

Q2 2014 Earnings

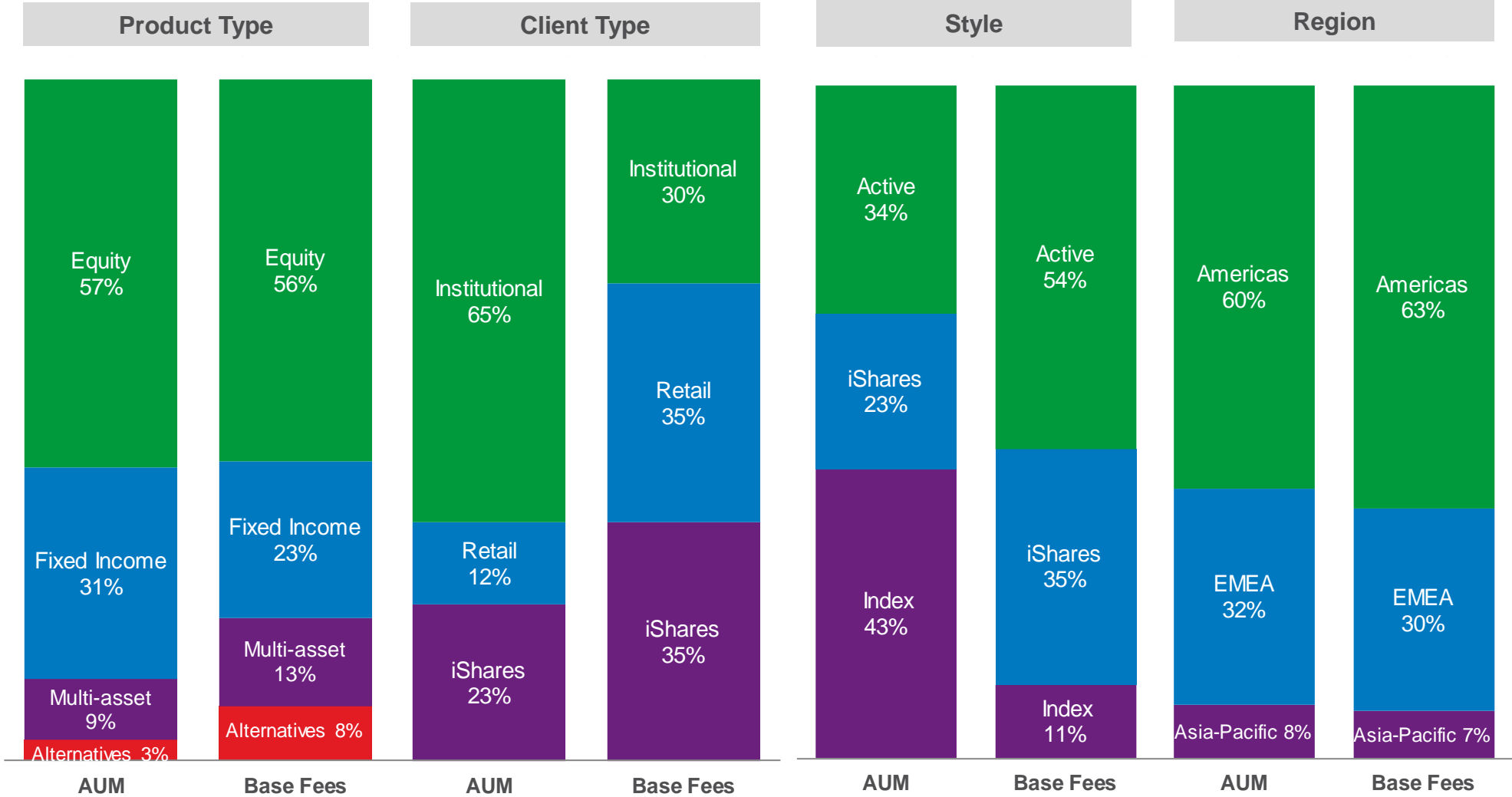
Earnings Release Supplement:

