Liability as of March 31, 2009	$ 24

12. Capital Stock

On January 1, 2009, Bank of America acquired Merrill Lynch. In connection with this transaction, BlackRock entered into exchange agreements with each of Merrill Lynch and PNC pursuant to which each agreed to exchange a portion of the BlackRock common stock it held for an equal number of shares of non-voting participating preferred stock. On February 27, 2009, Merrill Lynch exchanged (i) 49,865,000 shares of BlackRock's common stock for a like number of shares of BlackRock's series B non-voting participating preferred stock, and (ii) 12,604,918 shares of BlackRock's series A preferred stock for a like number of shares of series B preferred stock, and PNC exchanged (i) 17,872,000 shares of BlackRock's common stock for a like number of shares of series B preferred stock and (ii) 2,889,467 shares of BlackRock's common stock for a like number of shares of BlackRock's series C non-voting participating preferred stock. On March 31, 2009, Bank of America/Merrill Lynch owned approximately 4.8% of BlackRock's voting common stock and 47.4% of BlackRock's capital stock on a fully diluted basis, and PNC owned approximately 46.4% of BlackRock's voting common stock and 31.5% of BlackRock's capital stock on a fully diluted basis.

Below is a summary description of the series B and C preferred stock issued in the exchanges.

The series B non-voting participating preferred stock:

- is non-voting except as otherwise provided by applicable law;
- participates in dividends on a basis generally equal to the common stock;
- benefits from a liquidation preference of $0.01 per share; and
- is mandatorily convertible to BlackRock common stock upon transfer to an unrelated party.

The series C non-voting participating preferred stock:

- is non-voting except as otherwise provided by applicable law;
- participates in dividends on a basis generally equal to the common stock;
- benefits from a liquidation preference of $40.00 per share; and
- is only convertible to BlackRock common stock upon the termination of the obligations of PNC under its share surrender agreement with BlackRock.

12. Capital Stock (continued)

At March 31, 2009 and December 31, 2008, BlackRock had 20,000,000 series A non-voting participating preferred shares, $0.01 par value, authorized. At March 31, 2009, BlackRock had 150,000,000 series B non-voting participating preferred shares, $0.01 par value, authorized. At March 31, 2009, BlackRock had 6,000,000 series C non-voting participating preferred shares, $0.01 par value, authorized.

The Company's common and preferred shares issued and outstanding and related activity consist of the following:

	Shares Issued						Shares Outstanding			
	Common Shares	Escrow Shares	Treasury Shares	Preferred Shares Series A	Preferred Shares Series B	Preferred Shares Series C	Common Shares	Preferred Shares Series A	Preferred Shares Series B	Preferred Shares Series C
December 31, 2008	118,573,367	(911,266)	(370,991)	12,604,918	—	—	117,291,110	12,604,918	—	—
Issuance of common stock	354,835	—	—	—	—	—	354,835	—	—	—
Exchange of preferred shares series A for preferred shares series B	—	—	—	(12,604,918)	12,604,918	—	—	(12,604,918)	12,604,918	—
Exchange of common stock for preferred shares series B	(67,737,000)	—	—	—	67,737,000	—	(67,737,000)	—	67,737,000	—
Exchange of common stock for preferred shares series C	(2,889,467)	—	—	—	—	2,889,467	(2,889,467)	—	—	2,889,467
PNC capital contribution	—	—	(51,399)	—	—	—	(51,399)	—	—	—
Treasury stock transactions	—	—	193,020	—	—	—	193,020	—	—	—
March 31, 2009	48,301,735	(911,266)	(229,370)	—	80,341,918	2,889,467	47,161,099	—	80,341,918	2,889,467

13. Commitments and Contingencies

Commitments

Investment / Loan Commitments

At March 31, 2009, the Company had approximately $280 of investment commitments relating primarily to funds of private equity funds, real estate funds and hedge funds. Amounts to be funded generally are callable at any point prior to the expiration of the commitment.

Legal Proceedings

From time to time, BlackRock receives subpoenas or other requests for information from various U.S. federal, state governmental and regulatory authorities in connection with certain industry-wide or other investigations or proceedings. It is BlackRock's policy to fully cooperate with such inquiries. The Company and certain of its subsidiaries have been named as defendants in various legal actions, including arbitrations and other litigation arising in connection with BlackRock's activities. Additionally, certain of the investment funds that the Company manages are subject to lawsuits, any of which could potentially harm the investment returns of the applicable fund or result in the Company being liable to the funds for any resulting damages.

Management, after consultation with legal counsel, currently does not anticipate that the aggregate liability, if any, arising out of regulatory matters or lawsuits will have a material adverse effect on BlackRock's earnings, financial position, or cash flows although, at the present time, management is not in a position to determine whether any such pending or threatened matters will have a material adverse effect on BlackRock's results of operations in any future reporting period.

13. Commitments and Contingencies (continued)

Indemnifications

In the ordinary course of business, BlackRock enters into contracts pursuant to which it may agree to indemnify third parties in certain circumstances. The terms of these indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined.

Under the Transaction Agreement in the MLIM Transaction, the Company has agreed to indemnify Merrill Lynch for losses it may incur arising from (1) any alleged or actual breach, failure to comply, violation or other deficiency with respect to any regulatory or fiduciary requirements relating to the operation of BlackRock's business, (2) any fees or expenses incurred or owed by BlackRock to any brokers, financial advisors or comparable other persons retained or employed by BlackRock in connection with the MLIM Transaction, and (3) certain specified tax covenants.

Management believes that the likelihood of any liability arising under these indemnification provisions is remote. Management cannot estimate any potential maximum exposure due both to the remoteness of any potential claims and the fact that items that would be included within any such calculated claim would be beyond the control of BlackRock. Consequently, no liability has been recorded on the condensed consolidated statements of financial condition.

Contingent Payments Related to Quellos Transaction

On October 1, 2007, the Company acquired the fund of funds business of Quellos. Quellos may be entitled to receive two contingent payments upon achieving certain investment advisory revenue measures through December 31, 2010, totaling up to an additional $969 in a combination of cash and stock. The first contingent payment, of up to $374, is payable in 2009, up to 25% in BlackRock common stock and the remainder in cash. The second contingent payment, of up to $595 is payable in cash in 2011. Quellos may also be entitled to a "catch-up" payment if certain performance measures are met in 2011 to the extent that the value of the first contingent payment is less than $374.

At March 31, 2009, the Company estimated the first contingent payment to be $228, of which $11 was paid in cash during 2008. Of the remaining $217, $163 will be paid in cash and $54 in common stock, or approximately 345,000 shares converted at a price of $157.33, the 10 trading day average prior to the announcement of the Quellos Transaction. At March 31, 2009, the Company recorded a liability of $208 equal to the $163 to be paid in cash and $45 to be paid in common shares, which represents the fair value of the shares at March 31, 2009.

14. Stock-Based Compensation

The components of the Company's stock-based compensation expense are comprised of the following:

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Stock-based compensation:		
Restricted stock and restricted stock units ("RSUs")	$ 64	$ 51
Stock options	3	4
Long-term incentive plans funded by PNC	15	15
Total stock-based compensation	$ 82	$ 70

Stock Options

Options outstanding at March 31, 2009 and changes during the three months ended March 31, 2009 were as follows:

Outstanding at	Shares Under Option	Weighted Average Exercise Price
December 31, 2008	3,140,517	$ 88.82
Exercised	(47,900)	$ 30.80
March 31, 2009	3,092,617	$ 89.72

The aggregate intrinsic value of options exercised during the three months ended March 31, 2009 was $4.

At March 31, 2009, the Company had $29 in unrecognized stock-based compensation expense related to unvested stock options. The unrecognized compensation cost is expected to be recognized over a remaining weighted-average period of 2.5 years.

14. Stock-Based Compensation (continued)

Restricted Stock and RSUs

Restricted stock and RSU activity at March 31, 2009 and changes during the three months ended March 31, 2009 were as follows:

Outstanding at	Unvested Restricted Stock and Units	Weighted Average Grant Date Fair Value
December 31, 2008	4,603,953	$ 174.24
Granted	1,819,352	$ 117.26
Converted	(803,835)	$ 179.65
Forfeited	(39,654)	$ 171.28
March 31, 2009	5,579,816	$ 154.90

The Company values restricted stock and RSUs at their grant-date fair value as measured by BlackRock's common stock price.

In January 2009, the Company granted 23,417 RSUs as long-term incentive compensation, which will be partially funded by shares currently held by PNC (see *Long-Term Incentive Plans Funded by PNC* below). The awards cliff vest five years from the date of grant.

In January 2009, the Company granted 1,789,685 RSUs to employees as part of annual incentive compensation under the BlackRock, Inc. 1999 Stock Award and Incentive Plan (the "Award Plan") that vest ratably over three years from the date of grant.

At March 31, 2009, there was $530 in total unrecognized compensation cost related to unvested restricted stock and RSUs. The unrecognized compensation cost is expected to be recognized over the remaining weighted average period of 2.2 years.

Long-Term Incentive Plans Funded by PNC

Under a share surrender agreement, PNC committed to provide up to 4,000,000 shares of BlackRock common stock, held by PNC, to fund certain BlackRock long-term incentive plans ("LTIP").

During 2007, the Company granted additional long-term incentive awards, out of the Award Plan of approximately 1,600,000 RSUs that will be settled using BlackRock shares held by PNC in accordance with the share surrender agreement. The RSU awards vest on September 29, 2011 provided that BlackRock has actual GAAP earnings per share of at least $5.20 in 2009, $5.52 in 2010 or $5.85 in 2011 or has attained an alternative performance hurdle based on the Company's earnings per share growth rate versus certain peers over the term of the awards. The value of the RSUs was calculated using BlackRock's closing stock price on the date of grant. The grant date fair value of the RSUs is being amortized as an expense on the straight-line method over the vesting period, net of expected forfeitures. The maximum value of awards that may be funded by PNC, prior to the earlier of September 29, 2011 or the date the performance criteria are met is approximately $271, all of which has been granted as of March 31, 2009.

15. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,			
	2009		2008	
	Basic	Diluted	Basic	Diluted
Net income attributable to BlackRock, Inc.	$ 84	$ 84	$ 241	$ 241
Net income attributable to BlackRock, Inc. allocated to:				
Common shares	$ 82	$ 82	$ 233	$ 233
Participating RSUs	2	2	8	8
Total net income attributable to BlackRock, Inc.	$ 84	$ 84	$ 241	$ 241
Weighted-average common shares outstanding	130,216,218	130,216,218	128,904,253	128,904,253
Dilutive potential shares from stock options and non-participating restricted stock units		845,382		1,345,446
Dilutive potential shares from convertible debt		379,270		793,917
Dilutive potential shares from acquisition-related contingent stock payments		356,319		577,128
Total weighted-average shares outstanding		131,797,189		131,620,744
Earnings per share attributable to BlackRock, Inc., common stockholders:	$ 0.63	$ 0.62	$ 1.81	$ 1.77

Due to the similarities in terms between BlackRock series A, B and C non-voting participating preferred stock and the Company's common stock, the Company considers the series A, B and C non-voting participating preferred stock to be common stock equivalents for purposes of earnings per share calculations. As such, the Company has included the outstanding series A, B and C non-voting participating preferred stock in the calculation of average basic and diluted shares outstanding for the three months ended March 31, 2009 and 2008.

For the three months ended March 31, 2009, 2,603,582 RSUs and stock options were excluded from the calculation of diluted earnings per share because to include them would have an anti-dilutive effect.

Shares issued in acquisition

On October 1, 2007, the Company acquired the fund of funds business of Quellos. The Company issued 1,191,785 shares of newly-issued BlackRock common stock that were placed into an escrow account. The shares issued had no dilutive effect for the three months ended March 31, 2008. In April 2008, 280,519 common shares were released to Quellos in accordance with the Quellos asset purchase agreement, which resulted in an adjustment to the recognized purchase price and had a dilutive effect in 2008. The remaining 911,266 common shares may have a dilutive effect in future periods based on the timing of the release of shares from the escrow account in accordance with the Quellos asset purchase agreement. The release of the remaining escrow shares could begin to occur in 2009 and be completed in 2010.

16. Segment Information

The Company's management directs BlackRock's operations as one business, the asset management business. As such, the Company believes it operates in one business segment in accordance with SFAS No. 131, *Disclosures About Segments of an Enterprise and Related Information*.

The following table illustrates investment advisory and administration base and performance fees, *BlackRock Solutions* and advisory, distribution fees and other revenue for the three months ended March 31, 2009 and 2008, respectively.

	Three Months Ended March 31,	
	2009	2008
Fixed income	$ 202	$ 223
Cash management	175	175
Equity and balanced	343	640
Alternative investment products	90	136
Total investment advisory and administration fees	810	1,174
BlackRock Solutions and advisory	140	60
Distribution fees	25	35
Other revenue	12	31
Total revenue	$ 987	$ 1,300

The following table illustrates the Company's total revenue for the three months ended March 31, 2009 and 2008 by geographic region. These amounts are aggregated on a legal entity basis and do not necessarily reflect where the customer is sourced.

	Three Months Ended March 31,			
Revenues	2009	% of total	2008	% of total
North America	$767	78%	$ 829	64%
Europe	191	19%	417	32%
Asia-Pacific	29	3%	54	4%
Total revenues	$987	100%	$1,300	100%

Item 1. Financial Statements (continued)

16. Segment Information (continued)

The following table shows the Company's long-lived assets, including goodwill and property and equipment at March 31, 2009 and December 31, 2008 and does not necessarily reflect where the asset is physically located.

Long-Lived Assets	March 31, 2009		December 31, 2008	
North America	$5,913	99%	$5,714	99%
Europe	26	0%	27	0%
Asia-Pacific	53	1%	52	1%
Total long-lived assets	$5,992	100%	$5,793	100%

North America primarily is comprised of the United States, while Europe primarily is comprised of the United Kingdom and Asia-Pacific primarily is comprised of Japan, Australia and Hong Kong.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking Statements

This report, 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" or 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.

In addition to risk factors previously disclosed in BlackRock's SEC reports and those identified elsewhere in this report the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (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 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 capital improvement projects; (6) the impact of future acquisitions or divestitures; (7) the unfavorable resolution of legal proceedings; (8) the extent and timing of any share repurchases; (9) the impact, extent and timing of technological changes and the adequacy of intellectual property protection; (10) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock, Bank of America, Merrill Lynch or PNC; (11) terrorist activities and international hostilities, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (12) the ability to attract and retain highly talented professionals; (13) fluctuations in the carrying value of BlackRock's investments; (14) fluctuations in foreign currency exchange rates, which may adversely affect the value of investment advisory and administration fees earned by BlackRock or the carrying value of certain assets and liabilities denominated in foreign currencies; (15) the impact of changes to tax legislation and, generally, the tax position of the Company; (16) the ability of BlackRock to effectively manage the former Quellos business along with its historical operations; (17) BlackRock's success in maintaining the distribution of its products; (18) the impact of BlackRock electing to provide support to its products from time to time; and (19) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

Overview

BlackRock, Inc. ("BlackRock" or the "Company") is one of the largest publicly traded investment management firms in the United States with \$1.283 trillion of assets under management ("AUM") at March 31, 2009. BlackRock manages assets on behalf of institutional and individual investors worldwide through a variety of fixed income, cash management, equity and balanced and alternative investment separate accounts and funds. In addition, *BlackRock Solutions*® provides market risk management, financial markets advisory and enterprise investment system services to a broad base of clients. Financial markets advisory services include valuation of illiquid securities, dispositions and workout assignments (including long-term portfolio liquidation assignments), risk management and strategic planning and execution.

On January 1, 2009, Bank of America Corporation ("Bank of America") acquired Merrill Lynch & Co., Inc. ("Merrill Lynch"). In connection with this transaction, BlackRock entered into exchange agreements with each of Merrill Lynch and The PNC Financial Services Group, Inc. ("PNC") pursuant to which each agreed to exchange a portion of the BlackRock voting common stock they held for non-voting preferred stock. On March 31, 2009, Bank of America/Merrill Lynch owned approximately 4.8% of BlackRock's voting common stock and 47.4% of BlackRock's capital stock on a fully diluted basis, and PNC owned approximately 46.4% of BlackRock's voting common stock and 31.5% of BlackRock's capital stock on a fully diluted basis.

PART I - FINANCIAL INFORMATION (continued)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Overview (continued)

The following table summarizes BlackRock's operating performance for each of the three months ended March 31, 2009 and 2008 and December 31, 2008. Certain prior year amounts have been restated or reclassified to conform to 2009 presentation including those required by the retrospective adoptions of FASB Staff Positions ("FSP") APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)* ("FSP APB 14-1"), FSP EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ("FSP EITF 03-6-1") and Statement of Financial Accounting Standards ("SFAS") No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51*. For more information please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the Securities and Exchange Commission on March 2, 2009.

BlackRock, Inc.
Financial Highlights
(Dollar amounts in millions, except per share data)
(unaudited)

	Three Months Ended			Variance vs. Three Months Ended			
	March 31,			March 31, 2008		December 31, 2008	
	2009	2008	December 31, 2008	Amount	% Change	Amount	% Change
GAAP basis:							
Total revenue	$ 987	$ 1,300	$ 1,064	$ (313)	(24)%	$ (77)	(7)%
Total expenses	$ 716	$ 904	$ 725	$ (188)	(21)%	$ (9)	(1)%
Operating income	$ 271	$ 396	$ 339	$ (125)	(32)%	$ (68)	(20)%
Operating margin	27.5%	30.5%	31.9%	(3)%	(10)%	(4)%	(14)%
Non-operating income (expense), less net income (loss) attributable to non-controlling interests	$ (157)	$ (25)	$ (294)	$ (132)	NM	$ 137	47%
Net income attributable to BlackRock, Inc.	$ 84	$ 241	$ 53	$ (157)	(65)%	$ 31	58%
Diluted common earnings per share [e]	$ 0.62	$ 1.77	$ 0.39	$ (1.15)	(65)%	$ 0.23	59%
As adjusted:							
Operating income[a]	$ 307	$ 413	$ 371	$ (106)	(26)%	$ (64)	(17)%
Operating margin [a]	37.3%	37.6%	41.6%	(0)%	(1)%	(4)%	(10)%
Non-operating income (expense), less net income (loss) attributable to non-controlling interests [b]	$ (153)	$ (24)	$ (271)	$ (129)	NM	$ 118	44%
Net income attributable to BlackRock, Inc. [c], [d]	$ 110	$ 252	$ 91	$ (142)	(56)%	$ 19	21%
Diluted earnings attributable to BlackRock, Inc. common stockholders per share[c], [d], [e]	$ 0.81	$ 1.86	$ 0.66	$ (1.05)	(56)%	$ 0.15	23%
Other:							
Diluted weighted-average common shares outstanding [e]	131,797,189	131,620,744	131,605,739	176,445	0%	191,450	0%
Assets under management	$ 1,283,355	$ 1,364,436	$ 1,307,151	$ (81,081)	(6)%	$ (23,796)	(2)%

NM - Not Meaningful

BlackRock, Inc.
Financial Highlights
(continued)

BlackRock reports its financial results on a GAAP basis; however, management believes that evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP basis financial measures. Management reviews non-GAAP financial measures to assess ongoing operations and, for the reasons described below, considers them to be effective indicators, for both management and investors, of BlackRock's financial performance over time. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Certain prior period non-GAAP data has been reclassified to conform to the current presentation. Computations for all periods are derived from the Company's condensed consolidated statements of income as follows:

(a) Operating income, as adjusted, and operating margin, as adjusted:

Operating income, as adjusted, equals operating income, GAAP basis, excluding certain items deemed non-recurring by management or transactions that ultimately will not impact BlackRock's book value, as indicated in the table below. Operating income used for operating margin measurement equals operating income, as adjusted, excluding the impact of closed-end fund launch costs and commissions. Operating margin, as adjusted, equals operating income used for operating margin measurement, divided by revenue used for operating margin measurement, as indicated in the table below.

