

**BLACKROCK®**

## **Q2 2015 Earnings**

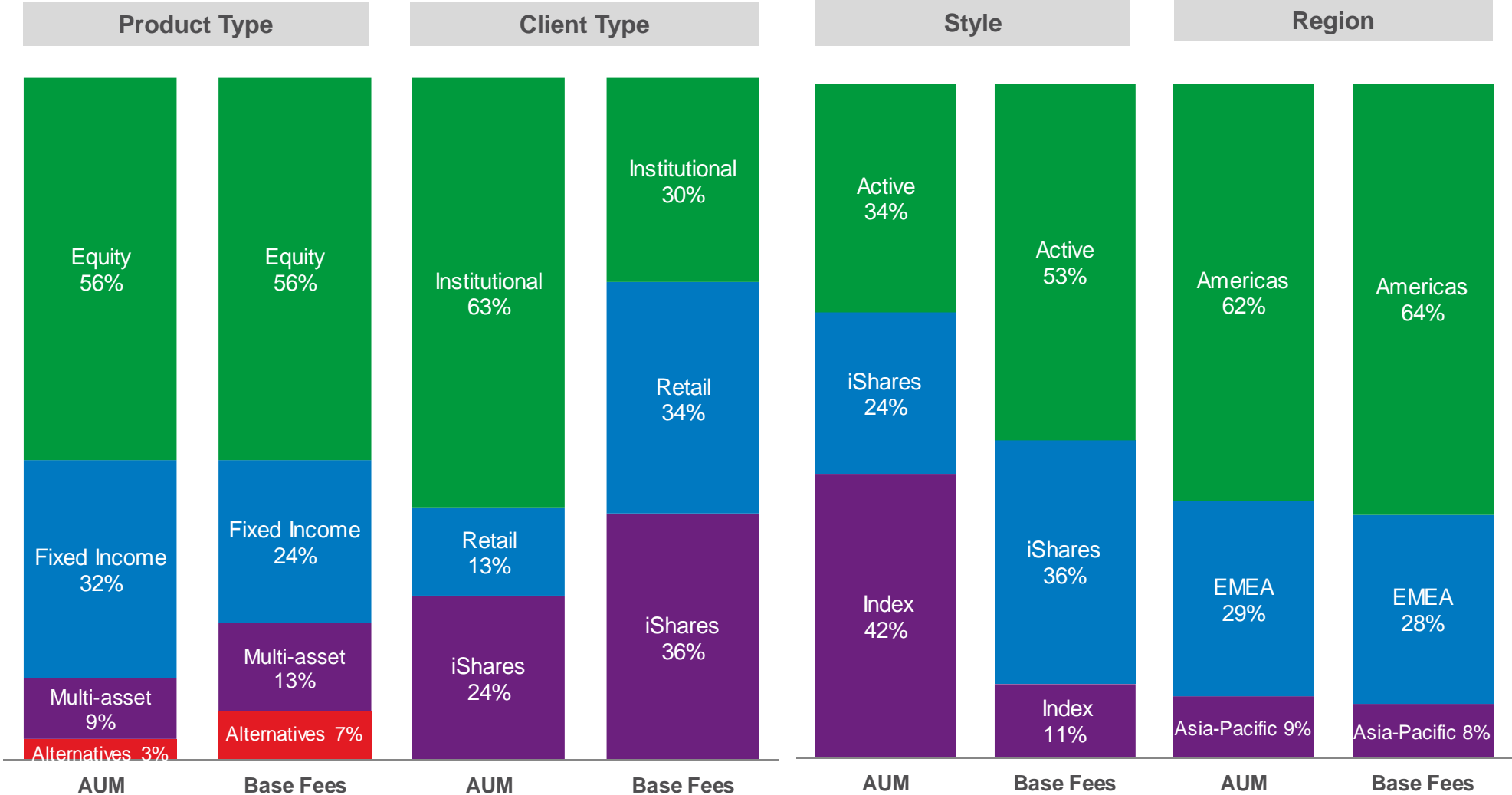
### **Earnings Release Supplement:**

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

July 15, 2015

# A broadly diversified business across clients, products and geographies

Q2 2015 Long-term Base Fees of \$2.458 billion  
 Long-term Assets Under Management of \$4.437 trillion at June 30, 2015