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

July 16, 2014

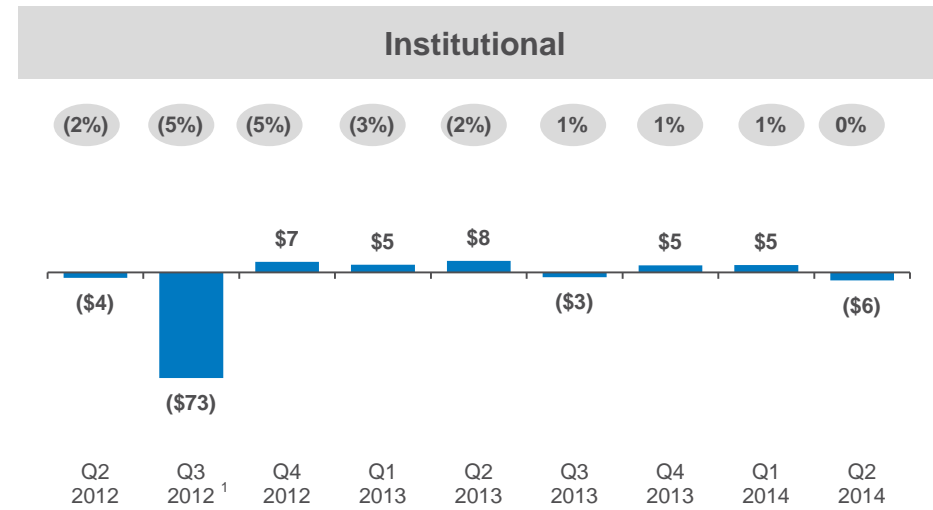
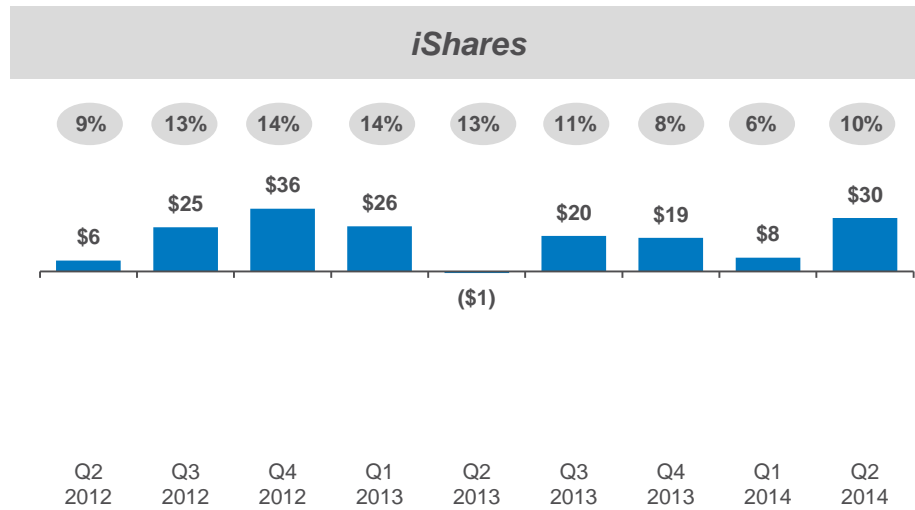
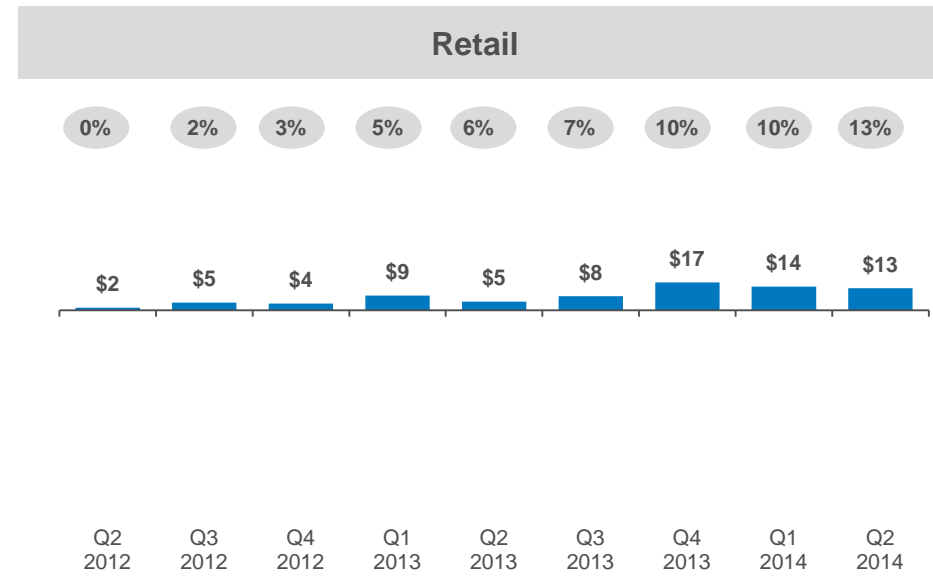
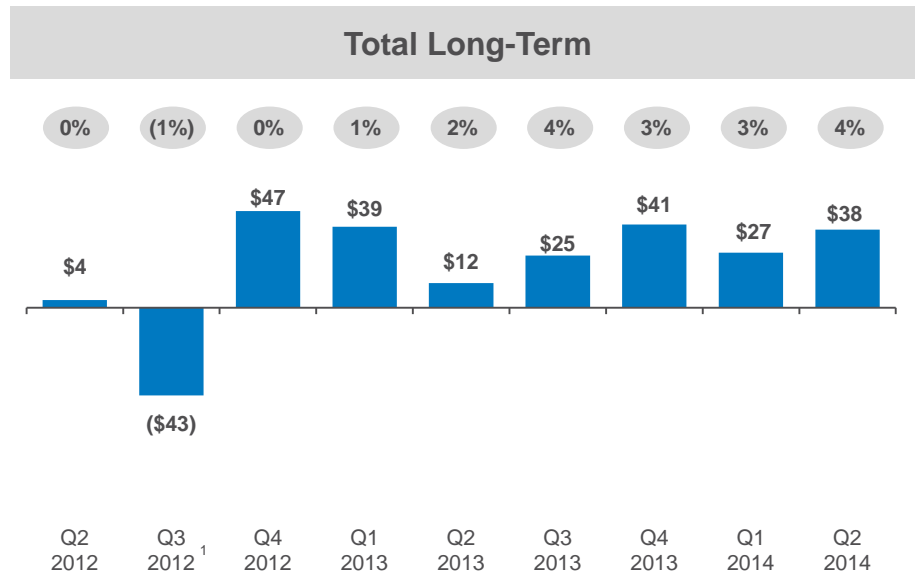
A broadly diversified business across clients, products and geographies