	Three Months Ended		
	March 31,		December 31,
	2009	2008	2008
Operating income, GAAP basis	**$ 271**	**$ 396**	**$ 339**
Non-GAAP adjustments:			
Restructuring charges	22	—	38
PNC LTIP funding obligation	15	15	14
Merrill Lynch compensation contribution	3	3	3
Compensation expense related to (depreciation) appreciation on deferred compensation plans	(4)	(1)	(23)
Operating income, as adjusted	**307**	**413**	**371**
Closed-end fund launch costs	2	4	—
Closed-end fund launch commissions	1	—	—
Operating income used for operating margin measurement	$ 310	$ 417	$ 371
Revenue, GAAP basis	$ 987	$1,300	$ 1,064
Non-GAAP adjustments:			
Portfolio administration and servicing costs	(129)	(156)	(138)
Amortization of deferred mutual fund sales commissions	(27)	(30)	(32)
Reimbursable property management compensation	—	(6)	(3)
Revenue used for operating margin measurement	$ 831	$1,108	$ 891
Operating margin, GAAP basis	**27.5%**	**30.5%**	**31.9%**
Operating margin, as adjusted	**37.3%**	**37.6%**	**41.6%**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Overview (continued)

BlackRock, Inc.
Financial Highlights
(continued)

(a) (continued)

Management believes that operating income, as adjusted, and operating margin, as adjusted, are effective indicators of BlackRock's performance over time. As such, management believes that operating income, as adjusted, and operating margin, as adjusted, provide useful disclosure to investors.

Operating income, as adjusted:

Restructuring charges recorded in 2008 and 2009 consist of compensation costs, occupancy costs and professional fees and have been deemed non-recurring by management and thus have been excluded from operating income, as adjusted, to help ensure the comparability of this information to prior periods. As such, management believes that operating margins exclusive of these costs are useful measures in evaluating BlackRock's operating performance for the respective periods.

The portion of compensation expense associated with certain long-term incentive plans ("LTIP") that will be funded through the distribution to participants of shares of BlackRock stock held by PNC and the anticipated Merrill Lynch compensation contribution have been excluded because these charges ultimately do not impact BlackRock's book value.

Compensation expense associated with appreciation (depreciation) on assets related to certain BlackRock deferred compensation plans has been excluded as returns on investments set aside for these plans, which substantially offset this expense, are reported in non-operating income.

Operating margin, as adjusted:

Operating income used for measuring operating margin, as adjusted, is equal to operating income, as adjusted, excluding the impact of closed-end fund launch costs and commissions. Management believes that excluding such costs and commissions is useful because these costs can fluctuate considerably and revenues associated with the expenditure of these costs will not fully impact the Company's results until future periods.

Operating margin, as adjusted, allows the Company to compare performance from year-to-year by adjusting for items that may not recur, recur infrequently or may fluctuate based on market movement, such as restructuring charges, integration costs, closed-end fund launch costs and fluctuations in compensation expense based on mark-to-market movements in investments held to fund certain compensation plans. The Company also uses operating margin, as adjusted, to monitor corporate performance and efficiency and as a benchmark to compare its performance to other companies. Management uses both the GAAP and non-GAAP financial measures. The non-GAAP measure by itself may pose limitations because it does not include all of the Company's revenues and expenses.

Revenue used for operating margin, as adjusted, excludes portfolio administration and servicing costs paid to related parties and to other third parties. Management believes that excluding such costs is useful because the Company receives offsetting revenue for these services. Amortization of deferred mutual fund sales commissions is excluded from revenue used for operating margin measurement, as adjusted, because such costs, over time, offset distribution fee revenue earned by the Company. Reimbursable property management compensation represented compensation and benefits paid to personnel of Metric Property Management, Inc. ("Metric"), a subsidiary of BlackRock Realty Advisors, Inc. ("Realty"). These employees were retained on Metric's payroll when certain properties were acquired by Realty's clients. The related compensation and benefits were fully reimbursed by Realty's clients and have been excluded from revenue used for operating margin, as adjusted, because they bear no economic cost to BlackRock. For each of these items, BlackRock excludes from revenue used for operating margin, as adjusted, the costs related to each of these items.

Overview (continued)

BlackRock, Inc.
Financial Highlights
(continued)

(b) Non-operating income (expense), less income (loss) attributable to non-controlling interests, as adjusted:

Non-operating income (expense), less net income (loss) attributable to non-controlling interests, as adjusted, equals non-operating income (expense), GAAP basis, less net income (loss) attributable to non-controlling interests, GAAP basis, adjusted for compensation expense associated with depreciation (appreciation) on assets related to certain BlackRock deferred compensation plans. The compensation expense offset is recorded in operating income. This compensation expense has been included in non-operating income (expense), less net income (loss) attributable to non-controlling interests, as adjusted, to offset returns on investments set aside for these plans, which are reported in non-operating income (expense), GAAP basis.

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Three Months Ended December 31, 2008
Non-operating income (expense), GAAP basis	$ (179)	$ (20)	$ (413)
Net income (loss) attributable to non-controlling interests, GAAP basis	(22)	5	(119)
Non-operating income (expense), less net income (loss) attributable to non-controlling interests	(157)	(25)	(294)
Compensation expense related to depreciation on deferred compensation plans	4	1	23
Non-operating income (expense), less net income (loss) attributable to non-controlling interests, as adjusted	**$(153)**	**$(24)**	**$ (271)**

Management believes that non-operating income (expense), as adjusted, provides for comparability of this information to prior periods and is an effective measure for reviewing BlackRock's non-operating contribution to its results. As compensation expense on the deferred compensation plans, which is included in operating income, offsets the gain/(loss) on the investments set aside for these plans, management believes that non-operating income (expense), less net income (loss) attributable to non-controlling interests, as adjusted, provides useful measures to investors of BlackRock's non-operating results.

Overview (continued)

(c) Net income attributable to BlackRock, Inc., as adjusted:

Management believes that net income attributable to BlackRock, Inc., as adjusted, and diluted common earnings per share, as adjusted, are useful measures of BlackRock's profitability and financial performance. Net income attributable to BlackRock, Inc., as adjusted, equals net income attributable to BlackRock, Inc., GAAP basis, adjusted for significant non-recurring items as well as charges that ultimately will not impact BlackRock's book value.

	Three Months Ended		
	March 31,		December 31,
	2009	2008	2008
Net income attributable to BlackRock, Inc., GAAP basis	**$ 84**	**$ 241**	**$ 53**
Non-GAAP adjustments, net of tax: (d)			
Restructuring charges	14	—	26
PNC LTIP funding obligation	10	9	10
Merrill Lynch compensation contribution	2	2	2
Net income attributable to BlackRock, Inc., as adjusted	**$ 110**	**$ 252**	**$ 91**
Allocation of net income attributable to BlackRock, Inc., as adjusted: (f)			
Common shares	$ 107	$ 245	$ 87
Participating RSUs	3	7	4
Net income attributable to BlackRock, Inc., as adjusted	**$ 110**	**$ 252**	**$ 91**
Diluted weighted average shares outstanding (e)	131,797,189	131,620,744	131,605,739
Diluted earnings per common share, GAAP basis (e)	**$ 0.62**	**$ 1.77**	**$ 0.39**
Diluted earnings per common share, as adjusted (e)	**$ 0.81**	**$ 1.86**	**$ 0.66**

The restructuring charges reflected in GAAP net income attributable to BlackRock, Inc. have been deemed non-recurring by management and have been excluded from net income attributable to BlackRock, Inc., as adjusted, to help ensure the comparability of this information to prior reporting periods.

The portion of the compensation expense associated with LTIP awards that will be funded through the distribution to participants of shares of BlackRock stock held by PNC and the anticipated Merrill Lynch compensation contribution have been excluded from net income, as adjusted, because these charges ultimately do not impact BlackRock's book value.

(d) The tax rates used represent BlackRock's corporate effective tax rates in the respective periods, which exclude certain adjustments that were recorded. For the quarters ended March 31, 2009, March 31, 2008 and December 31, 2008, non-GAAP adjustments were tax effected at 35%, 35% and 33%, respectively.

(e) Series A, B and C non-voting participating preferred stock are considered to be common stock equivalents for purposes of determining basic and diluted earnings per share calculations. Certain unvested restricted stock units are not included in this number as they are deemed participating securities in accordance with FSP EITF 03-6-1.

(f) Allocation of net income attributable to BlackRock, Inc., as adjusted, to common shares and participating RSUs is calculated pursuant to the two-class method as defined in SFAS No. 128, *Earnings per Share*.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Overview (continued)

BlackRock has portfolio managers located around the world, including the United States, the United Kingdom, the Netherlands, Japan, Hong Kong and Australia. The Company provides a wide array of taxable and tax-exempt fixed income, equity and balanced mutual funds and separate accounts, as well as a wide assortment of index-based equity and alternative investment products for a diverse global clientele. BlackRock provides global advisory services for mutual funds and other non-U.S. equivalent retail products. The Company's non-U.S. mutual funds are based in a number of domiciles and cover a range of asset classes, including cash management, fixed income and equities. The Merrill Lynch International Investment Funds, the Company's primary retail fund group offered outside the United States, were rebranded in April 2008 as the BlackRock Global Funds. The BlackRock Global Funds are authorized for distribution in more than 37 jurisdictions worldwide. In the United States, the primary retail offerings include various open-end and closed-end funds. Additional fund offerings include structured products, real estate funds, hedge funds, hedge funds of funds, private equity funds and funds of funds, managed futures funds and exchange funds. These products are sold to both U.S. and non-U.S. high net worth, retail and institutional investors in a wide variety of active and passive strategies covering both equity and fixed income assets.

BlackRock's client base consists of financial institutions and other corporate clients, pension funds, high net worth individuals and retail investors around the world. BlackRock maintains a significant sales and marketing presence both inside and outside the United States that is focused on establishing and maintaining retail and institutional investment management relationships by marketing its services to retail and institutional investors directly and through financial professionals, pension consultants and establishing third-party distribution relationships. BlackRock also distributes its products and services through Merrill Lynch under the global distribution agreement, which, following Bank of America's acquisition of Merrill Lynch, runs through January 2014. After such term, the agreement will renew for one automatic three-year extension if certain conditions are met.

BlackRock derives a substantial portion of its revenue from investment advisory and administration fees, which are recognized as the services are performed. Such fees are primarily based on pre-determined percentages of the market value of AUM, percentages of committed capital during investment periods of certain products, or, in the case of certain real estate equity separate accounts, net operating income generated by the underlying properties, and are affected by changes in AUM, including market appreciation or depreciation, foreign exchange gains or losses and net subscriptions or redemptions. Net subscriptions or redemptions represent the sum of new client assets, additional fundings from existing clients (including dividend reinvestment), withdrawals of assets from, and termination of, client accounts and purchases and redemptions of mutual fund shares. Market appreciation or depreciation includes current income earned on, and changes in the fair value of, securities held in client accounts.

Investment advisory agreements for certain separate accounts and BlackRock's alternative investment products provide for performance fees, based upon relative and/or absolute investment performance, in addition to base fees based on AUM. Investment advisory performance fees generally are earned after a given period of time or when investment performance exceeds a contractual threshold. As such, the timing of recognition of performance fees may increase the volatility of BlackRock's revenue and earnings.

BlackRock provides a variety of risk management, investment analytic and investment system and advisory services to financial institutions, pension funds, asset managers, foundations, consultants, mutual fund sponsors, real estate investment trusts and government agencies. These services are provided under the brand name *BlackRock Solutions®* and include a wide array of risk management services, valuation services related to illiquid securities, disposition and workout assignments (including long-term portfolio liquidation assignments), strategic planning and execution, and enterprise investment system outsourcing to clients. Fees earned for *BlackRock Solutions* and advisory services are determined using some, or all, of the following methods: (i) fixed fees, (ii) percentages of various attributes of advisory assets under management and (iii) performance fees if contractual thresholds are met.

Overview (continued)

Operating expenses reflect employee compensation and benefits, portfolio administration and servicing costs, amortization of deferred mutual fund sales commissions, general and administration expenses and amortization of intangible assets. Employee compensation and benefits expense reflects salaries, deferred and incentive compensation, stock-based compensation and related benefit costs. Portfolio administration and servicing costs include payments made to Merrill Lynch-affiliated entities under a global distribution agreement and to PNC-affiliated entities, as well as third parties, primarily associated with the administration and servicing of client investments in certain BlackRock products.

BlackRock holds investments primarily in sponsored investment products that invest in a variety of asset classes, including real estate, private equity, and hedge funds. Investments generally are made for co-investment purposes, to establish a performance track record to hedge exposure to certain deferred compensation plans. Non-operating income (expense) includes the impact of changes in the valuations of these investments.

Assets Under Management

AUM for reporting purposes is generally based upon how investment advisory and administration fees are calculated for each portfolio. Net asset values, total assets, committed assets or other measures may be used to determine portfolio AUM.

BlackRock, Inc.
Assets Under Management Summary
(Dollar amounts in millions)

				Variance vs.	
	March 31, 2009	**December 31, 2008**	**March 31, 2008**	**December 31, 2008**	**March 31, 2008**
Fixed income	$ 474,284	$ 483,173	$ 514,673	(2)%	(8)%
Cash management	322,485	338,439	349,208	(5)%	(8)%
Equity and balanced	265,748	280,821	426,935	(5)%	(38)%
Alternative investment products	51,693	59,723	73,620	(13)%	(30)%
Sub Total	1,114,210	1,162,156	1,364,436	(4)%	(18)%
Advisory AUM[1]	169,145	144,995	—	17%	NM
Total	$1,283,355	$ 1,307,151	$1,364,436	(2)%	(6)%

NM - Not Meaningful

1 Advisory AUM represents long-term portfolio liquidation assignments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Assets Under Management (continued)

AUM decreased approximately $24 billion, or 2%, to $1.283 trillion at March 31, 2009, compared to $1.307 trillion at December 31, 2008. The decline in AUM was attributable to $23 billion in net market depreciation and $7 billion in foreign exchange translation, partially offset by $6 billion in net subscriptions. Net market depreciation of $23 billion included $17 billion of depreciation in equity and balanced assets, due to a decline in global equity markets, primarily in U.S. equity and global balanced products and $5 billion in alternative products including real estate. The $7 billion reduction in AUM from foreign exchange was across all asset classes due to the strengthening of the U.S. dollar, which resulted in foreign exchange translation from converting non-dollar denominated AUM into U.S. dollars. Net subscriptions of $6 billion for the three months ended March 31, 2009 were the result of net subscriptions of $25 billion in long-term advisory liquidation assignments and $6 billion in equity and balanced products including index and sector funds, partially offset by $16 billion in cash management net outflows primarily in government money market funds, where interest rates are hovering near zero, the majority of which occurred toward the end of the quarter, $6 billion in fixed income products primarily related to net outflows in U.S. core and U.S. mortgage products and $3 billion of net outflows in alternative investment products.

AUM decreased approximately $81 billion, or 6%, to $1.283 trillion at March 31, 2009, compared with $1.364 trillion at March 31, 2008. The decline in AUM was attributable to $174 billion in net market depreciation and $45 billion in foreign exchange losses, partially offset by $138 billion in net subscriptions. Market depreciation of $174 billion was primarily due to the depreciation in equity and balanced assets of $140 billion, as equity markets declined during the twelve months ended March 31, 2009, depreciation in fixed income products of $19 billion and $17 billion in alternative products. The $45 billion reduction in AUM from foreign exchange was across all asset classes due to the strengthening of the U.S. dollar, which resulted in foreign exchange translation from converting non-dollar denominated AUM into U.S. dollars. Net subscriptions of $138 billion for the twelve months ended March 31, 2009 were attributable to net new business of $169 billion in long-term advisory liquidation assignments, $7 billion in equity and balanced products primarily related to asset allocation products, partially offset by $25 billion of net outflows in cash management products primarily related to prime funds and securities lending portfolios, $10 billion in fixed income products and $3 billion in alternative products.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Assets Under Management (continued)

The following table presents the component changes in BlackRock's AUM for the three months ended March 31, 2009.

BlackRock, Inc.
Component Changes in Assets Under Management
For the Quarter Ended March 31, 2009
(Dollar amounts in millions)

	December 31, 2008	Net subscriptions (redemptions)	Market appreciation (depreciation)	Foreign Exchange [1]	March 31, 2009
Fixed income	$ 483,173	$ (6,404)	$ (296)	$ (2,189)	$ 474,284
Cash management	338,439	(15,642)	(152)	(160)	322,485
Equity and balanced	280,821	5,769	(17,118)	(3,724)	265,748
Alternative investment products	59,723	(2,595)	(5,198)	(237)	51,693
Sub Total	1,162,156	(18,872)	(22,764)	(6,310)	1,114,210
Advisory AUM[2]	144,995	24,520	(111)	(259)	169,145
Total	$ 1,307,151	$ 5,648	$ (22,875)	$ (6,569)	$1,283,355

1 Foreign exchange reflects the impact of converting non-dollar denominated AUM into U.S. dollars for reporting.

2 Advisory AUM represents long-term portfolio liquidation assignments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Assets Under Management (continued)

The following table presents the component changes in BlackRock's AUM for the twelve months ended March 31, 2009.

BlackRock, Inc.
Component Changes in Assets Under Management
For the Twelve Months Ended March 31, 2009
(Dollar amounts in millions)

	March 31, 2008	Net subscriptions (redemptions)	Market appreciation (depreciation)	Foreign Exchange [1]	March 31, 2009
Fixed income	$ 514,673	$ (10,064)	$ (18,672)	$ (11,653)	$ 474,284
Cash management	349,208	(25,116)	762	(2,369)	322,485
Equity and balanced	426,935	6,957	(139,512)	(28,632)	265,748
Alternative investment products	73,620	(3,016)	(16,915)	(1,996)	51,693
Sub Total	1,364,436	(31,239)	(174,337)	(44,650)	1,114,210
Advisory AUM[2]	—	169,276	128	(259)	169,145
Total	$1,364,436	$ 138,037	$ (174,209)	$ (44,909)	$1,283,355

[1] Foreign exchange reflects the impact of converting non-dollar denominated AUM into U.S. dollars for reporting.

[2] Advisory AUM represents long-term portfolio liquidation assignments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008.