Q2 2014 Long-term Base Fees of \$2.361 billion
 Long-term Assets Under Management of \$4.295 trillion at June 30, 2014



Long-term net flows (\$ in billions)

● LTM organic asset growth rate (%)



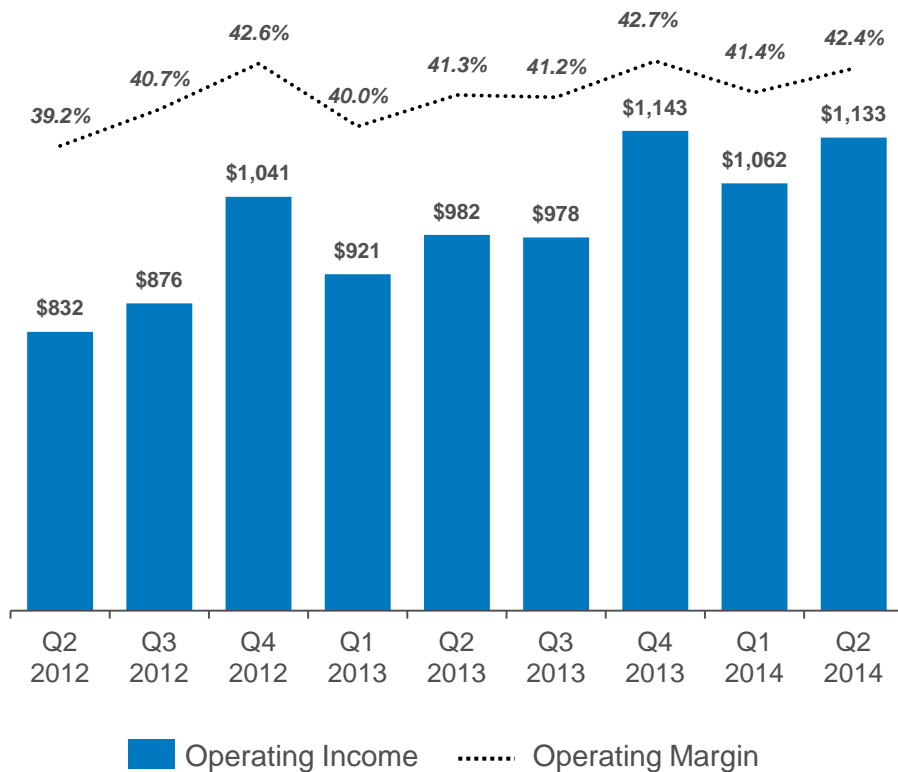
(1) Includes the effect of a single-client institutional fixed income index redemption that totaled \$74.2 billion in Q3 2012.

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

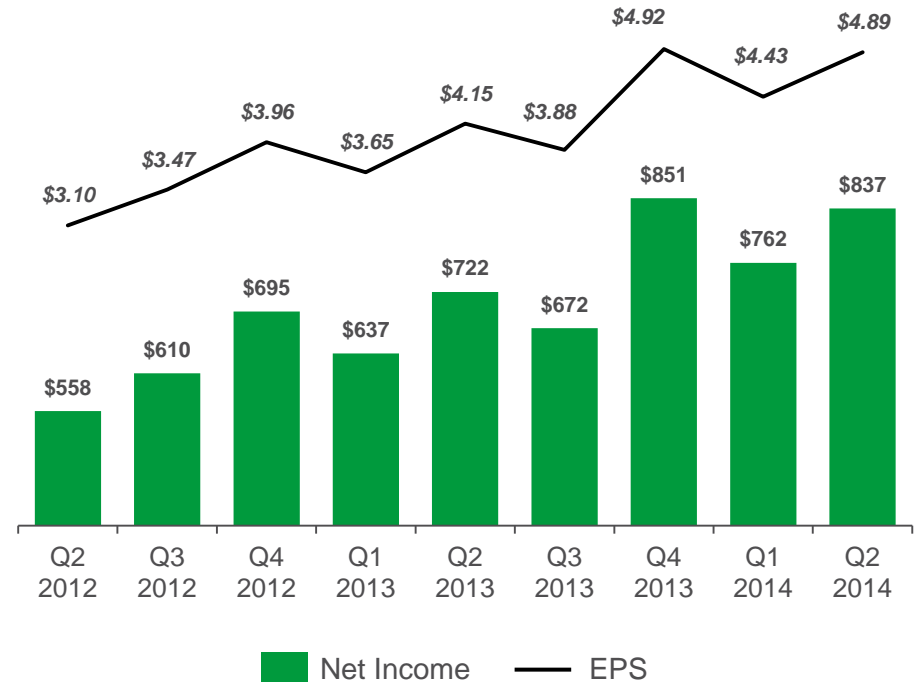
Profitability (\$ in millions, except per share data)

- **Operating income, as adjusted** of \$1,133 million up 15% year-over-year
- **Operating margin, as adjusted** of 42.4% expanded 110 bps year-over-year
- **Net income, as adjusted** of \$837 million, up 16% year-over-year
- **EPS, as adjusted** of \$4.89, up 18% year-over-year

Operating Income and Margin, as adjusted



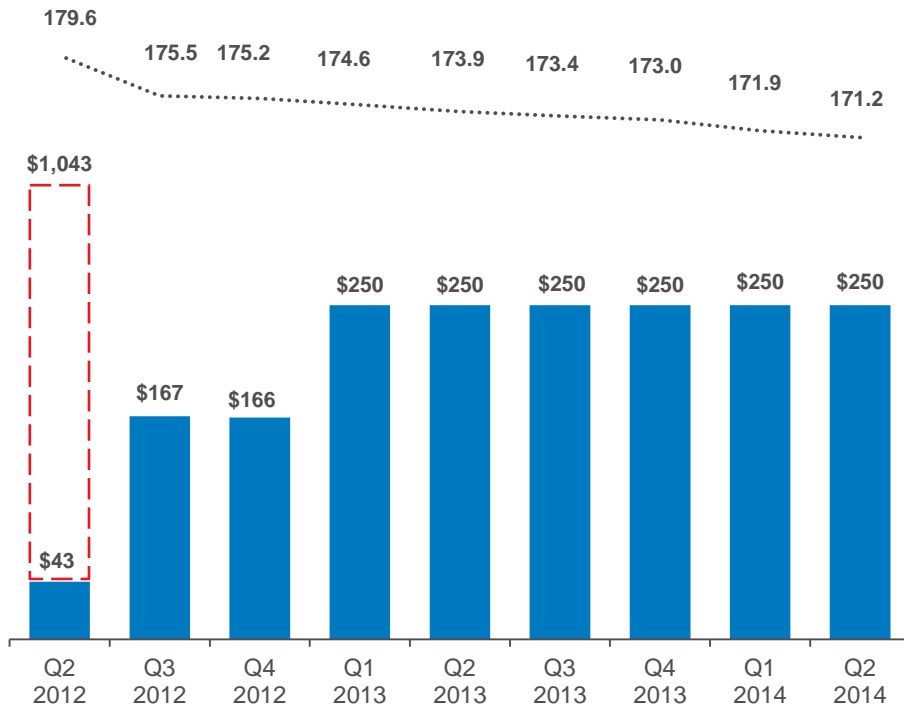
Net Income and EPS, as adjusted



For further information and reconciliation between GAAP and as adjusted, see page 9 of this earnings release supplement, notes (1) through (5) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