Revenue

(Dollar amounts in millions)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Variance vs. Amount	Variance vs. % Change
Investment advisory and administration fees:				
Fixed income	$ 199	$ 221	$ (22)	(10)%
Cash management	175	175	—	0%
Equity and balanced	337	602	(265)	(44)%
Alternative investment products	88	134	(46)	(34)%
Investment advisory and administration base fees	799	1,132	(333)	(29)%
Fixed income	3	2	1	50%
Equity and balanced	6	38	(32)	(84)%
Alternative investment products	2	2	—	0%
Investment advisory performance fees	11	42	(31)	(74)%
Total investment advisory and administration base and performance fees	810	1,174	(364)	(31)%
BlackRock Solutions and advisory	140	60	80	133%
Distribution fees	25	35	(10)	(29)%
Other revenue	12	31	(19)	(61)%
Total revenue	$ 987	$ 1,300	$ (313)	(24)%

Total revenue for the three months ended March 31, 2009 decreased $313 million, or 24%, to $987 million, compared with $1,300 million for the three months ended March 31, 2008. The $313 million decrease was the result of a $364 million decrease in total investment advisory and administration fees, a $19 million decrease in other revenue and a $10 million decrease in distribution fees, partially offset by an $80 million increase in *BlackRock Solutions* and advisory revenue.

Investment Advisory and Administration Fees

The decrease in investment advisory and administration fees of $364 million, or 31%, was the result of a decrease in investment advisory and administration base fees of $333 million, or 29%, to $799 million for the three months ended March 31, 2009, compared with $1,132 million for the three months ended March 31, 2008 and a decrease of $31 million in performance fees.

The decrease in investment advisory and administration base fees of $333 million for the three months ended March 31, 2009, compared with the three months ended March 31, 2008 consisted of decreases in base fees of $265 million in equity and balanced products, $46 million in alternative products and $22 million in fixed income products as a result of decreased average AUM in 2009 compared to 2008 for all asset classes.

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Revenue (continued)

Investment Advisory and Administration Fees (continued)

Investment advisory performance fees decreased by $31 million, or 74%, to $11 million for the three months ended March 31, 2009, as compared to $42 million for the three months ended March 31, 2008, primarily due to a reduction in performance fees in equity separate accounts.

BlackRock Solutions and Advisory

BlackRock Solutions and advisory revenue for the three months ended March 31, 2009 increased $80 million, or 133%, compared with the three months ended March 31, 2008. The increase in *BlackRock Solutions* and advisory revenue was primarily the result of additional advisory assignments during the period. Revenue earned on advisory assignments was comprised of advisory and portfolio structuring assignment fees and ongoing fees based on AUM of the respective portfolio assignments.

Distribution Fees

Distribution fees decreased by $10 million to $25 million for the three months ended March 31, 2009, as compared to $35 million for the three months ended March 31, 2008. The decrease in distribution fees was primarily the result of a lower sales and redemptions in certain share classes of open-end funds.

Other Revenue

Other revenue of $12 million for the quarter ended March 31, 2009 decreased $19 million compared with the quarter ended March 31, 2008. Other revenue represents $4 of unit trust sales commissions, $2 million of net interest related to securities lending and $6 million of other revenue.

The decrease in other revenue of $19 million, or 61%, for the three months ended March 31, 2009, as compared to the three months ended March 31, 2008, was primarily the result of a $9 million decline in property management fees primarily related to the outsourcing in the fourth quarter of 2008 of Metric contracts with BlackRock real estate clients, a $5 million decrease in net interest earned related to securities lending and a $3 million decline in unit trust sales commissions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Expenses

(Dollar amounts in millions)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Variance vs. Amount	Variance vs. % Change
Expenses:				
Employee compensation and benefits	$ 351	$ 469	$ (118)	(25)%
Portfolio administration and servicing costs	129	156	(27)	(17)%
Amortization of deferred mutual fund sales commissions	27	30	(3)	(10)%
General and administration	151	212	(61)	(29)%
Restructuring charges	22	—	22	NM
Amortization of intangible assets	36	37	(1)	(3)%
Total expenses	$ 716	$ 904	$ (188)	(21)%

NM - Not Meaningful

Total expenses decreased $188 million, or 21%, to $716 million for the three months ended March 31, 2009, compared with $904 million for the three months ended March 31, 2008. Excluding the restructuring charges of $22 million, expenses decreased $210 million, or 23%, primarily attributable to decreases in employee compensation and benefits, general and administration expenses and portfolio and administration and servicing costs.

Employee Compensation and Benefits

Employee compensation and benefits expense decreased by $118 million, or 25%, to $351 million, at March 31, 2009, compared to $469 million for the three months ended March 31, 2008. The decrease in employee compensation and benefits expense was primarily attributable to a $72 million reduction in incentive compensation associated with the decrease in operating income and performance fees and a $39 million decrease in salaries, benefits and commissions due to lower headcount as a result of the Company's cost control efforts and outsourcing of Metric services. Employees at March 31, 2009 totaled 5,244 as compared to 6,024 (including 419 Metric employees) and 5,605 (excluding Metric employees) at March 31, 2008.

Portfolio Administration and Servicing Costs

Portfolio administration and servicing costs decreased $27 million to $129 million during the three months ended March 31, 2009, compared to $156 million for the three months ended March 31, 2008. These costs include payments to Merrill Lynch under a global distribution agreement, and payments to PNC as well as other third parties, primarily associated with the administration and servicing of client investments in certain BlackRock products. The $27 million decrease primarily related to lower levels of average AUM serviced by third parties across all asset classes.

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Expenses (continued)

Portfolio Administration and Servicing Costs (continued)

Portfolio administration and servicing costs for the three months ended March 31, 2009 included $99 million of costs attributable to Merrill Lynch and affiliates and $5 million of costs attributable to PNC and affiliates as compared to $122 million and $8 million, respectively, in the three months ended March 31, 2008.

Amortization of Deferred Mutual Fund Sales Commissions

Amortization of deferred mutual fund sales commissions decreased by $3 million to $27 million for the three months ended March 31, 2009, as compared to $30 million for the three months ended March 31, 2008. The decrease in amortization of deferred mutual fund sales commissions was primarily the result of lower sales and redemptions in certain share classes of open-end funds.

General and Administration Expenses

	Three Months Ended March 31,		Variance vs.	
(Dollar amounts in millions)	**2009**	**2008**	**Amount**	**% Change**
General and administration expenses:				
Marketing and promotional	$ 14	$ 41	$ (27)	(66)%
Professional services	13	22	(9)	(41)%
Portfolio services	32	39	(7)	(18)%
Technology	25	31	(6)	(19)%
Closed-end fund launch costs	2	4	(2)	(50)%
Occupancy	35	33	2	6%
Other general and administration	30	42	(12)	(29)%
Total general and administration expenses	$ 151	$ 212	$ (61)	(29)%

General and administration expenses decreased $61 million, or 29%, for the three months ended March 31, 2009 compared with the three months ended March 31, 2008. Marketing and promotional expenses decreased $27 million, or 66%, primarily due to a decline in travel and promotional expenses. Professional services decreased $9 million, or 41%, to $13 million compared to $22 million for the three months ended March 31, 2008 primarily due to decreases in accounting, tax, legal and other professional services. Portfolio service costs decreased by $7 million to $32 million, or 18%. Technology expenses decreased $6 million, or 19%, to $25 million compared to $31 million for the three months ended March 31, 2008 primarily due to a decrease in software licensing and maintenance costs and technology consulting. Other general and administration expenses decreased $12 million, or 29%, to $30 million from $42 million, primarily related to declines in foreign currency remeasurement, recruiting and communication costs partially offset by an expense for potentially uncollectible receivables.

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Expenses (continued)

Restructuring Charges

For the three months ended March 31, 2009 BlackRock recorded pre-tax restructuring charges of $22 million, primarily related to severance, outplacement costs, occupancy costs and accelerated amortization of certain previously granted stock awards associated with a reduction in work force and reengineering efforts. See discussion in Note 11, Restructuring Charges, to the Company's condensed consolidated financial statements contained in Part I, Item 1 of this filing.

Non-Operating Income (Expense), Less Net Income (Loss) Attributable to Non-Controlling Interests

Non-operating income (expense), less net income (loss) attributable to non-controlling interests for the three months ended March 31, 2009 and 2008 was as follows:

(Dollar amounts in millions)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Variance vs. Amount	Variance vs. % Change
Total non-operating income (expense)	$ (179)	$ (20)	$ (159)	NM
Net income (loss) attributable to non-controlling interests	(22)	5	(27)	NM
Total non-operating income (expense), less net income (loss) attributable to non-controlling interests	$ (157)	$ (25)	$ (132)	NM

NM - Not Meaningful

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Non-Operating Income (Expense), Less Net Income (Loss) Attributable to Non-Controlling Interests (continued)

The components of non-operating income (expense), less net income (loss) attributable to non-controlling interests, for the three months ended March 31, 2009 and 2008 were as follows:

(Dollar amounts in millions)	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Variance vs. Amount	Variance vs. % Change
Non-operating income (expense), less net income (loss) attributable to non-controlling interests:				
Net gain (loss) on investments, less net income (loss) attributable to non-controlling interests:				
Private equity	$ (20)	$ 8	$ (28)	(350)%
Real estate	(93)	(14)	(79)	NM
Distressed hedge funds	(12)	(3)	(9)	(300)%
Hedge funds/funds of hedge funds	(6)	(13)	7	54%
Other investments[1]	(15)	(2)	(13)	NM
Sub-total	(146)	(24)	(122)	NM
Investments related to deferred compensation plans	(4)	(1)	(3)	(300)%
Total net gain (loss) on investments, less net income (loss) attributable to non-controlling interests	(150)	(25)	(125)	(500)%
Interest and dividend income	8	18	(10)	(56)%
Interest expense	(15)	(18)	3	(17)%
Total non-operating income (expense), less net income (loss) attributable to non-controlling interests	(157)	(25)	(132)	NM
Compensation expense related to depreciation on deferred compensation plans	4	1	3	300%
Non-operating income (expense), less net income (loss) attributable to non-controlling interests, as adjusted	$ (153)	$ (24)	$ (129)	NM

NM - Not Meaningful

1 Includes net gains/(losses) related to equity and fixed income investments, collateralized debt obligations ("CDOs") and BlackRock's seed capital hedging program.

Non-operating income (expense), less net income (loss) attributable to non-controlling interests, decreased $132 million to $157 million for the three months ended March 31, 2009, as compared to $25 million for the three months ended March 31, 2008. The $157 million non-operating expense, less non-controlling interests, related to valuation declines on the Company's co-investment and seed investments, including $93 million from real estate products, $20 million from private equity products, $18 million in hedge funds/funds of hedge funds (including the impact of distressed credit products) and $19 million related to other investments, including investments associated with certain deferred compensation plans. In addition, net interest income declined $7 million primarily due to a decline in interest rates.

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Net Economic Investment Portfolio

The Company reviews its net economic exposure to its investment portfolio by reducing its GAAP investments by the net assets attributable to non-controlling interests of consolidated sponsored investment funds. Changes in the investment portfolio are due to purchases, sales, maturities, distributions as well as the impact of valuations. The following table represents the percentage ranges, by asset type, of the net "economic" investment portfolio at March 31, 2009 and 2008:

	March 31, 2009 % Ranges	March 31, 2008 % Ranges
Private equity	20-30%	15-25%
Real estate	<10%	15-25%
Distressed hedge funds	15-25%	5-15%
Hedge funds/funds of hedge funds	15-25%	15-25%
Other investments	15-25%	20-30%

Income Tax Expense

Income tax expense was $30 million and $130 million for the three months ended March 31, 2009 and 2008, respectively. The effective income tax rate for the three months ended March 31, 2009 was 26.3%, as compared to 35.0% for the three months ended March 31, 2008. Excluding a $10 million tax benefit related to a decrease in unrecognized tax benefits related to the final resolution of an outstanding tax matter in the first quarter 2009, the effective income tax rate was 35%.

Operating Income and Operating Margin

GAAP

Operating income totaled $271 million for the three months ended March 31, 2009, which was a decrease of $125 million compared to the three months ended March 31, 2008. The Company's operating margin was 27.5% for the three months ended March 31, 2009, compared to 30.5% for the three months ended March 31, 2008. Operating income and operating margin for the three months ended March 31, 2009 included the impact of a $333 million decrease in investment advisory and administration base fees, associated with a market driven reduction in AUM, a $31 million decrease in performance fees revenue, and a $19 million reduction in other revenue, partially offset by $80 million increase in *BlackRock Solutions* and advisory revenue. The decrease in revenue is partially offset by a $188 million decrease in operating expenses primarily due to declines in employee compensation and benefits, general and administration expenses and portfolio administration and servicing costs offset by $22 million of restructuring charges.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Operating Income and Operating Margin (continued)

As Adjusted

Operating income, as adjusted, totaled $307 million for the three months ended March 31, 2009, which was a decrease of $106 million compared to the three months ended March 31, 2008. Operating margin, as adjusted, was 37.3% and 37.6% for the three months ended March 31, 2009 and 2008, respectively. The decline of operating income, as adjusted, for the three months ended March 31, 2009 as compared to the three months ended March 31, 2008 is primarily related to the impact of the $313 million decrease in revenue offset by a $207 million decrease in operating expenses primarily due to employee compensation and benefits and general and administration.

Operating income, as adjusted, and operating margin, as adjusted, are described in more detail in the Overview to Management's Discussion and Analysis of Financial Condition and Results of Operations.

Net Income Attributable to BlackRock, Inc.

The components of net income attributable to BlackRock, Inc. and net income attributable to BlackRock, Inc., as adjusted, for the three months ended March 31, 2009 and 2008 are as follows:

	Three Months Ended March 31,			Three Months Ended March 31,		
(Dollar amounts in millions, except per share data)	2009 GAAP	2008 GAAP	% Change	2009 As adjusted	2008 As adjusted	% Change
Operating income	$ 271	$ 396	(32)%	$ 307	$ 413	(26)%
Non-operating income (expense), less net income (loss) attributable to non-controlling interests	(157)	(25)	NM	(153)	(24)	NM
Income tax expense	(30)	(130)	(77)%	(44)	(137)	(68)%
Net income attributable to BlackRock, Inc.	$ 84	$ 241	(65)%	$ 110	$ 252	(56)%
Net income allocated to:						
Common shares	$ 82	$ 233	(65)%	$ 107	$ 245	(56)%
Participating RSUs	2	8	(75)%	3	7	(57)%
Net income attributable to BlackRock, Inc.	$ 84	$ 241	(65)%	$ 110	$ 252	(56)%
Total weighted-average common shares outstanding	131,797,189	131,620,744	0%	131,797,189	131,620,744	0%
Diluted earnings attributable to BlackRock, Inc. common shareholders per share	$ 0.62	$ 1.77	(65)%	$ 0.81	$ 1.86	(56)%

Operating results for the three months ended March 31, 2009, as compared with the three months ended March 31, 2008. (continued)

Net Income Attributable to BlackRock, Inc. (continued)

Net income attributable to BlackRock, Inc. for the three months ended March 31, 2009 includes operating income of $271 million, or $1.30 per diluted common share, non-operating losses, less net income (loss) attributable to non-controlling interests, of $157 million, or $0.75 loss per diluted common share and $0.07 per diluted common share benefit related to the final resolution of an outstanding tax matter. Net income attributable to BlackRock, Inc. totaled $84 million, or $0.62 per diluted common share, for the three months ended March 31, 2009, which was a decrease of $157 million, or $1.15 per diluted common share, compared to the three months ended March 31, 2008.

Net income attributable to BlackRock, Inc. for the three months ended March 31, 2009 included the after-tax impact of restructuring charges of $14 million, the portion of LTIP awards which will be funded through a capital contribution of BlackRock stock held by PNC of $10 million and an expected contribution by Merrill Lynch of $2 million to fund certain compensation of former MLIM employees.

Net income attributable to BlackRock, Inc. of $241 million for the three months ended March 31, 2008 included the after-tax impact of the portion of certain LTIP awards which will be funded through a capital contribution of BlackRock stock held by PNC of $9 million and an expected contribution by Merrill Lynch of $2 million to fund certain compensation of former MLIM employees.

Exclusive of these items in both periods, diluted earnings per common share, as adjusted, for the three months ended March 31, 2009 decreased $1.05, or 56%, to $0.81 compared to the three months ended March 31, 2008. Diluted earnings per common share, as adjusted, is described in more detail in the Overview to Management's Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity and Capital Resources

Operating Activities

Sources of BlackRock's operating cash include investment advisory and administration fees, revenues from *BlackRock Solutions* and advisory products and services, mutual fund distribution fees and realized earnings and distributions on the Company's investments. BlackRock primarily uses its cash to pay compensation and benefits, portfolio administration and servicing costs, general and administration expenses, interest on the Company's borrowings, purchases of co-investments and seed investments, capital expenditures, income taxes and dividends on BlackRock's capital stock.

BlackRock Cash Flows Excluding the Impact of Consolidated Sponsored Investment Funds

In accordance with GAAP, certain BlackRock sponsored investment funds are consolidated into the condensed consolidated financial statements of BlackRock, notwithstanding the fact that BlackRock may only have a minority economic interest in these funds. As a result, BlackRock's condensed consolidated statements of cash flows include the cash flows of consolidated sponsored investment funds. The Company uses an adjusted cash flow, which excludes the impact of consolidated sponsored investment funds, as a supplemental non-GAAP measure to assess liquidity and capital requirements. The Company believes that its cash flows, excluding the impact of the consolidated sponsored investment funds, provide investors with useful information on the cash flows of BlackRock relating to our ability to fund additional operating, investing and financing activities. BlackRock's management does not advocate that investors consider such non-GAAP measures in isolation from, or as a substitute for its cash flow presented in accordance with GAAP.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Liquidity and Capital Resources (continued)

BlackRock Cash Flows Excluding the Impact of Consolidated Sponsored Investment Funds (continued)

The following tables present a reconciliation of the Company's condensed consolidated statements of cash flows presented on a GAAP basis to the Company's condensed consolidated statements of cash flows, excluding the impact of the cash flows of consolidated sponsored investment funds:

	Three Months Ended March 31, 2009		
(Dollar amounts in millions)	GAAP Basis	Impact on Cash Flows of Consolidated Sponsored Investment Funds	Cash Flows Excluding Impact of Consolidated Sponsored Investment Funds
Cash flows from operating activities	$ (126)	$ 44	$ (170)
Cash flows from investing activities	104	10	94
Cash flows from financing activities	(201)	(62)	(139)
Effect of exchange rate changes on cash and cash equivalents	(16)	—	(16)
Net change in cash and cash equivalents	(239)	(8)	(231)
Cash and cash equivalents, beginning of period	2,032	61	1,971
Cash and cash equivalents, end of period	$ 1,793	$ 53	$ 1,740

Cash and cash equivalents, excluding cash held by consolidated sponsored investment funds, at March 31, 2009 decreased $231 million from December 31, 2008, primarily resulting from $170 million of cash outflows from operating activities, $139 million of cash outflows from financing activities, offset by $94 million of cash inflows from investing activities and a $16 million decrease due to the effect of foreign exchange rate changes.

Cash outflows from operating activities, excluding the impact of consolidated sponsored investment funds, for the three months ended March 31, 2009, primarily include the receipt of investment advisory and administration fees and other revenue offset by the payment of operating expenses incurred in the normal course of business. Cash outflows from operating activities, excluding the impact of consolidated sponsored investment funds, in the three months ended March 31, 2009 included cash payments related to year end incentive compensation that was paid in the first quarter. Cash inflows from investing activities, excluding the impact of consolidated sponsored investment funds, for the three months ended March 31, 2009 primarily include net proceeds from sales and maturities of investments. Cash outflows from financing activities, excluding the impact of consolidated sponsored investment funds, for the three months ended March 31, 2009 primarily include $105 million of payments for cash dividends.