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

Share repurchases and weighted average diluted shares

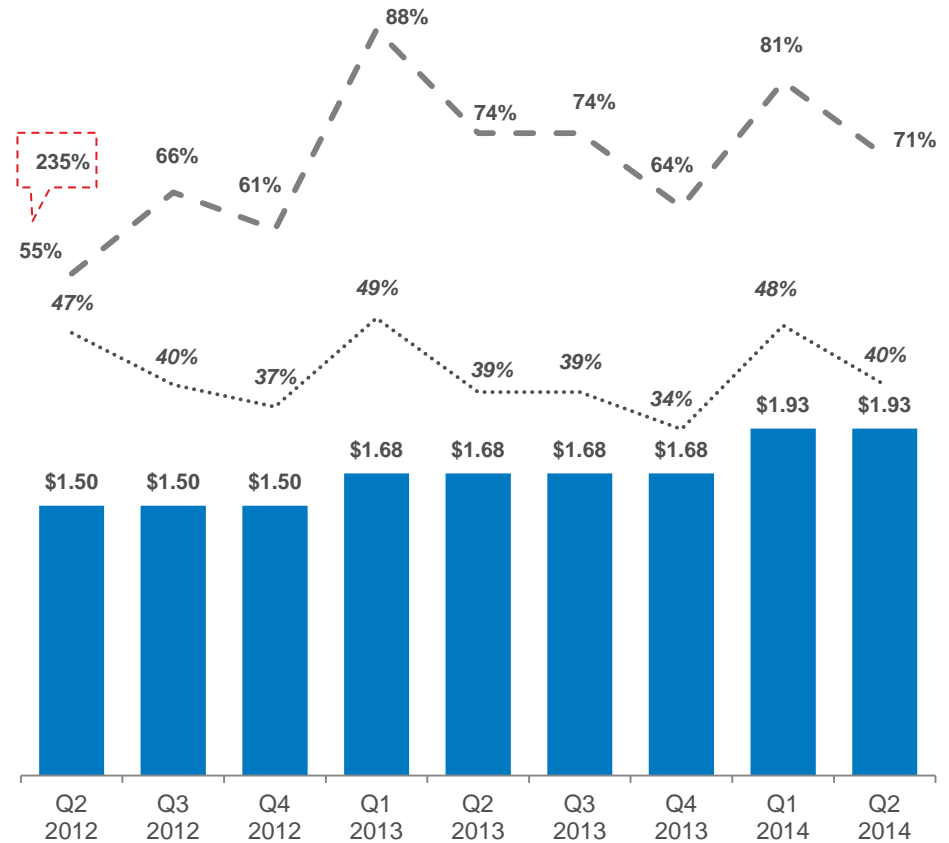


■ Share Repurchases Weighted average diluted shares

Amount includes \$1.0 billion May 2012 buyback of 6.4 million shares from Barclays.

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

Dividends and Payout Ratios



■ Dividends GAAP Dividend Payout Ratio - - - Total GAAP Payout Ratio

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

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

Major market indices and exchange rates

	Spot			Average Level			% Change Q2 2014 vs.	
	Q2 2014	Q1 2014	% Change	Q2 2014	Q2 2013	Q1 2014	Q2 2013	Q1 2014
Equity Indices:								
<i>Domestic</i>								
S&P 500	1,960	1,872	5%	1,900	1,610	1,835	18%	4%
<i>Global</i>								
MSCI Barra World Index	1,743	1,674	4%	1,698	1,463	1,647	16%	3%
MSCI Europe Index	117	114	3%	116	101	113	15%	3%
MSCI AC Asia Pacific Index	146	138	6%	141	136	137	4%	3%
MSCI Emerging Markets Index	1,051	995	6%	1,024	1,004	957	2%	7%
S&P Global Natural Resources	3,733	3,499	7%	3,612	3,295	3,429	10%	5%
Fixed Income Index:								
Barclays U.S. Aggregate Bond Index	1,878	1,840	2%	1,862	1,839	1,831	1%	2%
Foreign Exchange Rates:								
GBP to USD	1.71	1.67	2%	1.68	1.54	1.66	9%	1%
EUR to USD	1.37	1.38	(1%)	1.37	1.31	1.37	5%	-%

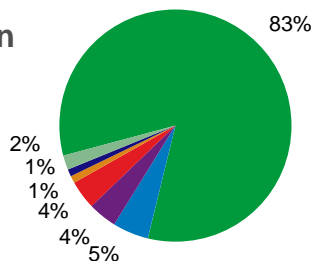
Source: Bloomberg

Revenue

Total Revenue

Q2 2014

\$2,778 million

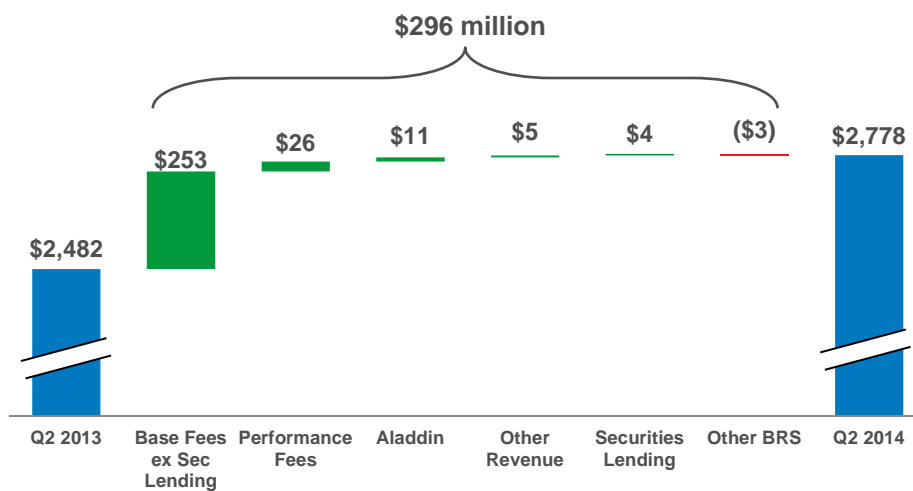


- Base Fees ex. Securities Lending
- Securities Lending
- Performance Fees
- Aladdin
- Other BRS
- Distribution Fees
- Other Revenue

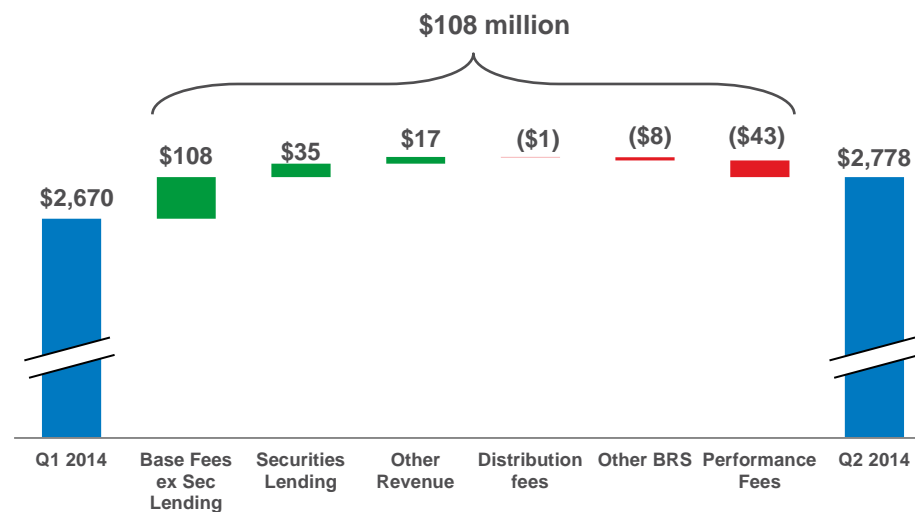
Percentage Change

	Year-over-Year	Sequential
Base Fees ex. SL	12%	5%
Securities Lending	3	33
Performance Fees	29	(27)
Aladdin	11	-
Other BRS	(8)	(18)
Distribution Fees	-	(5)
Other Revenue	8	35
Total	12	4

Q2 2014 Compared to Q2 2013



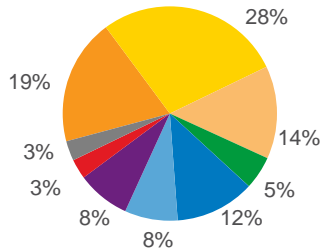
Q2 2014 Compared to Q1 2014



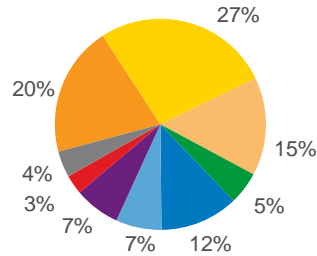
Investment advisory, administration fees and securities lending revenue