Liquidity and Capital Resources (continued)

Capital Resources

The Company manages its financial condition and funding to maintain appropriate liquidity for the business. Capital resources at March 31, 2009 and December 31, 2008 were as follows:

(Dollar amounts in millions)	March 31, 2009	December 31, 2008
Cash and cash equivalents	$ 1,793	$ 2,032
Cash and cash equivalents held by consolidated sponsored investment funds[1]	(53)	(61)
Regulatory capital[2]	(176)	(172)
2007 credit facility – undrawn[3]	2,171	2,171
Committed access	$ 3,735	$ 3,970

1 The Company may not be able to access such cash to use in its operating activities.

2 Partially met with cash and cash equivalents.

3 Excludes $129 million of undrawn amounts at March 31, 2009 and December 31, 2008 related to Lehman Commercial Paper, Inc.

In addition, a significant portion of the Company's $783 million of net economic investments are illiquid in nature and, as such, may not be readily convertible to cash.

Investment/Loan Commitments

At March 31, 2009, the Company had $280 million of various capital commitments to fund sponsored investment funds. Generally, the timing of the funding of capital commitments is uncertain and such commitments could expire before funding. The Company intends to make additional capital commitments from time to time to fund additional investment products for, and with, its clients.

During the first quarter 2009, approximately $174 million of loans outstanding were repaid from a warehouse entity established for certain private equity funds of funds.

At March 31, 2009, the Company was committed to provide financing of up to $60 million, until March 2010, to Anthracite Capital, Inc. ("Anthracite"), a specialty commercial real estate finance company that is managed by a subsidiary of BlackRock. The financing is collateralized by Anthracite pledging its ownership interest in an investment fund which is also managed by a subsidiary of BlackRock. At March 31, 2009, $33.5 million of financing was outstanding at an interest rate of 4.6% which matures in July 2009 and may be repaid and reborrowed and was included in due from related parties on the Company's condensed consolidated statement of financial condition. Based on the value of the collateral and the borrowings outstanding of such date, the Company has no obligation to loan new amounts to Anthracite under this facility. The Company and other creditors of Anthracite have granted temporary waivers for certain breaches of financial covenants of Anthracite's credit facilities.

Liquidity and Capital Resources (continued)

Short-Term Borrowings

In August 2007, the Company entered into a five-year $2.5 billion unsecured revolving credit facility (the "2007 facility"), which permits the Company to request an additional $500 million of borrowing capacity, subject to lender approval, up to a maximum of $3 billion. The 2007 facility requires the Company not to exceed a maximum leverage ratio (ratio of net debt to EBITDA, where net debt equals total debt less domestic unrestricted cash) of 3 to 1, which was satisfied with a ratio of less than 0.5 to 1 at March 31, 2009.

At March 31, 2009, the Company had $200 million outstanding under the 2007 facility with an interest rate of 0.67% and a maturity date during April 2009. During April 2009, the Company rolled over the $200 million in borrowings with an interest rate of 0.59% and a maturity date during May 2009.

Lehman Commercial Paper, Inc. has a $140 million participation under the 2007 facility; however, BlackRock does not expect that Lehman Commercial Paper, Inc. will honor its commitment to fund additional amounts.

In June 2008, BlackRock Japan Co., Ltd., a wholly owned subsidiary of the Company, entered into a five billion Japanese yen commitment-line agreement with a banking institution (the "Japan Commitment-line"). The term of the Japan Commitment-line is one year and interest will accrue at the applicable Japanese short-term prime rate. The Japan Commitment-line is intended to provide liquidity flexibility for operating requirements in Japan. At March 31, 2009, the Company had no borrowings outstanding under the Japan Commitment-line.

Convertible Debentures and Long-Term Borrowings

At March 31, 2009, convertible debentures and long-term borrowings were $943 million. Debt service and repayment requirements, assuming the Company's 2.625% convertible debentures due 2035 (the "convertible debentures") are converted for cash equal to the principal at the option of the holders in second quarter 2009, are $277 million for the remainder of 2009, $45 million in 2010 and $44 million in each of 2011, 2012 and 2013.

Contingent Payments Related to Quellos Transaction

On October 1, 2007, the Company acquired the fund of funds business of Quellos. Quellos may be entitled to receive two contingent payments upon achieving certain investment advisory revenue measures through December 31, 2010, totaling up to an additional $969 million in a combination of cash and stock. The first contingent payment, of up to $374 million, is payable in 2009, up to 25% in BlackRock common stock and the remainder in cash. The second contingent payment, of up to $595 million is payable in cash in 2011. Quellos may also be entitled to a "catch-up" payment if certain performance measures are met in 2011 to the extent that the value of the first contingent payment is less than $374 million.

At March 31, 2009, the Company estimated the first contingent payment to be $228 million, of which $11 million was paid in cash during 2008. Of the remaining $217 million, $163 million will be paid in cash and $54 million in common stock, or approximately 345,000 shares converted at a price of $157.33. At March 31, 2009, the Company recorded a liability of $208 million, within other liabilities on the condensed consolidated statement of financial condition, equal to the $163 million to be paid in cash and $45 million to be paid in common shares, which represents the fair value of the shares at March 31, 2009.

Liquidity and Capital Resources (continued)

Support of Two Enhanced Cash Funds

In December 2007, BlackRock entered into capital support agreements with the two funds, backed by letters of credit drawn under BlackRock's existing credit facility. Pursuant to the capital support agreements, BlackRock agreed to make subsequent capital contributions to the funds to cover realized losses, up to $100 million, related to specified securities held by the funds. In December 2008, BlackRock's maximum potential obligation under the capital support agreements was reduced to $45 million, and in January 2009, one capital support agreement was terminated, due to the closure of the related fund, leaving only one capital support agreement, with a total $20 million potential obligation outstanding. BlackRock provided approximately $3 million of capital contributions to this fund for the three months ended March 31, 2009 under the capital support agreement.

In the first quarter 2009, upon the closure of one of the funds, BlackRock received securities in lieu of its remaining investment in the fund, of which one security of approximately $30 million remained at March 31, 2009 and is expected to mature at par in 2009. At March 31, 2009, BlackRock's investment in the remaining enhanced cash fund was less than $1 million. In applying the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 46(R), *Consolidation of Variable Interest Entities* ("FIN 46(R)"), BlackRock concluded that it was the primary beneficiary of the two enhanced cash funds at December 31, 2008, as well as the one remaining fund at March 31, 2009, which resulted in consolidation of the funds on its condensed consolidated statements of financial condition.

Net Capital Requirements

The Company is required to maintain net capital in certain jurisdictions, which is met in part by retaining cash and cash equivalent investments in those jurisdictions. As a result, the Company may be restricted in its ability to transfer cash between different jurisdictions. Additionally, transfers of cash between international jurisdictions, including repatriation to the United States, may have adverse tax consequences that could discourage such transfers. At March 31, 2009, the Company was required to maintain approximately $176 million in net capital at these subsidiaries and is in compliance with all applicable regulatory minimum net capital requirements.

Liquidity and Capital Resources (continued)

Critical Accounting Policies

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ significantly from those estimates. In addition to Fair Value Measurements, discussed below, see Note 2 and the Company's Significant Accounting Policies in Management's Discussion and Analysis of Financial Condition and Results of Operations in BlackRock's 2008 Annual Report on Form 10-K filed with the SEC on March 2, 2009 for details on Significant Accounting Policies.

Fair Value Measurements

BlackRock reports its investments on a GAAP basis, which includes investment balances which are owned by sponsored investment funds that are deemed to be controlled by BlackRock in accordance with GAAP and therefore are consolidated even though BlackRock may not own a majority of such funds. As a result, management reviews its investments on an "economic" basis, which eliminates the portion of investments that do not impact BlackRock's book value. BlackRock's management does not advocate that investors consider such non-GAAP measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

The following table represents investments measured at fair value on a recurring basis at March 31, 2009:

(Dollar amounts in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Other Investments Not Held at Fair Value (3)	Investments at March 31, 2009
Total investments, GAAP	$ 152	$ 288	$ 666	$ 31	$ 1,137
Net assets for which the Company does not bear "economic" exposure (1)	(4)	(216)	(134)	—	(354)
Net "economic" investments (2)	$ 148	$ 72	$ 532	$ 31	$ 783

(1) Consists of net assets attributable to non-controlling investors of consolidated sponsored investment funds.

(2) Includes BlackRock's portion of cash and cash equivalents, other assets, accounts payable and accrued liabilities, and other liabilities that are consolidated from sponsored investment funds.

(3) Comprised of equity method investments, which include investment companies, and other assets which in accordance with GAAP are not accounted for under a fair value measure. In accordance with GAAP, certain equity method investees do not account for both their financial assets and financial liabilities under fair value measures, therefore the Company's investment in such equity method investee may not represent fair value.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a leading investment management firm, BlackRock devotes significant resources across all of its operations to identifying, measuring, monitoring, managing and analyzing market and operating risks, including the management and oversight of its own investment portfolio. The Board of Directors of the Company has adopted guidelines for the review of investments to be made by the Company, requiring, among other things, that all investments be reviewed by the Company's Capital Committee, which consists of senior officers of the Company, and that certain investments may be referred to the Audit Committee or the Board of Directors depending on the circumstances for approval.

AUM Market Price Risk

BlackRock's investment management revenues are primarily comprised of fees based on a percentage of the value of AUM and, in some cases, performance fees expressed as a percentage of the returns realized on AUM. At March 31, 2009, the majority of our investment advisory and administration fees were based on average or period end AUM of the applicable mutual funds or separate accounts. Movements in equity market prices, interest rates/credit spreads, foreign exchange rates, or all three could cause the value of AUM to decline, which would result in lower investment advisory and administration fees.

Item 3. Quantitative and Qualitative Disclosures About Market Risk (continued)

Corporate Investments Portfolio Risks

In the normal course of its business, BlackRock is exposed to equity market price risk, interest rate/credit spread risk and foreign exchange rate risk associated with its corporate investments.

BlackRock has investments primarily in sponsored investment products that invest in a variety of asset classes including real estate, private equity and hedge funds. Investments generally are made for co-investment purposes, to establish a performance track record or to hedge exposure to certain deferred compensation plans. Currently, the Company has a seed capital hedging program in which it enters into total return swaps to hedge exposure to certain equity investments. At March 31, 2009, the outstanding total return swaps had an aggregate notional value of approximately $39 million.

At March 31, 2009, approximately $558 million of BlackRock's total investments were maintained in sponsored investment funds that are deemed to be controlled by BlackRock in accordance with GAAP and therefore are consolidated even though BlackRock may not own a majority of such funds. Including the impact of the seed capital hedging program, the Company's net economic exposure to its investment portfolio is as follows:

(Dollar amounts in millions)	March 31, 2009	December 31, 2008
Total investments	$ 1,137	$ 1,429
Consolidated sponsored investments funds	(558)	(728)
Net exposure to consolidated investment funds	204	310
Total net "economic" investments	783	1,011
Hedged investments	(39)	(49)
Total net "economic" investment exposure	$ 744	$ 962

The net "economic" investment exposure of the portfolio is presented in either the market price or the interest rate/credit spread risk disclosures below:

Market Price Risk

At March 31, 2009, the Company's net exposure to price risk in its investment portfolio is approximately $478 million of the Company's net economic investment exposure. Investments that are subject to market price risk include public equity and real estate investments as well as certain hedge funds. The Company estimates that a 10% adverse change in market prices would result in a decrease of approximately $47.8 million in the carrying value of such investments.

Interest Rate/Credit Spread Risk

At March 31, 2009, the Company was exposed to interest-rate risk and credit spread risks as a result of approximately $266 million of investments in debt securities and sponsored investment products that invest primarily in debt securities. Management considered a hypothetical 100 basis point fluctuation in interest rates or credit spreads and estimates that the impact of such a fluctuation on these investments, in the aggregate, would result in a decrease, or increase, of approximately $2.2 million in the carrying value of such investments.

Foreign Exchange Rate Risk

As discussed above, the Company invests in sponsored investment products that invest in a variety of asset classes. The carrying value of the net economic investment exposure denominated in foreign currencies, primarily the British pound sterling, Australian dollars and the Euro, was $38 million. A 10% adverse change in foreign exchange rates would result in approximately a $3.8 million decline in the carrying value of such investments.

PART I - FINANCIAL INFORMATION (continued)

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Under the direction of BlackRock's Chief Executive Officer and Chief Financial Officer, BlackRock evaluated the effectiveness of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d—15(e) under the Exchange Act) at March 31, 2009. Based on this evaluation, BlackRock's Chief Executive Officer and Chief Financial Officer have concluded that BlackRock's disclosure controls and procedures were effective at March 31, 2009.

Internal Control and Financial Reporting

There have been no changes in internal control over financial reporting during the quarter ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, such internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 13, Commitments and Contingencies, to the Company's condensed consolidated financial statements contained in Part I, Item 1 of this filing.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2009, the Company made the following purchases of its common stock, which are registered pursuant to Section 12(b) of the Exchange Act.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans of Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs[1]
January 1, 2009 through January 31, 2009	49,266[2,3]	$ 112.73	—	751,400
February 1, 2009 through February 28, 2009	304,136[3]	$ 108.76	—	751,400
March 1, 2009 through March 31, 2009	4,857[3]	$ 96.71	—	751,400
Total	358,259	$ 109.14	—	

1 On August 2, 2006, the Company announced a 2.1 million share repurchase program with no stated expiration date. An additional indeterminable number of shares may be repurchased under the 2002 Long-Term Incentive Plan ("2002 LTIP").

2 Includes 44,146 shares purchased by the Company from employees in January pursuant to a put feature available in connection with the payment of certain 2002 LTIP awards.

3 Reflects purchases made by the Company primarily to satisfy income tax withholding obligations of employees related to the vesting of certain restricted stock or restricted stock unit awards. All such purchases were made outside of the publicly announced share repurchase program.

PART II - OTHER INFORMATION (continued)

Item 6. Exhibits

Exhibit No.	Description
3.1(1)	Certificate of the Designations, Powers, Preferences and Rights of Series B Convertible Participating Preferred Stock of BlackRock, Inc., as filed with the Delaware Secretary of State on February 26, 2009.
3.2(1)	Certificate of the Designations, Powers, Preferences and Rights of Series C Convertible Participating Preferred Stock of BlackRock, Inc., as filed with the Delaware Secretary of State on February 26, 2009.
10.1	Second Amended and Restated Stockholder Agreement, dated as of February 27, 2009, between BlackRock, Inc., Merrill Lynch & Co., Inc. and Merrill Lynch Group, Inc.
10.2(1)	Amended and Restated Implementation and Stockholder Agreement, dated as of February 27, 2009, between The PNC Financial Services Group, Inc. and BlackRock, Inc.
10.3(1)	Third Amendment to Share Surrender Agreement, dated as of February 27, 2009, between The PNC Financial Services Group, Inc. and BlackRock, Inc.
12.1	Computation of Ratio of Earnings to Fixed Charges.
31.1	Section 302 Certification of Chief Executive Officer.
31.2	Section 302 Certification of Chief Financial Officer.
32.1	Section 906 Certification of Chief Executive Officer and Chief Financial Officer.

(1) Incorporated by reference to BlackRock’s Current Report on Form 8-K filed on February 27, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACKROCK, INC.
(Registrant)

Date: May 8, 2009

By: /s/ Ann Marie Petach
Ann Marie Petach
Managing Director & Chief Financial Officer

EXHIBIT INDEX

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32.1	Section 906 Certification of Chief Executive Officer and Chief Financial Officer.

(1) Incorporated by reference to BlackRock's Current Report on Form 8-K filed on February 27, 2009.

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Section 2: EX-10.1 (SECOND AMENDED AND RESTATED STOCHOLDER AGREEMENT DTD 2/27/09)

Exhibit 10.1

SECOND AMENDED AND RESTATED

STOCKHOLDER AGREEMENT

AMONG

BLACKROCK, INC.

MERRILL LYNCH & CO., INC.

AND

MERRILL LYNCH GROUP, INC.

DATED AS OF FEBRUARY 27, 2009

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ARTICLE V

NON-COMPETITION

ARTICLE VI

MISCELLANEOUS

SECOND AMENDED AND RESTATED STOCKHOLDER AGREEMENT

SECOND AMENDED AND RESTATED STOCKHOLDER AGREEMENT dated as of February 27, 2009, by and among BlackRock, Inc., a Delaware corporation ("BlackRock") and Merrill Lynch & Co., Inc., a Delaware corporation ("Merrill Lynch") and Merrill Lynch Group, Inc., a Delaware corporation.

WHEREAS, BlackRock and Merrill Lynch are parties to an Amended and Restated Stockholder Agreement, dated as of July 16, 2008 (as so amended and restated, the "Original Agreement");

WHEREAS, the Merrill Lynch Merger shall constitute a Change of Control of Merrill Lynch under the terms of the Original Agreement (the "Merger Change of Control");

WHEREAS, on September 15, 2008, Merrill Lynch entered into a merger agreement with Bank of America Corporation ("Bank of America"), pursuant to which, effective as of the closing of the transaction contemplated thereby a subsidiary of Bank of America will merge with and into Merrill Lynch (the "Merrill Lynch Merger");

WHEREAS, in connection with the Merrill Lynch Merger and the Merger Change of Control, BlackRock and Merrill Lynch propose to enter into transactions whereby Merrill Lynch will exchange (i) 49,865,000 shares of BlackRock Common Stock (as defined herein) for a like number of shares of Series B Participating Preferred Stock (as defined herein) and (ii) 12,604,918 shares of Series A Participating Preferred Stock (as defined herein) for a like number of shares of Series B Participating Preferred Stock (the "Merrill Lynch Exchanges");

WHEREAS, concurrently with the Merrill Lynch Exchange, The PNC Financial Services Group, Inc. ("PNC") will exchange (i) 17,872,000 shares of BlackRock Common Stock for a like number of shares of Series B Participating Preferred Stock and (ii) up to 2,940,866 shares of BlackRock Common Stock for a like number of shares of Series C Participating Preferred Stock (as defined herein) (the "PNC Exchanges" and together with the Merrill Lynch Exchange, the "Exchange Transactions");

WHEREAS, the parties hereto wish to amend and restate the Original Agreement in its entirety;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified Person; provided, however, that solely for purposes of this Agreement, notwithstanding anything to the contrary set forth herein, neither BlackRock nor any of its Controlled Affiliates shall be deemed to be a Subsidiary or Affiliate of Merrill Lynch or Bank of America solely by virtue of the Beneficial Ownership by Merrill Lynch of BlackRock Capital Stock, the election of Directors nominated by Merrill Lynch to the Board, the election of any other Directors nominated by the Board or any other action taken by Merrill Lynch in accordance with the terms and conditions of, and subject to the limitations and restrictions set forth on such Person in, this Agreement (and irrespective of the characteristics of the aforesaid relationships and actions under applicable law or accounting principles).

"Agreement" means this Second Amended and Restated Stockholder Agreement as it may be amended, supplemented, restated or modified from time to time.

"Beneficial Ownership" by a Person of any securities includes ownership by any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition, of such security; and shall otherwise be interpreted in accordance with the term "beneficial ownership" as defined in Rule 13d-3 adopted by the Commission under the Exchange Act; provided that for purposes of determining Beneficial Ownership, a Person shall be deemed to be the Beneficial Owner of any securities which may be acquired by such Person pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise (irrespective of whether the right to acquire such securities is exercisable immediately or only after the passage of time, including the passage of time in excess of 60 days, the satisfaction of any conditions, the occurrence of any event or any combination of the foregoing), except that in no event will Merrill Lynch be deemed to Beneficially Own any securities which it has the right to acquire pursuant to Section 2.3 unless, and then only to the extent that, it shall have actually exercised such right. For purposes of this Agreement, a Person shall be deemed to Beneficially Own any securities Beneficially Owned by its Affiliates (including as Affiliates for this purpose its officers and directors only to the extent they would be Affiliates solely by reason of their equity interest) or any Group of which such Person or any such Affiliate is or becomes a member; provided, however, that securities Beneficially Owned by Merrill Lynch shall not include, for any purpose under this Agreement, any Voting Securities or other securities held by such Person and its Affiliates in trust, managed, brokerage, custodial, nominee or other customer accounts; in trading, inventory, lending or similar accounts of such Person and Affiliates of such Person which are broker-dealers or otherwise engaged in the securities business; or in pooled investment vehicles sponsored, managed and/or advised or subadvised by such Person and its Affiliates except, if they Beneficially Own more than 25% of the ownership interests in a pooled investment vehicle, to the extent of their ownership interests therein; provided that in each case, such securities were acquired in the ordinary course of business of their securities business and not with the intent or purpose of influencing control of BlackRock or avoiding the provisions of this Agreement. The term "Beneficially Own" shall have a correlative meaning.

"Board" means the Board of Directors of BlackRock.

"Business Day" shall mean any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in New York, New York.

"By Laws" means the By-Laws of BlackRock, as amended or supplemented from time to time.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited) or equivalent ownership interests in or issued by such Person.

A "Change of Control of Merrill Lynch" shall be deemed to occur when the Board of Directors of Merrill Lynch determines that a Change in Control of Merrill Lynch has occurred, as a Change in Control of Merrill Lynch may be defined from time to time by the Board of Directors of Merrill Lynch; provided, however, that at a minimum, a Change in Control of Merrill Lynch shall, without any action by the Board of Directors of Merrill Lynch, be deemed to occur if:

(i) any Person, excluding employee benefit plans of Merrill Lynch, is or becomes the Beneficial Owner, directly or indirectly, of securities of Merrill Lynch representing a majority of the combined voting power of Merrill Lynch's then outstanding securities;

(ii) Merrill Lynch consummates a merger, consolidation, share exchange, division or other reorganization or transaction of Merrill Lynch (a "Fundamental Transaction") with any other Person, other than a Fundamental Transaction that results in the voting securities of Merrill Lynch outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least a majority of the combined voting power immediately after such Fundamental Transaction of (A) Merrill Lynch's outstanding securities, (B) the surviving entity's outstanding securities, or (C) in the case of a division, the outstanding securities of each entity resulting from the division;

(iii) the shareholders of Merrill Lynch approve a plan of complete liquidation or winding-up of Merrill Lynch or an agreement for the sale or disposition (in one transaction or a series of transactions) of all or substantially all Merrill Lynch's assets;

(iv) as a result of a proxy contest, individuals who prior to the conclusion thereof constituted the Board of Directors of Merrill Lynch (including for this purpose any new director whose election or nomination for election by Merrill Lynch's shareholders in connection with such proxy contest was approved by a vote of at least two thirds of the directors then still in office who were directors prior to such proxy contest) cease to constitute at least a majority of the Board of Directors of Merrill Lynch (excluding any Board seat that is vacant or otherwise unoccupied);

(v) during any period of twenty-four (24) consecutive months, individuals who at the beginning of such period constituted the Board of Directors of Merrill Lynch (including for this purpose any new director whose election or nomination for election by Merrill Lynch's shareholders was approved by a vote of at least two thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors of Merrill Lynch (excluding any Board seat that is vacant or otherwise unoccupied); or

(vi) Merrill Lynch, directly or indirectly, disposes in one transaction or a series of related transactions of the business segment currently referred to as the Global Private Client business of Merrill Lynch, as the same may be renamed or restructured from time to time. For purposes of this provision, a disposition shall not be deemed to occur unless it results in the loss of a minimum of 66% of the annual gross revenues (excluding net interest profit and related hedges and adjustments for any extraordinary items) of the Global Private Client segment as measured by reference to the annual gross revenues of the Global Private Client segment (excluding net interest profit and related hedges and adjustments for any extraordinary items) in the four fiscal quarters immediately preceding the first such disposition transaction. For purposes of this definition, "net interest profit and related hedges" refers to interest revenues less interest expense and includes the allocation to the Global Private Client business of the interest spread earned in Merrill Lynch's banking subsidiaries for deposits, as well as interest earned, net of provisions for loan losses, on securities-based loans, mortgages, small- and middle-market business and other loans, corporate funding allocations, and the interest component of non-qualifying derivatives.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the shares of Common Stock, par value $0.01 per share, of BlackRock and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or any other means, or otherwise to control such Person within the meaning of such term as used in Rule 405 under the Securities Act. For purposes of this definition, a general partner or managing member of a Person shall always be considered to control such Person provided, however, that a Person shall not be treated as having any control over any collective investment vehicle to which it provides services unless it and its Affiliates collectively have a proprietary economic interest exceeding 25% of the equity interest in such collective investment vehicle.

"Controlled Affiliate" of any Person means a Person that is directly or indirectly controlled by such other Person.

"Director" means any member of the Board (other than any advisory, honorary or other non-voting member of the Board).

"Equivalent Securities" means at any time shares of any class of Capital Stock or other securities or interests of a Person which are substantially equivalent to the Voting Securities of such Person other than by reason of not having voting rights, including, for the avoidance of doubt, the Series A Participating Preferred Stock, Series B Participating Preferred Stock and Series C Participating Preferred Stock.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission from time to time thereunder (or under any successor statute).

“Fair Market Value” means, as to any securities or other property, the cash price at which a willing seller would sell and a willing buyer would buy such securities or property in an arm’s length negotiated transaction without time constraints. With respect to any securities that are traded on a national securities exchange, Fair Market Value shall mean the arithmetic average of the closing prices of such securities on their principal market for the ten consecutive trading days immediately preceding the applicable date of determination and with respect to shares of Participating Preferred Stock of any series shall be the same price per share as the Fair Market Value per share of the Common Stock. The Fair Market Value of any property or assets, other than securities described in the preceding sentence, with an estimated value of less than 1% of the Fair Market Value of all of the issued and outstanding BlackRock Capital Stock shall be determined by the Board (acting through a majority of the Independent Directors) in its good faith judgment. The Fair Market Value of all other property or assets shall be determined by an Independent Investment Banking Firm, selected by a majority of the Independent Directors, whose determination shall be final and binding on the parties hereto. The fees and expenses of such Independent Investment Banking Firm shall be paid by BlackRock.

“Group” shall have the meaning assigned to it in Section 13(d)(3) of the Exchange Act.

“Independent Director” means any Director who (i) is or would be an “independent director” with respect to BlackRock pursuant to Section 303A.02 of the New York Stock Exchange Listed Company Manual (or any successor provision) and (ii) was not nominated or proposed for nomination by or on behalf of, Merrill Lynch, any Significant Stockholder, or any Affiliates or Designated Directors of Merrill Lynch or a Significant Stockholder.

“Independent Investment Banking Firm” means an investment banking firm of nationally recognized standing that in the reasonable judgment of the Person or Persons engaging such firm, taking into account any prior relationship with Merrill Lynch, any Significant Stockholder or BlackRock, is independent of such Person or Persons.

“Merrill Lynch Alternative Manager” means any asset management business formed or acquired, either in whole or in part, after July 16, 2008 by Merrill Lynch, substantially all of the business of which is the management of collective investment funds and/or separately managed accounts that primarily utilize (i) non-traditional investment techniques, including but not limited to short selling, leverage, arbitrage, specialty finance, and quantitatively-driven structured trades and (ii) other activities that are not a Merrill Lynch Restricted Activity.

“Ownership Cap” means, at any time of determination, with respect to Merrill Lynch and its Affiliates, each of (i) 4.9 percent of the Total Voting Power of the Voting

Securities of BlackRock issued and outstanding at such time (the “Voting Ownership Cap”) and (ii) 49.8 percent of the sum of the Voting Securities and the Participating Preferred Stock of BlackRock issued and outstanding at such time and issuable upon the exercise of any options or other rights outstanding at that time which, if exercised, would result in the issuance of additional Voting Securities or Participating Preferred Stock (the “Total Ownership Cap”).

“Ownership Percentage” means, with respect to any Person, at any time, the quotient, expressed as a percentage, of (i) with respect to the Voting Ownership Cap (A) the Total Voting Power of all Voting Securities of another Person Beneficially Owned by such Person and its Affiliates divided by (B) the Total Voting Power of all Voting Securities of such other Person issued and outstanding at that time and (ii) with respect to the Total Ownership Cap, (A) the Total Voting Power of all Voting Securities and the total number of Equivalent Securities of another Person Beneficially Owned by such Person and its Affiliates divided by (B) the Total Voting Power of all Voting Securities and the total number of Equivalent Securities of such other Person issued and outstanding at that time and issuable upon the exercise of any options or other rights outstanding at that time which, if exercised, would result in the issuance of additional Voting Securities or Equivalent Securities.

“Ownership Threshold” means, at any time of determination, with respect to Merrill Lynch and its Affiliates, 20 percent of the Total Voting Power of the Voting Securities of BlackRock issued and outstanding at such time.

“Participating Preferred Stock” means Series A Participating Preferred Stock, Series B Participating Preferred Stock and Series C Participating Preferred Stock.

“Person” means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization, other entity, government or any agency or political subdivision thereof or any Group comprised of two or more of the foregoing.

“Restricted Person” means each of the entities (and their successors) set forth in that certain letter to be delivered by Merrill Lynch prior to the fifth anniversary of the Closing who Merrill Lynch considers to be the nine organizations most competitive with its overall business; provided, that not more than once in any 12 month period thereafter, Merrill Lynch may, with the consent of a majority of the Independent Directors, which consent, subject to applicable fiduciary duties, shall not be unreasonably withheld, amend such letter; provided, further, that at no time may more than nine entities (together with their Affiliates) be Restricted Persons.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission from time to time thereunder (or under any successor statute).

“Series A Participating Preferred Stock” means the Series A Participating Preferred Stock, par value $.01 per share, of BlackRock and any securities issued in respect thereof, or in substitution therefor, or in substitution therefor in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Series B Participating Preferred Stock" means the Series B Convertible Participating Preferred Stock, par value $.01 per share, of BlackRock and any securities issued in respect thereof, or in substitution therefor, or in substitution therefor in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Series C Participating Preferred Stock" means the Series C Convertible Participating Preferred Stock, par value $.01 per share, of BlackRock and any securities issued in respect thereof, or in substitution therefor, or in substitution therefor in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Significant Stockholder" means, at any time of determination, any Person other than Merrill Lynch and its Affiliates that Beneficially Owns 20 percent or more of the BlackRock Capital Stock issued and outstanding at such time.

"Subsidiary" means, with respect to any Person, any corporation or other organization, whether incorporated or unincorporated, (i) of which such Person or any other Subsidiary of such Person is a general partner (excluding partnerships, the general partnership interests of which held by such Person or any Subsidiary of such Person do not have a majority of the voting or similar interests in such partnership), or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

"Total Voting Power" means the total number of votes entitled to be cast by the holders of the outstanding Capital Stock and any other securities entitled, in the ordinary course, to vote on matters put before the holders of the Capital Stock generally.

"Transfer" means, directly or indirectly, to sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of (by operation of law or otherwise), either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of (by operation of law or otherwise), any Capital Stock or any interest in any Capital Stock; provided, however, that a merger, amalgamation, plan of arrangement or consolidation or similar business combination transaction in which Merrill Lynch is a constituent corporation (or otherwise a party including, for the avoidance of doubt, a transaction pursuant to which a Person acquires all or a portion of Merrill Lynch's outstanding Capital Stock, whether by tender or exchange offer, by share exchange, or otherwise) shall not be deemed to be the Transfer of any BlackRock Capital Stock Beneficially Owned by Merrill Lynch, provided that the primary purpose of any such transaction is not to avoid the provisions of this Agreement and that the successor or surviving person to such a merger, amalgamation, plan of arrangement or consolidation or similar business combination transaction, if not Merrill Lynch, expressly assumes all obligations of Merrill Lynch under this Agreement. For purposes of this Agreement, the term Transfer shall include the sale of an Affiliate of Merrill Lynch or Merrill Lynch's interest in an Affiliate which Beneficially Owns BlackRock Capital Stock unless such Transfer is in connection with a merger, amalgamation, plan of arrangement or consolidation or similar business combination transaction referred to in the first proviso of the previous sentence.

"Voting Securities" means at any time shares of any class of Capital Stock or other securities or interests of a Person which are then entitled to vote generally, and not solely upon the occurrence and during the continuation of certain specified events, in the election of Directors or Persons performing a similar function with respect to such Person, and any securities convertible into or exercisable or exchangeable at the option of the holder thereof for such shares of Capital Stock.

Section 1.2 Other Defined Terms. The following terms shall have the meanings defined for such terms in the Sections set forth below:

TERM	SECTION
Additional BlackRock Stock Purchase	Section 2.3
Bank of America	Preamble
BlackRock	Preamble
BlackRock Party	Section 3.3(a)
BlackRock Restricted Activities	Section 5.1(a)
Closing	Section 2.1(d)
DGCL	Section 1.4
Exchange Transactions	Preamble
Final Transfer Notice	Section 3.2
Initial Transfer Notice	Section 3.2(b)
Last Look Price	Section 3.2(b)
Litigation	Section 6.11(a)
Management Designee	Section 4.1(a)
Merger Change of Control	Preamble
Merrill Lynch	Preamble
Merrill Lynch Designee	Section 4.1(a)
Merrill Lynch Exchanges	Preamble
Merrill Lynch Merger	Preamble
Merrill Lynch Public Filings	Section 4.5(b)
Merrill Lynch Restricted Activities	Section 5.1(a)
PNC	Preamble
PNC Exchanges	Preamble
Prohibited Actions	Section 2.2(h)
Related Person	Section 4.7
Significant Stockholder Designee	Section 4.1(a)
Stock Issuance	Section 2.3
Transaction Agreement	Section 2.1(d)
Transferring Party	Section 3.2(b)

Section 1.3 Other Definitional Provisions. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article and Section references are to this Agreement unless otherwise specified.

The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

Section 1.4 Methodology for Calculations. For purposes of calculating the number of outstanding shares of BlackRock Capital Stock or Voting Securities and the number of shares of BlackRock Capital Stock or Voting Securities Beneficially Owned by any Person as of any date, any shares of BlackRock Capital Stock or Voting Securities held in BlackRock’s treasury or belonging to any Subsidiaries of BlackRock which are not entitled to be voted or counted for purposes of determining the presence of a quorum pursuant to Section 160(c) of the Delaware General Corporation Law (or any successor statute (the “DGCL”)) shall be disregarded.

ARTICLE II

SHARE OWNERSHIP

Section 2.1 Acquisition of Additional BlackRock Capital Stock.

(a) Except as provided in paragraph (b) below Merrill Lynch covenants and agrees with BlackRock that it shall not, and shall not permit any of its Affiliates to, directly or indirectly, acquire, offer or propose to acquire or agree to acquire, whether by purchase, tender or exchange offer, through the acquisition of control of another Person (whether by way of merger, consolidation or otherwise), by joining a partnership, syndicate or other Group or otherwise, the Beneficial Ownership of any additional BlackRock Capital Stock, if after giving effect to such acquisition or action, it would Beneficially Own BlackRock Capital Stock representing more than its Voting Ownership Cap or Total Ownership Cap.

(b) Notwithstanding the foregoing, the acquisition (whether by merger, consolidation, exchange of equity interests, purchase of all or part of the equity interests or assets or otherwise) by Merrill Lynch or an Affiliate thereof of any Person that Beneficially Owns BlackRock Capital Stock, or the acquisition of BlackRock Capital Stock in connection with securing or collecting a debt previously contracted in good faith in the ordinary course of Merrill Lynch’s or such Affiliate’s banking, brokerage or securities business, shall not constitute a violation of its Ownership Cap; provided that (i) the primary purpose of any such transaction is not to avoid the provisions of this Agreement, including its Ownership Cap, and (ii) in the case of an acquisition of another Person, it uses reasonable best efforts to negotiate terms in connection with the relevant acquisition agreement requiring such other Person to divest itself of sufficient BlackRock Capital Stock it Beneficially Owns so that its Voting Ownership Cap and its Total Ownership Cap would not be exceeded pro forma for the acquisition, with such divestiture to be effected concurrently with, or as promptly as practicable following, the consummation of such acquisition (but in no event more than 120 days following such consummation, or such longer period not in excess of 243 days following such consummation as may be necessary due to the possession of material non-public information or so that neither it nor any of its Affiliates incurs any liability under Section 16(b) of the Exchange Act if, for purposes of Section 16(b), they have not acquired Beneficial Ownership of any other shares of BlackRock Capital Stock or derivatives thereof after the date of the transaction that resulted in Merrill Lynch exceeding its Ownership Cap) and the successor or surviving Person to such transaction, if not Merrill Lynch or such Affiliate, expressly assumes all obligations of Merrill Lynch or such Affiliate, as the case may be, under this Agreement; and provided, further, that the provisions of paragraph (c) below are complied with.

(c) (i) If at any time Merrill Lynch and any of its Affiliates Beneficially Own in the aggregate BlackRock Capital Stock representing more than its Voting Ownership Cap or Total Ownership Cap, then Merrill Lynch shall, as soon as is reasonably practicable (but in no event longer than 120 days after its Ownership Percentage first exceeds its Voting Ownership Cap or Total Ownership Cap or such longer period not in excess of 243 days following such consummation as may be necessary due to the possession of material non-public information or so that neither it nor any of its Affiliates incurs any liability under Section 16(b) of the Exchange Act if, for purposes of Section 16(b), they have not acquired Beneficial Ownership of any other shares of BlackRock Capital Stock or derivatives thereof after the date of the transaction that resulted in Merrill Lynch exceeding its Ownership Cap) Transfer (in any manner that would be permitted by Section 3.2(b) after the lapse of any minimum holding period) a number of shares of BlackRock Capital Stock sufficient to reduce the amount of BlackRock Capital Stock Beneficially Owned by it and its Affiliates to an amount representing not greater than its Ownership Cap.

(ii) Notwithstanding any other provision of this Agreement, in no event may Merrill Lynch or any of its Affiliates, directly or indirectly, including through any agreement or arrangement, exercise any voting rights, during the term of this Agreement, in respect of any BlackRock Capital Stock Beneficially Owned by it and its Affiliates representing in excess of its Voting Ownership Cap.

(d) Any additional BlackRock Capital Stock acquired and Beneficially Owned by Merrill Lynch or any of its Affiliates following the Closing (the “Closing”) of the transactions contemplated by the Transaction Agreement and Plan of Merger, dated as of February 15, 2006 (the “Transaction Agreement”) shall be subject to the restrictions contained in this Agreement as fully as if such shares of BlackRock Capital Stock were acquired by it at or prior to the Closing.