Investment advisory, administration fees and securities lending revenue

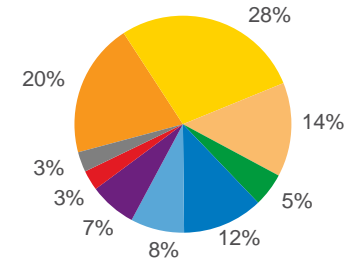
Q2 2014: \$2,434 million



Q2 2013: \$2,177 million



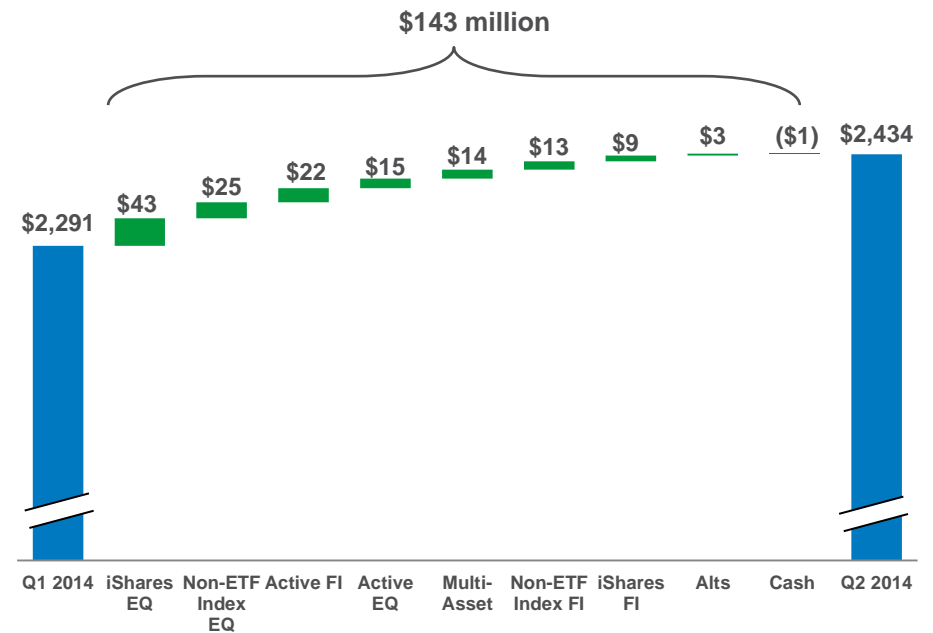
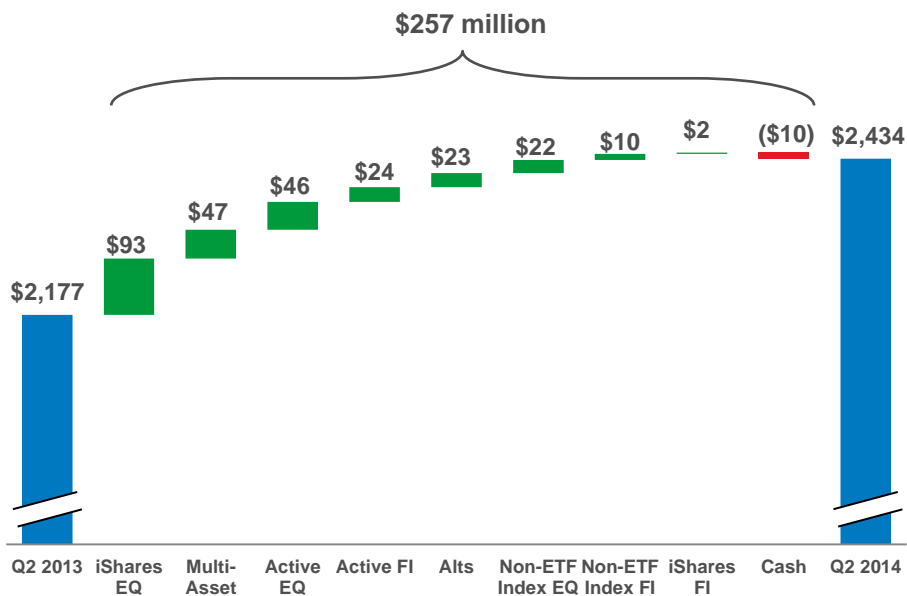
Q1 2014: \$2,291 million



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

Q2 2014 Compared to Q2 2013

Q2 2014 Compared to Q1 2014

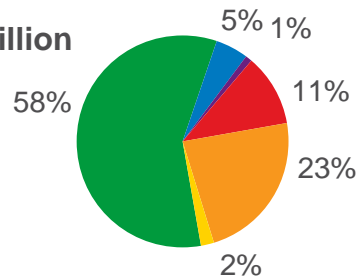


Expense

Expense, as adjusted, by Category

Q2 2014

\$1,645 million

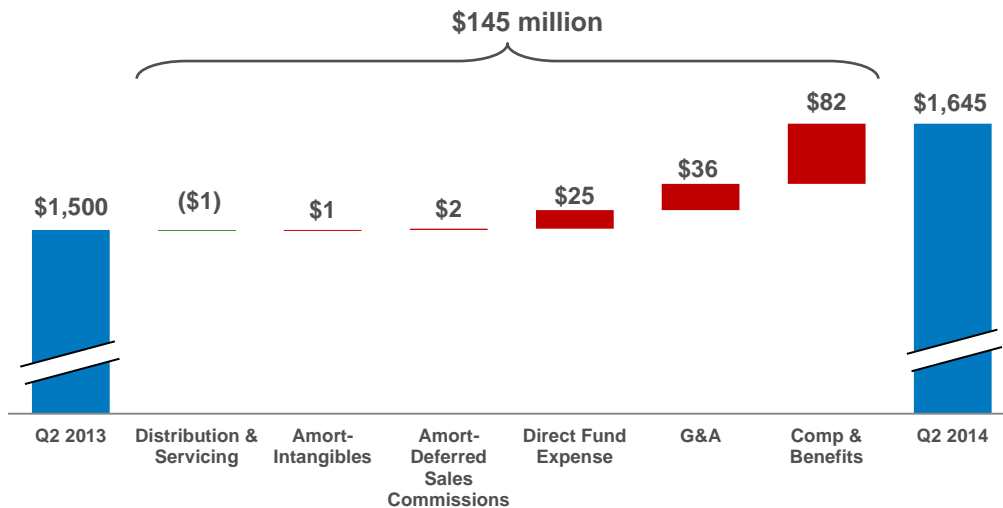


- Employee Comp. & Benefits
- Distribution & Servicing Costs
- Amort. of Deferred Sales Commissions
- Direct Fund Expense
- General & Administration
- Amortization of Intangibles