(e) Notwithstanding Section 2.1(a), Merrill Lynch shall not and shall cause its Affiliates not to acquire Beneficial Ownership of any shares of BlackRock Capital Stock from any Person other than BlackRock or a Significant Stockholder (other than pursuant to an acquisition effected in a manner contemplated by Section 2.1(b)) if after giving effect to such acquisition Merrill Lynch, together with its Affiliates, would Beneficially Own BlackRock Capital Stock representing more than 90 percent of its Voting Ownership Cap.

Section 2.2 Prohibition of Certain Communications and Actions. Merrill Lynch shall not and shall cause its Affiliates and its and their directors officers and other agents not to (w) solicit, seek or offer to effect, or effect, (x) negotiate with or provide any information to the Board, any director or officer of BlackRock, any stockholder of BlackRock, any employee or union or other labor organization representing employees of BlackRock or any other Person with respect to, (y) make any statement or proposal, whether written or oral, either alone or in concert with others, to the Board, any director or officer of BlackRock or any stockholder of, any employee or union or other labor organization representing employees of BlackRock or any other Person with respect to, or (z) make any public announcement (except as required by law in respect of actions permitted hereby) or proposal or offer whatsoever (including, but not limited to, any "solicitation" of "proxies" as such terms are defined or used in Regulation 14A under the Exchange Act) with respect to:

(a) any acquisition, offer to acquire, or agreement to acquire, directly or indirectly, by purchase or any other action the purpose or result of which would be to Beneficially Own (i) BlackRock Capital Stock or Voting Stock of any successor to or person in control of BlackRock in an amount which, when added to any other BlackRock Capital Stock then Beneficially Owned by Merrill Lynch and any of its Affiliates would cause the total amount of BlackRock Voting Securities Beneficially Owned by Merrill Lynch to exceed its Voting Ownership Cap or Total Ownership Cap, (ii) any equity securities of any Controlled Affiliate of BlackRock, (in each case except to the extent such acquisition, offer or agreement would be permissible under Section 2.1),

(b) any form of business combination or similar or other extraordinary transaction involving BlackRock or any Controlled Affiliate thereof, including, without limitation, a merger, tender or exchange offer or sale of any substantial portion of the assets of BlackRock or any Controlled Affiliate of BlackRock,

(c) any form of restructuring, recapitalization or similar transaction with respect to BlackRock or any Controlled Affiliate of BlackRock,

(d) any purchase of any assets, or any right to acquire any asset (through purchase, exchange, conversion or otherwise), of BlackRock or any Controlled Affiliate of BlackRock, other than investment assets of BlackRock or any Controlled Affiliate of BlackRock in the ordinary course of its banking, brokerage or securities business and other than an insubstantial portion of such assets in the ordinary course of business,

(e) being a member of a Group for the purpose of acquiring, holding or disposing of any shares of BlackRock Capital Stock or any Controlled Affiliate of BlackRock,

(f) selling any share of BlackRock Capital Stock in an unsolicited tender offer that is opposed by the Board,

(g) any proposal to seek representation on the Board except as contemplated by this Agreement or, other than as permitted by the proviso to Section 4.6(a) of this Agreement, any proposal to seek to control or influence the management, Board or policies of BlackRock or any Controlled Affiliate of BlackRock, or

(h) encourage, join, act in concert with or assist (including, but not limited to, providing or assisting in any way in the obtaining of financing for, or acting as a joint or co-bidder with) any third party to do any of the foregoing (the actions referred to in the foregoing provisions of this sentence being referred to as "Prohibited Actions"). If at any time Merrill Lynch or any Affiliate thereof is approached by any Person requesting Merrill Lynch or any

Affiliate to instigate, encourage, join, act in concert with or assist any Person in a Prohibited Action involving the assets, businesses or securities of BlackRock or any of its Controlled Affiliates or any other Prohibited Actions, Merrill Lynch will promptly inform BlackRock of the nature of such contact and the parties thereto.

Nothing in this Section 2.2 shall limit the ability of any Director, including any Merrill Lynch Designee, to vote in his or her capacity as a Director in such manner as he or she sees fit.

Section 2.3 Purchases of Additional Securities. At any time that BlackRock effects an issuance (a "Stock Issuance") of additional Voting Securities or Equivalent Securities other than in connection with any employee restricted stock, stock option, incentive or other benefit plan to any Person or Persons other than Merrill Lynch or any Affiliate thereof, Merrill Lynch shall, subject to Section 2.1, have the right to purchase from BlackRock (in each instance, an "Additional BlackRock Stock Purchase") (i) additional shares of Participating Preferred Stock such that following such Stock Issuance and such purchase Merrill Lynch and its Affiliates will Beneficially Own shares and/or other securities representing the lesser of (A) the lesser of Merrill Lynch's Voting Ownership Cap and its Total Ownership Cap and (B) the same Ownership Percentage of Merrill Lynch's Voting Ownership Cap and Total Ownership Cap as they Beneficially Owned immediately prior to such Stock Issuance and (ii) if the total of all Stock Issuances including the Stock Issuance in question since the Closing has the effect, after taking into account any repurchases of BlackRock Capital Stock by BlackRock since the Closing and any Transfers of BlackRock Capital Stock by Merrill Lynch and its Affiliates in accordance with Section 3.2(b)(i) or (ii), of decreasing the Total Voting Power of BlackRock Capital Stock issued and outstanding after giving effect to such Stock Issuance Beneficially Owned by Merrill Lynch and its Affiliates to 90% or less of Merrill Lynch's Voting Ownership Cap, additional Voting Securities of the same class or series issued in the Stock Issuance such that following such Stock Issuance and such purchase Merrill Lynch and its Affiliates will Beneficially Own shares and/or other securities representing the lesser of (x) Merrill Lynch's Voting Ownership Cap and (y) the same Ownership Percentage of Merrill Lynch's Voting Ownership Cap as Merrill Lynch's and its Affiliates Beneficially Owned immediately prior to such Stock Issuance. If Merrill Lynch exercises such right within 30 days after the pricing date of such Stock Issuance and if the purchaser or purchasers of Voting Securities in such Stock Issuance pays cash in consideration for such securities, Merrill Lynch shall pay an equal per security amount of cash consideration in the Additional BlackRock Stock Purchase following such Stock Issuance. In all other cases, the price that Merrill Lynch shall pay to purchase the additional securities shall be the Fair Market Value per unit of the class or series of securities. BlackRock shall give Merrill Lynch written notice of any Stock Issuance as far in advance as practicable and on the date of completion.

Section 2.4 BlackRock Share Repurchases. If BlackRock engages in any share repurchase program or self-tender that has the effect of causing Merrill Lynch's Beneficial Ownership of BlackRock Capital Stock to exceed its Voting Ownership Cap or Total Ownership Cap, subject to any restrictions in the Exchange Act, Merrill Lynch shall, at the request of BlackRock, promptly sell such number of shares of BlackRock Capital Stock to BlackRock as shall cause its Beneficial Ownership of BlackRock Capital Stock not to exceed its Voting Ownership Cap or Total Ownership Cap.

ARTICLE III

TRANSFER RESTRICTIONS

Section 3.1 General Transfer Restrictions. The right of Merrill Lynch and its Affiliates to Transfer any BlackRock Capital Stock is subject to the restrictions set forth in this Article III, and no Transfer of BlackRock Capital Stock by Merrill Lynch or any of its Affiliates may be effected except in compliance with this Article III. Any attempted Transfer in violation of this Agreement shall be of no effect and null and void, regardless of whether the purported transferee has any actual or constructive knowledge of the Transfer restrictions set forth in this Agreement, and shall not be recorded on the stock transfer books of BlackRock.

Section 3.2 Restrictions on Transfer.

(a) Without the prior written consent of BlackRock (acting through a majority of the Independent Directors), during an initial period of three years following the Closing, Merrill Lynch shall not, and shall not permit its Affiliates to, Transfer any Beneficially Owned BlackRock Capital Stock or agree to Transfer, directly or indirectly, any Beneficially Owned BlackRock Capital Stock; provided that the foregoing restriction shall not prohibit Merrill Lynch or any of its Affiliates from Transferring any Beneficially Owned BlackRock Capital Stock (i) to BlackRock pursuant to Section 2.4 or (ii) to an Affiliate of Merrill Lynch that agrees in writing with BlackRock to be bound by this Agreement as fully as if it were an initial signatory hereto.

(b) Following the third anniversary of the Closing, Merrill Lynch shall not, and shall not permit its Affiliates to, Transfer any Beneficially Owned BlackRock Capital Stock or agree to Transfer, directly or indirectly, any Beneficially Owned BlackRock Capital Stock; provided that the foregoing restriction shall not be applicable to Transfers:

(i) to an Affiliate of Merrill Lynch which agrees in writing with BlackRock to be bound by this Agreement as fully as if it were an initial signatory hereto;

(ii) pursuant to the restrictions of Rule 144 under the Securities Act applicable to sales of securities by Affiliates of an issuer (regardless of whether Merrill Lynch is deemed at such time to be an Affiliate of BlackRock) to any Person who after giving effect to such Transfer would not Beneficially Own BlackRock Capital Stock representing in the aggregate more than 5% of the Total Voting Power of BlackRock Capital Stock issued and outstanding;

(iii) pursuant to privately negotiated transactions, in each calendar quarter in an amount not in excess (together with Transfers pursuant to Section 3.2(b)(ii) and (iv) during such calendar quarter) of 4.5% of the Total Voting Power of BlackRock Capital Stock issued and outstanding to any Person who after giving effect to such Transfer would not Beneficially Own BlackRock Capital Stock representing in the aggregate more than 5% of the Total Voting Power of BlackRock Capital Stock issued and outstanding; provided, that Merrill Lynch or the Affiliate proposing to Transfer pursuant to this Section 3.2(b)(iii) (the “Transferring Party”) promptly provide to BlackRock written notice (an “Initial Transfer Notice”), stating such Transferring Party’s intention to effect such a Transfer, and stating that Merrill Lynch will comply with the provisions of Section 3.3 and prior to making any Transfer or entering into any definitive agreement to do so shall provide to BlackRock a further written notice (a "Final Transfer Notice") stating such Transferring Party's intention to effect the specific transfer described therein (including price and terms (the "Last Look Price"));

(iv) in each calendar quarter, in an amount not in excess (together with Transfers pursuant to Section 3.2(b)(ii) and (iii)) of 4.5% of the Total Voting Power of BlackRock Capital Stock issued and outstanding, pursuant to a distribution to the public, registered under the Securities Act, in which Merrill Lynch uses its commercially reasonable efforts to (A) effect as wide a distribution of such BlackRock Capital Stock as is reasonably practicable, and (B) not knowingly sell BlackRock Capital Stock to any Person who after consummation of such offering would have Beneficial Ownership of BlackRock Capital Stock representing in the aggregate more than 5% of the Total Voting Power of BlackRock Capital Stock; or

(v) with the prior written consent of a majority of the Independent Directors.

(c) Subject to Sections 3.2(a) and (b), if Merrill Lynch wishes or is required to Transfer an amount of BlackRock Capital Stock constituting more than 10% of the Total Voting Power of BlackRock Capital Stock, Merrill Lynch shall coordinate with BlackRock regarding optimizing the manner of distribution and sale of such shares, including whether such sale should occur through an underwritten offering and shall cooperate in the marketing of any such offering.

(d) Merrill Lynch shall reimburse BlackRock for any fees and expenses incurred in connection with any Transfer by Merrill Lynch pursuant to this Section 3.2 (other than any Transfer pursuant to Sections 3.3(a) and 3.3(b)).

Section 3.3 Right of Last Refusal.

(a) Upon receipt of a Final Transfer Notice, unless the proposed Transfer described therein is being made in a tax-free Transfer to a charitable organization or foundation, BlackRock will have an irrevocable and transferable option to purchase all of the BlackRock Capital Stock subject to such Final Transfer Notice at the Last Look Price and otherwise on the terms and conditions described in the Final Transfer Notice. BlackRock and/or its transferees (collectively and/or separately, the "BlackRock Party") shall, within 10 Business Days from receipt of the Final Transfer Notice, indicate if it intends to exercise such option by sending irrevocable written notice of any such exercise to the Transferring Party, and such BlackRock Party shall then be obligated to purchase all such BlackRock Capital Stock on terms and conditions no less favorable (other than date of closing) to Transferring Party than those set forth in the Final Transfer Notice.

(b) If a BlackRock Party elects to purchase all of such BlackRock Capital Stock, the BlackRock Party and the Transferring Party shall be legally obligated to consummate such transaction and shall use their commercially reasonable efforts to consummate such transaction as promptly as practicable but in any event within 10 Business Days following the delivery of such election notice or, if later, 5 Business Days after receipt of all required regulatory approvals (but in no event more than 60 days after the delivery of such election notice).

(c) If a BlackRock Party does not elect to purchase all of such BlackRock Capital Stock pursuant to this Section 3.3 (or if, having made such election, does not complete such purchase within the applicable time period specified in Section 3.3(b)), then the Transferring Party shall be free for a period of 30 days from the date the election notice was due to be received from a BlackRock Party to enter into definitive agreements to Transfer such BlackRock Capital Stock in accordance with Section 3.2(b)(ii) for not less than the Last Look Price; provided that any such definitive agreement provides for the consummation of such Transfer to take place within nine months from the date of such definitive agreement and is otherwise on terms not more favorable to the transferee in any material respect than were contained in the Final Transfer Notice. In the event that the Transferring Party has not entered into such a definitive agreement with such 30-day period, or has so entered into such an agreement but has not consummated the sale of such BlackRock Capital Stock within nine months from the date of such definitive agreement, then the provisions of this Section 3.3 shall again apply, and such Transferring Party shall not Transfer or offer to Transfer such BlackRock Capital Stock not so Transferred without again complying with this Section 3.3, to the extent applicable.

(d) Each of the time periods set forth in Section 3.3(a)-(c) above shall be doubled if the number of shares Merrill Lynch seeks to Transfer (as set forth in the Final Transfer Notice) exceeds 4.5% of the Total Voting Power of the BlackRock Capital Stock, or shares of Series B Preferred Stock convertible upon transfer into in excess of 4.5% of the Total Voting Power of the BlackRock Capital Stock, issued and outstanding at that time.

Section 3.4 Legend on Securities.

(a) Each certificate representing shares of BlackRock Capital Stock Beneficially Owned by Merrill Lynch or its Affiliates and subject to the terms of this Agreement shall bear the following legend on the face thereof:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND CERTAIN OTHER LIMITATIONS SET FORTH IN A CERTAIN SECOND AMENDED AND RESTATED STOCKHOLDER AGREEMENT DATED AS OF DECEMBER 31, 2008, BETWEEN BLACKROCK, INC. (THE "COMPANY") AND MERRILL LYNCH & CO, INC., AS THE SAME MAY BE AMENDED FROM TIME TO TIME (THE "AGREEMENT"), COPIES OF WHICH AGREEMENT ARE ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY."

(b) Upon any acquisition by Merrill Lynch or any of its Affiliates of additional shares of BlackRock Capital Stock, Merrill Lynch shall, or shall cause such Affiliate to, submit the certificates representing such shares of BlackRock Capital Stock to BlackRock so that the legend required by this Section 3.4 may be placed thereon (if not so endorsed upon issuance).

(c) BlackRock may make a notation on its records or give instructions to any transfer agents or registrars for BlackRock Capital Stock in order to implement the restrictions on Transfer set forth in this Agreement.

(d) In connection with any Transfer of shares of Beneficially Owned BlackRock Capital Stock, the transferor shall provide BlackRock with such customary certificates, opinions and other documents as BlackRock may reasonably request to assure that such Transfer complies fully with this Agreement and with applicable securities and other laws. In connection with any Transfer pursuant to Section 3.2(b)(ii), (iii) or (iv), BlackRock shall remove such portion of the foregoing legend as is appropriate in the circumstances.

Section 3.5 Change of Control. Upon a Change of Control of Merrill Lynch within the first five years after the Closing, Merrill Lynch (or any successor Person) shall, (a) within 30 days of such Change of Control, initiate and thereafter as promptly as practicable (consistent with applicable legal requirements) Transfer in accordance with the provisions of Sections 3.2 and/or 3.3 of this Agreement (or such other manner as the parties shall have agreed is optimal in the circumstances and will not result in an "assignment" of any investment advisory agreements of BlackRock and its Controlled Affiliates under the U.S. Investment Advisers Act of 1940) such number of Voting Securities of BlackRock as shall be necessary to reduce to 24.9 percent the Total Voting Power of BlackRock Capital Stock Beneficially Owned by Merrill Lynch and its Affiliates immediately after giving effect to such Change of Control or, at the election of Merrill Lynch, (b) Merrill Lynch shall exchange all of its shares of Common Stock for shares of Series A Participating Preferred Stock or Series B Participating Preferred Stock on the basis of one share of Series A Participating Preferred Stock or Series B Participating Preferred Stock, as applicable, for each share of Common Stock so exchanged and shall agree to elect cash dividends on all such shares, and BlackRock shall effect such exchange. The parties shall cooperate in completing and marketing such Transfer, and shall take into account all relevant considerations, including market conditions, in determining the timing and manner of such Transfer.

ARTICLE IV

CORPORATE GOVERNANCE

Section 4.1 Composition of the Board.

(a) Following the Closing, BlackRock and Merrill Lynch shall each use its best efforts to cause the election at each meeting of stockholders of BlackRock of such nominees reasonably acceptable to the Board such that there are no more than 17 Directors; there are not more than four Directors who are members of BlackRock management (each a "Management Designee"); there are two Directors, each in a different class, who are individuals designated in writing to BlackRock by Merrill Lynch (each, a "Merrill Lynch Designee"); there are two Directors, each in a different class, who are individuals designated in writing to BlackRock by a Person who is a Significant Stockholder and has held such status since prior to the date of the Transaction Agreement (each, a "Significant Stockholder Designee"); and the remaining Directors are Independent Directors.

(b) Following the Closing, upon the resignation, retirement or other removal from office of any Management Designee or Merrill Lynch Designee (i) BlackRock or Merrill Lynch, as the case may be, shall be entitled promptly to designate a replacement Management Designee or Merrill Lynch Designee, as the case may be, who meets the qualifications of a Director and is reasonably acceptable to the Board and (ii) BlackRock and Merrill Lynch shall each use its best efforts to cause the appointment or election of such replacement designee as a Director by the other Directors or by the stockholders of BlackRock.

Section 4.2 Vote Required for Board Action; Board Quorum.

(a) Except as provided in this Section 4.2 and in Section 4.7, any determination or other action of or by the Board (other than action by unanimous written consent in lieu of a meeting) shall require the affirmative vote or consent, at a meeting at which a quorum is present, of a majority of directors present at such meeting.

(b) In addition to the requirements of Section 4.2(a), BlackRock shall not enter into or effectuate any of the following transactions without the prior approval of either all of the Independent Directors then in office, or at least two-thirds of the Directors then in office, at a meeting with respect to which such transaction was specifically described in a written notice of meeting called at least two Business Days in advance; provided, however, that if a Director is not present (for the avoidance of doubt, a Director may attend, and be counted as present, at a meeting telephonically) at either of two meetings called and noticed in the foregoing manner to consider such transaction, such Director shall be deemed, solely for purposes of this Section 4.2(b), not to be a Director then in office if such Director is not present at the third meeting called and noticed in the foregoing manner to consider such transaction:

(i) appointment of a new Chief Executive Officer of BlackRock;

(ii) any merger, consolidation, exchange of shares, issuance of shares or similar transaction as a result of which a majority of the Total Voting Power of BlackRock Capital Stock or the Person surviving such transaction issued and outstanding immediately after giving effect to such transaction would be Beneficially Owned by one or more Persons other than Persons holding a majority of the Total Voting Power of BlackRock Capital Stock Issued and outstanding prior to the occurrence of such transaction, or any sale of all or substantially all of the assets of BlackRock to any Person;

(iii) any acquisition, whether by merger, consolidation, exchange of equity interests, purchase of equity interests or assets or similar transaction of any Person or business the consolidated net income after taxes of which for its preceding fiscal year equals or exceeds 20% of BlackRock's consolidated net income after taxes for it preceding fiscal year if such acquisition involves the current or potential issuance of BlackRock Capital Stock constituting more than 10% of the Total Voting Power of BlackRock Capital Stock issued and outstanding immediately after completion of such acquisition;

(iv) any acquisition, whether by merger, consolidation, exchange of equity interests, purchase of equity interests or assets or similar transaction of any Person or business constituting a line of business that is materially different from the lines of business

BlackRock and its Controlled Affiliates are engaged in immediately prior to such acquisition if such acquisition involves consideration in excess of 10% of the total assets of BlackRock on a consolidated basis;

(v) except for repurchases pursuant to the terms of this Agreement, any repurchase by BlackRock or any Subsidiary of BlackRock of shares of BlackRock Capital Stock such that after giving effect to such repurchase BlackRock and its Subsidiaries shall have repurchased more than 10% of the Total Voting Power of BlackRock Capital Stock within the 12-month period ending on the date of such repurchase;

(vi) any amendment, modification or waiver of BlackRock's Certificate of Incorporation;

(vii) any matter requiring stockholder approval pursuant to the New York Stock Exchange listed company manual;

(viii) any amendment, modification or waiver (as distinct from a consent or approval provided therein) of any restriction or prohibition on Merrill Lynch or its Affiliates provided for herein or any amendment, modification or waiver (as distinct from a consent or approval provided for therein) of any restriction or prohibition on a Significant Stockholder or its Affiliates provided for in a stockholders agreement between BlackRock and such Significant Stockholder;

provided, however, that if a Change of Control of Merrill Lynch occurs prior to the fifth anniversary of the Closing, the provisions of this Section 4.2(b) shall immediately cease.

(c) In addition to the requirements of Section 4.2(a) and (b), BlackRock shall not enter into any agreement providing for, or effectuate any of the following transactions without the prior written approval of Merrill Lynch:

(i) until the fifth anniversary of the Closing, (A) any merger, consolidation, exchange of shares, issuance of shares or similar transaction as a result of which a majority of the Total Voting Power of the Capital Stock of BlackRock or the Person surviving such transaction issued and outstanding immediately after giving effect to such transactions would be Beneficially Owned by one or more Persons other than Persons holding a majority of the Total Voting Power of the BlackRock Capital Stock issued and outstanding prior to the occurrence of such transaction or (B), in the case of a merger, consolidation, exchange of shares, issuance of shares or similar transaction that is not covered by clause (A) above, more than 20% of the Total Voting Power of the Capital Stock of BlackRock or the other Person surviving such transaction issued and outstanding immediately after giving effect to such transaction would be Beneficially Owned by any Person who Beneficially Owned less than 20% of the Total Voting Power of the BlackRock Capital Stock or of the Capital Stock of such other Person immediately prior to such transaction;

(ii) after the fifth anniversary of the Closing, any merger, consolidation, exchange of shares, issuance of shares or similar transaction as a result of which a majority of the Total Voting Power of BlackRock Capital Stock would be Beneficially Owned by a Restricted Person or any sale of all or substantially all of the assets of BlackRock to any Restricted Person;

(iii) any sale, whether by merger, consolidation, exchange of equity interests, sale of equity interests in or assets or similar transaction of any Subsidiary if the annualized revenues of such Subsidiary or assets, together with the annualized revenues of all other Subsidiaries so disposed of within the 12-month period ending on the date of such sales exceeds more than 20% of the annualized revenues of BlackRock for the preceding fiscal year on a consolidated basis;

(iv) any acquisition, whether by merger, consolidation, exchange of equity interests, purchase of equity interests or assets or similar transaction of any Person or business which would be reasonably likely in the opinion of counsel to Merrill Lynch require Merrill Lynch to register with the Board of Governors of the Federal Reserve System as a bank holding company or become subject to regulation, supervision or restrictions under the Bank Holding Company Act of 1956, the Change of Bank Control Act or Section 10 of the Homeowners Loan Act;

(v) any amendment, modification, repeal or waiver of Section 3.2 of BlackRock's By-Laws or of BlackRock's Certificate of Incorporation or By-Laws that would be viewed by a reasonable Person as being adverse to the rights of Merrill Lynch or more favorable to the rights of a Significant Stockholder than to the rights of Merrill Lynch;

(vi) any settlement or consent in a regulatory enforcement matter that would be reasonably likely, in the opinion of counsel to Merrill Lynch, to cause Merrill Lynch or any of its Affiliates to suffer (A) any regulatory disqualification, (B) suspension of registration or license or (C) other material adverse regulatory consequence (which approval may not be unreasonably withheld in the case of this clause (C));

(vii) any amendment, modification or waiver (as distinct from a consent or approval provided for therein) of any provision of a stockholders agreement between BlackRock and a Significant Stockholder that would be viewed by a reasonable Person as being adverse to Merrill Lynch or materially more favorable to the rights of such Significant Stockholder thereunder than to the rights of Merrill Lynch hereunder; or

(viii) any voluntary bankruptcy or similar filing or declaration by BlackRock.

provided, however, that if a Change of Control of Merrill Lynch occurs prior to the fifth anniversary of the Closing, the provisions of Section 4.2(c)(i), (ii) and (iii) shall immediately cease.

(d) A quorum for any meeting of the Board shall require the presence of a majority of the total number of Directors then in office.

Section 4.3 Committees. To the extent permitted by applicable laws, rules and regulations (including any requirements under the Exchange Act or the rules of the New York Stock Exchange or any other applicable securities exchange on which the Common Stock is then listed) and except as otherwise determined by the Board (in accordance with Section 4.2) each committee of the Board shall consist of a majority of Independent Directors, the Audit Committee, the Compensation Committee and, to the extent required by applicable laws, rules and regulations and self-regulatory organization requirements, the Nominating Committee shall consist entirely of Independent Directors and the Executive Committee shall consist of not less than five members of which one shall be a Merrill Lynch Designee. Subject to Sections 4.2 and 4.7 all decisions of such committees shall require the affirmative vote of a majority of the Directors then serving on such committee.

Section 4.4 Certificate of Incorporation and Bylaws to be Consistent. Each of BlackRock and Merrill Lynch shall use its best efforts to take or cause to be taken all lawful action necessary or appropriate to ensure that at all times the Certificate of Incorporation and the Bylaws of BlackRock contain provisions consistent with the terms of this Agreement (including without limitation this Article IV) and none of the Certificate of Incorporation or the Bylaws of BlackRock or any of the corresponding constituent documents of BlackRock's Subsidiaries contain any provisions inconsistent therewith or which would in any way nullify or impair the terms of this Agreement or the rights of BlackRock or Merrill Lynch hereunder. Neither BlackRock nor Merrill Lynch shall take or cause to be taken any action inconsistent with the terms of this Agreement (including without limitation this Article IV) or the rights of BlackRock or Merrill Lynch hereunder.

Section 4.5 Information Rights.

(a) BlackRock acknowledges that the investments of Merrill Lynch in BlackRock are material and strategic to it. Accordingly, BlackRock shall provide to Merrill Lynch, on an ongoing and current basis, such access to and information with respect to BlackRock's business, operations, plans and prospects as either of them may from time to time reasonably determine it requires in order to appropriately manage and evaluate its investment in BlackRock.

(b) Without limiting the generality of the foregoing, for so long as Merrill Lynch is required (the "Equity Accounting Period") to account for its investment in BlackRock under the equity method of accounting (determined in accordance with GAAP as applicable to Merrill Lynch), BlackRock agrees that:

(i) BlackRock shall provide Merrill Lynch with (A) consolidated financial results for the latest available period of the BlackRock consolidated group (the "BlackRock Group") in order to allow Merrill Lynch to prepare its US regulatory filings under the Securities Exchange Act of 1934 ("Merrill Lynch Public Filings"), including Merrill Lynch's quarterly financial statements and annual audited financial statements and (B) such financial information or documents in the possession of BlackRock and any of its Subsidiaries as Merrill Lynch may reasonably request; and

(ii) BlackRock shall cooperate, and use its reasonable best efforts to cause BlackRock's independent certified public accounts ("BlackRock's Auditors") to cooperate, with Merrill Lynch to the extent reasonably requested by Merrill Lynch in the preparation of Merrill Lynch's public earnings releases or other press releases, Current Reports on Form 8-K, Annual Reports to Shareholders, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and any other proxy, information and registration statements, reports, notices, prospectuses and any other filings made by Merrill Lynch with the Commission, or any other Governmental Authority or otherwise made publicly available (collectively, the "Merrill Lynch Public Filings"). BlackRock agrees to provide to Merrill Lynch all information that Merrill Lynch reasonably requests in connection with any Merrill Lynch Public Filings or that, in the reasonable judgment of Merrill Lynch or its legal counsel, is required to be disclosed or incorporated by reference therein under any applicable law. BlackRock shall provide such information to enable Merrill Lynch to prepare, print and release all Merrill Lynch Public Filings on a timely basis. BlackRock shall use its reasonable best efforts to cause BlackRock's Auditors to consent to any reference to them as experts in any Merrill Lynch Public Filings required under applicable law.

(c) To the extent required in order for any Party to comply with applicable law, BlackRock and Merrill Lynch will work together in good faith to develop appropriate protocols for each to share with the other aggregate security position information for use in their respective compliance programs. For so long as BlackRock shall be deemed a subsidiary of Merrill Lynch for purposes of the Home Owners Loan Act or Change in Bank Control Act, Merrill Lynch shall have appropriate coordination rights with respect to holdings of voting shares of savings and loan holdings companies, savings associations, banks and bank holding companies.

(d) With respect to any information provided by BlackRock:

(i) Subject to the requirements of law, Merrill Lynch shall keep confidential, and shall cause its representatives to keep confidential, all information and documents obtained pursuant to this Section 4.5 unless such information (w) is or becomes publicly available other than as a result of a breach of this Section 4.5(d) by it or its representatives; (x) was within its possession prior to being furnished to it by or on behalf of BlackRock, provided that the source of such information was not known by it to be bound by a confidentiality agreement with, or other contractual or legal obligation of confidentiality to, BlackRock with respect to such information; (y) is or becomes available to such Person or any of its representatives on a non-confidential basis from a source other than BlackRock or any of its representatives; provided that such source was not known to it to be bound by a confidentiality agreement with, or other contractual or legal obligation of confidentiality to, BlackRock with respect to such information; or (z) is independently developed by or on its behalf without violating any of its obligations under this Section 4.5(d).

(ii) In the event Merrill Lynch believes that it is legally required to disclose any information or documents contemplated by this Section 4.5(d), it shall to the extent possible under the circumstances provide reasonable prior notice to BlackRock so that BlackRock may, at its own expense, seek a protective order or otherwise take reasonable steps to protect the confidentiality of such information.

(iii) Notwithstanding the foregoing, Merrill Lynch may disclose any information or documents contemplated by this Section 4.5 (d) in a filing with a governmental authority to the extent required by applicable law, provided that it shall to the extent practicable under the circumstances provide prior notice to BlackRock.

(iv) The rights of Merrill Lynch and the obligations of BlackRock hereunder shall be subject to applicable laws relating to the exchange of information and other applicable laws. The provisions of this Section 4.5(d) shall survive any termination of this Agreement.

Section 4.6 Voting Agreements.

(a) Merrill Lynch shall, and shall cause any of its Affiliates, to vote or act by written consent all of the shares of BlackRock Capital Stock Beneficially Owned by it (i) in favor of each matter required to effectuate any provision of this Agreement and against any matter the approval of which would be inconsistent with any provision of this Agreement and (ii) to the extent consistent with clause (i) above, in accordance with the recommendation of the Board on all matters approved by the Board in accordance with the provisions of Article IV, including elections of Directors; provided, however, that if the Board shall either fail to nominate for election as a Director either or both of two individuals designated by Merrill Lynch who are reasonably acceptable to the Board, or shall unreasonably reject one or more Merrill Lynch designees who is otherwise eligible to serve, then, so long as such individuals otherwise meet the requirements for serving as a Director of BlackRock, Merrill Lynch and its Affiliates shall have the right to nominate such individuals at the applicable meeting of stockholders and to solicit proxies for the election of such individuals and, if such individuals are nominated at such meeting, may vote all of their shares of BlackRock Capital Stock entitled to vote on such matter in favor of the election of such individuals.

(b) Merrill Lynch shall, and shall cause each of its Affiliates who hold BlackRock Capital Stock entitled to vote on any matter, be present in person or represented by proxy at all meetings of securityholders of BlackRock to the extent necessary so that all Voting Securities Beneficially Owned by Merrill Lynch and its Affiliates shall be counted as present for the purpose of determining the presence of a quorum at such meeting and to vote such shares in accordance with this Section 4.6.

Section 4.7 Related Party Transactions. Neither BlackRock nor any of its Controlled Affiliates shall enter into or effectuate any transaction or agreement with Merrill Lynch or any Affiliate of Merrill Lynch or any director, officer or employee of Merrill Lynch or any such Affiliate (each a "Related Person") that is material to BlackRock, unless such transaction or agreement is in effect at the time of the Closing, relates to transactions by or on behalf of clients of BlackRock and its Controlled Affiliates in the ordinary course of business or has been approved by or is consistent with or pursuant to the terms of a policy, transaction or agreement (or form of agreement) approved by, the affirmative vote or consent of a majority of the Directors, excluding the Merrill Lynch Designees, present at a meeting at which a quorum is present.

ARTICLE V

NON-COMPETITION

Section 5.1 Non-Competition.

(a) Subject to subsection (b) of this Section 5.1, from and after the Closing, Merrill Lynch agrees that it shall not, and that it shall cause its Controlled Affiliates (other than BlackRock and BlackRock's Controlled Affiliates should they at any time be Controlled Affiliates of Merrill Lynch) not to engage in Merrill Lynch Restricted Activities anywhere in the World (other than India to the extent required by the asset management joint venture to which Merrill Lynch and its Affiliates are party in that country) except on the terms and conditions set forth herein, and BlackRock agrees that it shall not, and that it shall cause its Controlled Affiliates not to engage in BlackRock Restricted Activities anywhere in the World except on the terms and conditions set forth herein.

(i) As used in this Section 5.1, the term "Merrill Lynch Restricted Activities" means (i) acting as an Asset Manager (as defined below) to a Fund (as defined below), or (ii) acting as an Asset Manager to a Separately Managed Account (as defined below). Notwithstanding the previous sentence, the parties agree to establish a committee composed of two BlackRock managers and one Merrill Lynch manager to consider cases in which it would be acceptable and appropriate to allow Merrill Lynch and its Affiliates to engage on a limited, case-by-case basis, in Merrill Lynch Restricted Activities. In particular, if Merrill Lynch or its Affiliates determine that (1) there is customer demand for a product that BlackRock does not provide, or desire to provide on commercially reasonable terms, and (2) Merrill Lynch and/or its Affiliates has made a reasonable exploration for alternative providers, then the committee will consider and decide in good faith, in the discretion of a majority of the committee members, whether to permit Merrill Lynch or an Affiliate to provide such product notwithstanding that to do so Merrill Lynch or such Affiliate would be engaged in Merrill Lynch Restricted Activities.

Furthermore, Merrill Lynch hereby agrees, notwithstanding anything herein to the contrary other than as an incidental effect of the exceptions to the definitions of Fund and Separately Managed Account set forth below, that neither IQ Investment Advisors nor any other investment advisor controlled by Merrill Lynch during the term of this Agreement will (i) directly or through one or more sub-advisers create a family of open-end funds for the purpose of replicating that portion of the asset management business of BlackRock or establishing a direct competitive threat to BlackRock, or (ii) create an open-end fund or family of open-end funds for the purpose of replicating the MLIM FDP platform or establishing a direct competitive threat to MLIM FDP.

For purposes of this provision, "acting as an Asset Manager" means acting as a discretionary investment adviser or sub-adviser primarily responsible for making the day-to-day investment decisions with respect to which underlying securities or other assets will be purchased and sold by a Fund or a Separately Managed Account; provided, however, that neither Merrill Lynch nor any Affiliate will be deemed to be acting as an Asset Manager in instances where it serves as an investment adviser with responsibilities for manager selection and asset allocation (or other overlay functions) that delegates primary day-to-day selection of underlying securities or other assets to a sub-adviser that is not under the control of Merrill Lynch (it being agreed that BlackRock is not under the control of Merrill Lynch for this purpose) and provided further, that Merrill Lynch will not be deemed to be acting as an Asset Manager to new financial technology, the primary purpose of which is not to provide active asset management services to third party investors.

For purposes of this section, “Fund” shall mean any collective investment fund, wherever domiciled.

For purposes of this provision, “Separately Managed Account” shall mean an account established in the name of and for the exclusive benefit of any person that is not a Fund pursuant to which such person receives investment advisory services; provided, however, Separately Managed Account shall not include an account of a customer or client of a retail broker, retail financial advisor, private wealth advisor or other retail sales person (“Retail Sales Person”) for which (1) a Retail Salesperson acts as portfolio manager, or (2) a Merrill Lynch affiliated bank or trust company acts as trustee or investment advisor but qualifies for exclusion from acting as an Asset Manager pursuant to the first proviso to the definition thereof or supervises asset management services by the Retail Sales Person or an unaffiliated third party manager.

The term “Fund” shall not include any collective investment vehicle that, and the term “Separately Managed Account” shall not include any account that is not a Fund that:

(1) invests primarily in collective investment vehicles such as hedge funds, private equity funds, ETFs, and/or mutual funds that are not Restricted Merrill Lynch Activities or that are managed by an unaffiliated third party manager, a Merrill Lynch Alternative Manager or a manager acquired by Merrill Lynch in conformity with Section 5.1(b)(i)(C) or (D),

(2) invests substantially all of its assets in Real Estate.