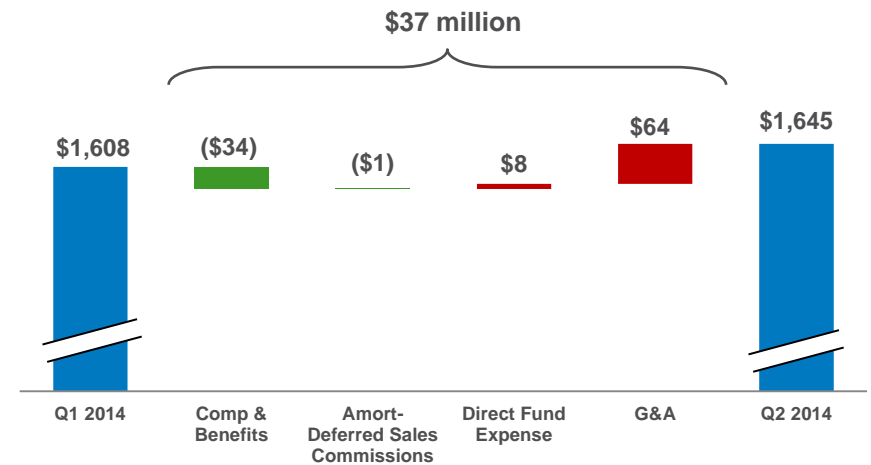
Percentage Change

	Year-over-Year	Sequential
Employee Comp. & Benefits	10%	(4%)
Distribution & Servicing Costs	(1)	-
Amort. of Deferred Sales Commissions	17	(7)
Direct Fund Expense	15	4
General & Administrative	11	20
Amortization of Intangibles	3	-
Total	10	2

Q2 2014 Compared to Q2 2013, as adjusted



Q2 2014 Compared to Q1 2014, as adjusted



For further information and reconciliation between GAAP and as adjusted, see page 9 of this earnings release supplement and notes (1) through (5) in the current earnings release.

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

	2012			2013				2014	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Operating Income									
GAAP	\$829	\$875	\$1,005	\$909	\$849	\$966	\$1,133	\$1,051	\$1,122
Non-GAAP adjustments	3	1	36	12	133	12	10	11	11
As Adjusted	<u>\$832</u>	<u>\$876</u>	<u>\$1,041</u>	<u>\$921</u>	<u>\$982</u>	<u>\$978</u>	<u>\$1,143</u>	<u>\$1,062</u>	<u>\$1,133</u>
Nonoperating Income (Expense)									
GAAP	(\$40)	\$30	(\$67)	\$41	\$69	(\$18)	\$24	\$17	\$16
Non-GAAP adjustments	(3)	(17)	40	(38)	(57)	(3)	(11)	9	(36)
As Adjusted	<u>(\$43)</u>	<u>\$13</u>	<u>(\$27)</u>	<u>\$3</u>	<u>\$12</u>	<u>(\$21)</u>	<u>\$13</u>	<u>\$26</u>	<u>(\$20)</u>
Net Income									
GAAP	\$554	\$642	\$690	\$632	\$729	\$730	\$841	\$756	\$808
Non-GAAP adjustments	4	(32)	5	5	(7)	(58)	10	6	29
As Adjusted	<u>\$558</u>	<u>\$610</u>	<u>\$695</u>	<u>\$637</u>	<u>\$722</u>	<u>\$672</u>	<u>\$851</u>	<u>\$762</u>	<u>\$837</u>

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

For further information and reconciliation between GAAP and as adjusted, see notes (1) through (5) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Q2 2013 PennyMac Financial Impact

	GAAP		
	PennyMac IPO	Charitable Contribution	Total
General and administration expense	\$ -	\$ (124)	\$ (124)
Operating Income	-	(124)	(124)
Nonoperating Income:			
Net Gain (loss)	39	80	119
Income before income taxes	39	(44)	(5)
Income tax (expense) benefits	(14)	57	43
Net Income attributable to BlackRock	<u>\$ 25</u>	<u>\$ 13</u>	<u>\$ 38</u>
	As Adjusted		
	PennyMac IPO	Charitable Contribution	Total
General and administration expense	\$ -	\$ -	\$ -
Operating Income	-	-	-
Nonoperating Income:			
Net Gain (loss)	39	-	39
Income before income taxes	39	-	39
Income tax (expense) benefits	(14)	-	(14)
Net Income attributable to BlackRock	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 25</u>

Both GAAP and as adjusted results include a \$39 million noncash, pre-tax gain related to the carrying value of the Company's equity method investment in PennyMac in connection with PennyMac's initial public offering.

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This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations on page 9 of this earnings release supplement, our current earnings release dated July 16, 2014, and BlackRock’s other periodic reports, which are available on BlackRock’s web site at www.blackrock.com.