For purposes of this Section 5.1, “Real Estate” shall include, but not be limited to, any direct or indirect, public or private, wholly-owned, joint venture, TIC interest, partnership, total return swap, and/or participation or other interests (including, without limitation, debt, equity, hybrid security interests (e.g. preferred equity and convertible securities), and options) in and acquisitions, sales, and direct and indirect syndications of:

(i) real estate properties, including licenses, space and ground leases, and sub-leases for such properties and any interests therein and all rights and interests appurtenant thereto (e.g., air rights, riparian rights, etc.),

(ii) real estate operating, asset management, property management, loan servicing and special servicing, Section 1031 vehicle and/or holding companies,

(iii) any entity or structure primarily representing interests in, or backed by, real estate-related credit instruments, real estate equity interests, real estate derivatives, CDO instruments or real estate properties,

(iv) instruments, assets, or operating enterprises whose values are primarily driven or supported by real property or tangible assets attached to real property including, but not limited to, hotels, homebuilding, commercial and residential real estate, land development, cell towers, real estate credit instruments, lease claims, lien (including tax lien) claims, timber, timeshare units, and fractional interests,

(v) investment vehicles whose target investments include primarily Real Estate (e.g., partnerships, limited liability companies, hedge funds, private equity funds and REITs and their foreign counterparts),

(vi) secured and unsecured performing and non-performing loans and obligations backed primarily by Real Estate (including Commercial Mortgage Backed Securities), or pools of such loans and obligations, and

(vii) non-investment grade or high yield loans, bonds, mezzanine loans, B-notes, and preferred equity secured or backed primarily by Real Estate.

(3) invests primarily in commodities, collateralized debt obligations (broadly defined), collateralized loan obligations (broadly defined), any types of residual equity interests of structured assets or infrastructure products,

(4) is a “Structured Fund” or an “Enhanced Index Fund,”

(i) For purposes of this section, a “Structured Fund” is defined to mean any collective investment vehicle or other account that reshapes, repackages, and/or reproduces traditional cash flows or risk-return profiles through derivatives or other financial instruments and is operated in a passive and mechanistic manner in accordance with a predetermined set of trading and investment rules that do not seek to replicate the active asset management techniques or performance of a particular investment product or manager, and

(ii) For purposes of this section, an “Enhanced Index Fund” is defined to mean any collective investment vehicle or account that (1) seeks to replicate the performance of an index that is constructed in a customized manner to provide greater returns than those provided by traditional indexes, or replicate the performance of a proprietary index that is developed, co-developed, or exclusively licensed by Merrill Lynch or any of its Affiliates and (2) is operated in a passive and mechanistic manner in accordance with a predetermined set of trading and investment rules that do not seek to replicate active asset management techniques,

(5) is a “Structured Finance Vehicle,”

For purposes of this section, a “Structured Finance Vehicle” is any collective investment vehicle that relies on a trust, commodity pool, depositary facility or other collective investment entity that has the primary purpose of aggregating securities, commodities or other financial instruments for the purpose of (i) repackaging illiquid instruments or derivatives, or (ii) tranching or aggregating financial instruments to change their tax, cost, accounting, yield, credit, leverage, ERISA or risk characteristics,

(6) is otherwise ancillary or incidental to any non Fund or non Separately Managed Account business of Merrill Lynch or its Affiliates, or

(7) has the primary purpose of seeding funds and/or raising additional third-party capital to facilitate, support or assist in capitalizing current or future Merrill Lynch's proprietary trading and investing activities, including, but not limited to, equity and equity-linked products, fixed income and fixed income-linked products, loans, and distressed credit, Real Estate, private equity, venture capital, infrastructure, timber, foreign exchange and commodities assets or commodities products.

Nothing herein shall prohibit Merrill Lynch or any of its Affiliates from engaging in any business activities of any kind or nature currently engaged in by Merrill Lynch or any of its Affiliates as of the date of the Transaction Agreement or July 16, 2008; provided, however, that the acquisition and holding of an Affiliate pursuant to Section 5.1(b)(i)(C) or (D) after the date of the Transaction Agreement shall not give rise to any rights on the part of Merrill Lynch or any other Affiliate of Merrill Lynch to engage in any business activities under this sentence.

(ii) As used in this Section 5.1, the term "BlackRock Restricted Activities" means engaging, whether directly or indirectly through ownership of any interest in or consensual arrangements relating to another Person that is directly or indirectly engaged, in the retail securities brokerage business; provided, however, that the term "BlackRock Restricted Activities" shall in no event include acting as the distributor of publicly offered Funds primarily through third party sales forces or acting as a placement agent for privately offered Funds.

(b) Notwithstanding Section 5.1(a) above, Merrill Lynch and any Controlled Affiliates restricted thereby may, with respect to Merrill Lynch Restricted Activities, and BlackRock and any Controlled Affiliate restricted thereby may, with respect to BlackRock Restricted Activities:

(i) acquire or hold any interest (whether by way of a purchase, merger, consolidation or other transaction) in any Person or business unit engaged directly or indirectly in any Merrill Lynch Restricted Activities or BlackRock Restricted Activities, as applicable, if (and only if) (A) the direct and indirect interest Beneficially Owned by Merrill Lynch and its Controlled Affiliates (other than BlackRock and its Controlled Affiliates should they at any time be Controlled Affiliates of Merrill Lynch), in the case of Merrill Lynch Restricted Activities, or by BlackRock and its Controlled Affiliates, in the case of BlackRock Restricted Activities, represents less than 10 percent of the voting interests and less than 10 percent of the ownership, revenue and profits interests in such Person or business unit, assuming the exercise of all rights of Merrill Lynch and its Controlled Affiliates ((other than BlackRock and its Controlled Affiliates should they at any time be Controlled Affiliates of Merrill Lynch), or BlackRock and its Controlled Affiliates, as applicable, to acquire any such interests, (B) such Person or business unit is at all times a Merrill Lynch Alternative Manager (C) in connection with the bona fide third party venture capital business of Merrill Lynch or its Affiliates or (D) in connection with the bona fide third party merchant banking line of business of Merrill Lynch or its Affiliates (the term "third party" being intended to exclude any vehicle or arrangement in which Merrill Lynch or its Affiliates both have a 50% or greater ownership or economic interest and are not in the process of seeking to reduce such interest below 50%); or

(ii) acquire or hold any interest in any Person in excess of the amount set forth in clause (i) above if (and only if) either (A) both (x) the consolidated revenues of such Person from Merrill Lynch Restricted Activities or BlackRock Restricted Activities, as applicable, in the previous four fiscal quarters are less than 33.3% of such Person's consolidated revenues during such period and (y) the sum of the aggregate consolidated revenues of such Person and its Subsidiaries in the preceding four fiscal quarters from Merrill Lynch Restricted Activities or BlackRock Restricted Activities, as applicable, multiplied times the direct or indirect percentage economic interest of Merrill Lynch and its restricted Controlled Affiliates or BlackRock and its restricted Controlled Affiliates, as applicable, in such Person is, in the case of Merrill Lynch Restricted Activities, less than 10% of the consolidated revenues of BlackRock for such period and, in the case of BlackRock Restricted Activities, less than 10% of the consolidated revenues of Merrill Lynch derived from BlackRock Restricted Activities, Merrill Lynch or BlackRock, as applicable, shall, or shall cause such Affiliate to, take commercially reasonable actions necessary to cease and terminate such Restricted Activities or to sell such Person or business to a third party that is not an Affiliate, as soon as reasonably practicable, and BlackRock or Merrill Lynch, as applicable, shall have a right to participate as a bidder in respect of any such sale transaction, or (B) if such acquisition or holding satisfies Section 5.1(b)(ii)(A)(x) above but not Section 5.1(b)(ii)(A)(y) above, then Merrill Lynch or BlackRock may continue to own such Person and operate its Merrill Lynch Restricted Activities or BlackRock Restricted Activities, as applicable (the "Continuing Business"); provided that, (1) for so long as the restrictions of Section 5.1(a) continue to apply to Merrill Lynch or BlackRock, as applicable, the Continuing Business shall not use the "Merrill Lynch" name or the "BlackRock" name, or any derivation thereof, and (2) for so long as the Distribution Agreement in the Transaction Agreement remains in effect, Merrill Lynch and its Affiliates or BlackRock and its Affiliates (in each case, other than the acquired Person and its Affiliates as of the time of acquisition) shall not enter into any agreement similar to the Distribution Agreement with the acquired Person and its Affiliates; or

(iii) in the case of Merrill Lynch, merge, consolidate or otherwise engage in a business combination with, or sell all or substantially all of its assets or businesses to, any Person that is not an Affiliate of Merrill Lynch and that has an existing business engaged in Merrill Lynch Restricted Activities which such Person continues to operate; provided that members of the Merrill Lynch board of directors do not constitute a majority of the board of directors of the surviving entity of such transaction (or of the board of directors of its ultimate parent company) and that the Merrill Lynch shareholders immediately prior to consummation of such transaction do not immediately after consummation of such transaction own 60% or more of the outstanding capital stock or other equity interests of the surviving entity of such transaction (or of its ultimate parent company); the restrictions of Section 5.1(a) shall not apply to the activities of such surviving entity and its Affiliates (other than (x) Merrill Lynch, (y) the Subsidiaries and Controlled Affiliates of Merrill Lynch as of the closing of the transaction, and (z) any Subsidiary or Controlled Affiliate of Merrill Lynch or of such ultimate parent company which, following the closing, holds or operates the business that had been held or operated prior to such closing by Merrill Lynch and its Subsidiaries and Controlled Affiliates or all or substantially all of the assets of such business); or

(iv) engage in Merrill Lynch Restricted Activities or BlackRock Restricted Activities, as applicable, (including through an acquisition or holding in excess of that permitted by Section 5.1(b)(i) or (ii) above) if and to the extent that, prior to engaging therein, (A) Merrill Lynch discloses to the Board of Directors of BlackRock, or BlackRock discloses to the Board of Directors of Merrill Lynch, as applicable, in reasonable detail and with reasonable particularity, including by responding to the inquiries and questions of such Board of Directors, the nature, extent and duration of the proposed Merrill Lynch Restricted Activities or BlackRock Restricted Activities; and (B) a majority of the Independent Directors on such Board of Directors approves the proposed Merrill Lynch Restricted Activities by Merrill Lynch or such Controlled Affiliate or BlackRock Restricted Activities by BlackRock or such Controlled Affiliate, as applicable.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Conflicting Agreements. Each party represents and warrants that it has not granted and is not a party to any proxy, voting trust or other agreement that is inconsistent with or conflicts with any provision of this Agreement.

Section 6.2 Termination. Except as otherwise provided in this Agreement, this Agreement shall terminate on the later of July 16, 2013 and the first date on which Merrill Lynch and its Affiliates Beneficially Own BlackRock Capital Stock representing less than its Ownership Threshold; provided, however, that in the case of a termination pursuant to this Section 6.2, the obligations of the parties pursuant to Article III hereof shall not terminate until the first date on which Merrill Lynch and its Affiliates Beneficially Own BlackRock Capital Stock representing less than five percent of the Total Voting Power of the BlackRock Capital Stock issued and outstanding at such time. Nothing in this Section 6.2 shall be deemed to release any party from any liability for any willful and material breach of this Agreement occurring prior to the termination hereof or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement.

Section 6.3 Ownership Information.

(a) For purposes of this Agreement, all determinations of the amount of outstanding BlackRock Capital Stock shall be based on information set forth in the most recent quarterly or annual report, and any current report subsequent thereto, filed by BlackRock with the Commission, unless BlackRock shall have updated such information by delivery of written notice to Merrill Lynch.

(b) If at any time or from time to time BlackRock becomes aware of any event that has caused, or which could reasonably be expected to cause, Beneficial Ownership by Merrill Lynch and its Affiliates of BlackRock Capital Stock to increase above its Ownership Cap, BlackRock shall promptly (but in no event more than five Business Days thereafter) notify Merrill Lynch thereof.

Section 6.4 Savings Clause. No provision of this Agreement shall be construed to require any party or its Controlled Affiliates to take any action that would violate any applicable law (whether statutory or common), rule or regulation.

Section 6.5 Amendment and Waiver. Except as otherwise provided herein, this Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement, and no giving of any consent provided for hereunder, shall be effective unless such modification, amendment, waiver or consent is approved by a majority of the Independent Directors. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

Section 6.6 Severability. If any provision of this Agreement shall be declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement shall not be affected and shall remain in full force and effect.

Section 6.7 Entire Agreement. Except as otherwise expressly set forth herein, this Agreement, together with the several agreements and other documents and instruments referred to herein or therein or annexed hereto, embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way. Without limiting the generality of the foregoing, to the extent that any of the terms hereof are inconsistent with the rights or obligations of Merrill Lynch under any other agreement with BlackRock, the terms of this Agreement shall govern.

Section 6.8 Successors and Assigns. Neither this Agreement nor any of the rights or obligations of any party under this Agreement shall be assigned, in whole or in part (except by operation of law pursuant to a merger or similar business combination transaction), by any party without the prior written consent of the other parties (approved, in the case of BlackRock, by a majority of the Independent Directors), provided, that Merrill Lynch may assign its rights and obligations hereunder (in whole or in part) to an Affiliate that agrees in writing with BlackRock to be bound by this Agreement as fully as if it were an initial signatory hereto, and any such transferee may thereafter make corresponding assignments in accordance with this proviso; provided, further, that BlackRock may assign all or a portion of its rights under Sections 3.3 and 5.1(b)(ii) in connection with any particular transaction subject thereto so long as BlackRock remains, obligated in respect of any purchase obligations arising thereunder. Subject to the foregoing, this Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

Section 6.9 Counterparts. This Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

Section 6.10 Remedies.

(a) Each party hereto acknowledges that monetary damages would not be an adequate remedy in the event that each and every one of the covenants or agreements in this Agreement are not performed in accordance with their terms, and it is therefore agreed that, in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically each and every one of the terms and provisions hereof. Each party hereto agrees not to oppose the granting of such relief in the event a court determines that such a breach has occurred, and to waive any requirement for the securing or posting of any bond in connection with such remedy.

(b) All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

Section 6.11 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (upon telephonic confirmation of receipt), on the first Business Day following the date of dispatch if delivered by a recognized next day courier service, or on the third Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

If to BlackRock:

c/o BlackRock, Inc.
40 East 52nd Street
New York, NY 10022
Facsimile: 212-810-8760
Attn: Laurence D. Fink

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Facsimile: 212-735-2000
Attention: Franklin M. Gittes, Esq.
Richard T. Prins, Esq.

If to Merrill Lynch:

Merrill Lynch & Co., Inc.
Four World Financial Center
250 Vesey Street
New York, NY 10080
Facsimile: 212-670-4518
Attention: Richard E. Alsop, Esq.

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Facsimile: 212-403-2000
Attention: Nicholas G. Demmo, Esq.

Section 6.12 Governing Law; Consent to Jurisdiction.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction in the Court of Chancery of the State of Delaware or any court of the United States located in the State of Delaware, for any action, proceeding or investigation in any court or before any governmental authority ("Litigation") arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties hereto hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such Litigation, the defense of sovereign immunity, any claim that it is not personally subject to the jurisdiction of the aforesaid courts for any reason other than the failure to serve process in accordance with this Section 6.12, that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable law, that the Litigation in any such court is brought in an inconvenient forum, that the venue of such Litigation is improper, or that this Agreement, or the subject matter hereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which the party is entitled pursuant to the final judgment of any court having jurisdiction. Each of the parties irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any Litigation arising out of or relating to this Agreement or the transactions contemplated hereby.

(b) Each of the parties expressly acknowledges that the foregoing waiver is intended to be irrevocable under the laws of the State of Delaware and of the United States of America; provided that consent by Merrill Lynch and BlackRock to jurisdiction and service contained in this Section 6.12 is solely for the purpose referred to in this Section 6.12 and shall not be deemed to be a general submission to said courts or in the State of Delaware other than for such purpose.

Section 6.13 Interpretation. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". For the avoidance of doubt, this Agreement shall be interpreted in all respects to give effect to the Merger Change of Control, which shall constitute a "Change of Control of Merrill Lynch" hereunder and under the Original Agreement, whether the Merrill Lynch Merger occurs prior to, concurrently with, or following the effectiveness of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amended and Restated Stockholder Agreement as of the date first written above.

BLACKROCK, INC.

By: /s/ Daniel R. Waltcher
Name: Daniel R. Waltcher
Title: Managing Director and Deputy General Counsel

MERRILL LYNCH & CO., INC.

By: /s/ Teresa Brenner
Name: Teresa Brenner
Title: Associate General Counsel

Pursuant to Section 3.2(a) of this Agreement, the undersigned hereby undertakes and agrees with BlackRock that the undersigned shall be bound by this Agreement as fully as if it were an initial signatory hereto, effective as of the date hereof.

MERRILL LYNCH GROUP, INC.

By: /s/ Teresa Brenner
Name: Teresa Brenner
Title: Associate General Counsel

[Signature Page to Second Amended and Restated Stockholder Agreement]

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Section 3: EX-12.1 (COMPUTATION OF RATION OF EARNINGS TO FIXED CHARGES)

Exhibit 12.1

RATIO OF EARNINGS TO FIXED CHARGES
(unaudited)
(dollars in millions)

	Three Months Ended March 31,		Year Ended December 31,				
	2009	**2008**	**2008**	**2007**	**2006**	**2005**	**2004**
Income before income taxes	$ 92	$ 376	$1,019	$1,823	$ 528	$ 376	$ 200
Less: Net income (loss) attributable to non-controlling interests	(22)	5	(155)	364	16	3	5
Pre-tax income attributable to BlackRock, Inc.	114	371	1,174	1,459	512	373	195
Add: Fixed charges	22	26	99	77	22	15	6
Distributions of earnings from equity method investees	4	10	28	23	2	3	2
Less: (Loss) earnings from equity method investees	(114)	(10)	(294)	84	6	12	3
Pre-tax income before fixed charges	$ 254	$ 417	$1,595	$1,475	$ 530	$ 379	$ 200
Fixed charges:							
Interest expense	$ 15	$ 18	$ 66	$ 49	$ 10	$ 8	$ 1
Interest expense on uncertain tax positions[1]	1	1	5	2	—	—	—
Portion of rent representative of interest	6	7	28	26	12	7	5
Total fixed charges	$ 22	$ 26	$ 99	$ 77	$ 22	$ 15	$ 6
Ratio of earnings to fixed charges	11.5x	16.0x	16.1x	19.2x	24.1x	25.3x	33.3x

[1] Interest expense on uncertain tax positions, in accordance with FIN No. 48, has been recorded within income tax expense on the condensed consolidated statements of income.

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Section 4: EX-31.1 (CERTIFICATIONS PURSUANT TO SECTION 302 (CEO))

Exhibit 31.1

CEO CERTIFICATION

I, Laurence D. Fink, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, for the period ended March 31, 2009 of BlackRock, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as

defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)), for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2009

By: /s/ Laurence D. Fink
Laurence D. Fink
Chairman & Chief Executive Officer

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Section 5: EX-31.2 (CERTIFICATIONS PURSUANT TO SECTION 302 (CFO))

Exhibit 31.2

CFO CERTIFICATION

I, Ann Marie Petach, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, for the period ended March 31, 2009 of BlackRock, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)), for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2009

By: /s/ Ann Marie Petach
Ann Marie Petach
Managing Director & Chief Financial Officer

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Section 6: EX-32.1 (CERTIFICATIONS PURSUANT TO SECTION 906)

Exhibit 32.1

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of BlackRock, Inc. (the "Company") for the quarterly period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Laurence D. Fink, as Chief Executive Officer of the Company, and Ann Marie Petach, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Laurence D. Fink
Name: Laurence D. Fink
Title: Chief Executive Officer
Date: May 8, 2009

/s/ Ann Marie Petach
Name: Ann Marie Petach
Title: Chief Financial Officer
Date: May 8, 2009

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