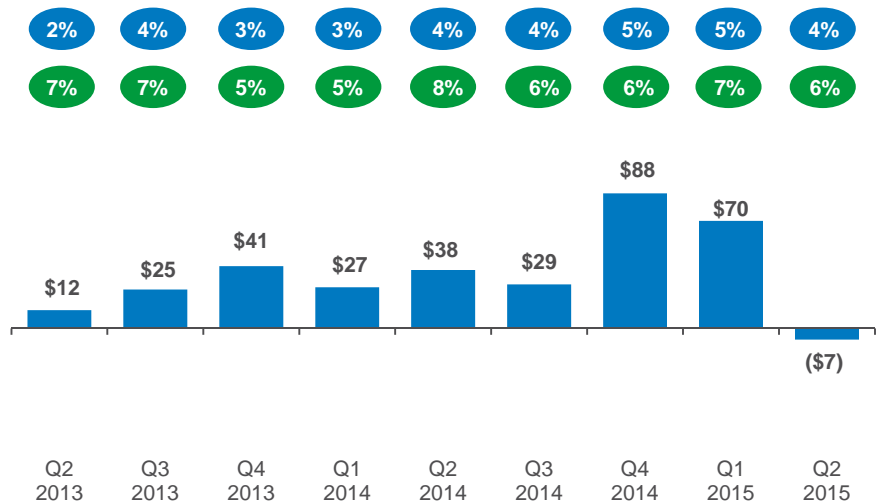
Note: Revenue and AUM by region data is based on client domicile.

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

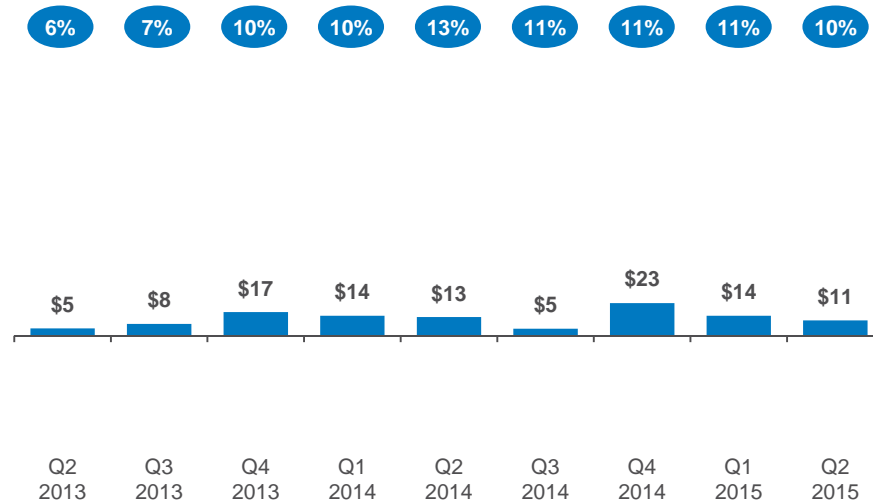
 LTM organic asset growth rate (%)

 LTM organic base fee growth rate (%)

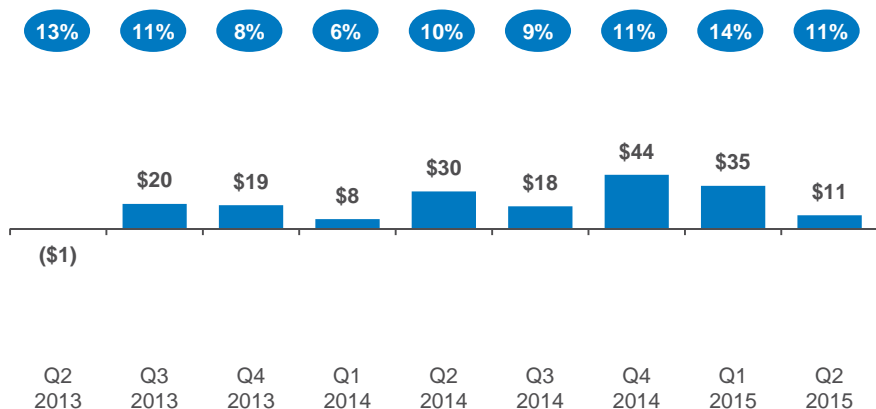
## Total Long-Term



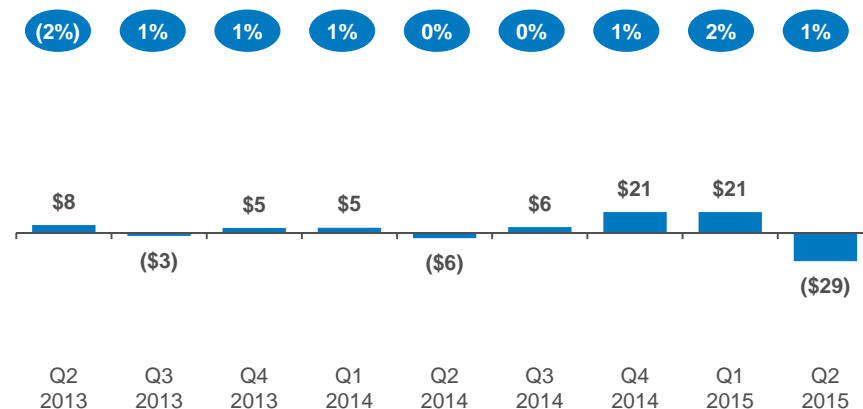
## Retail



## iShares



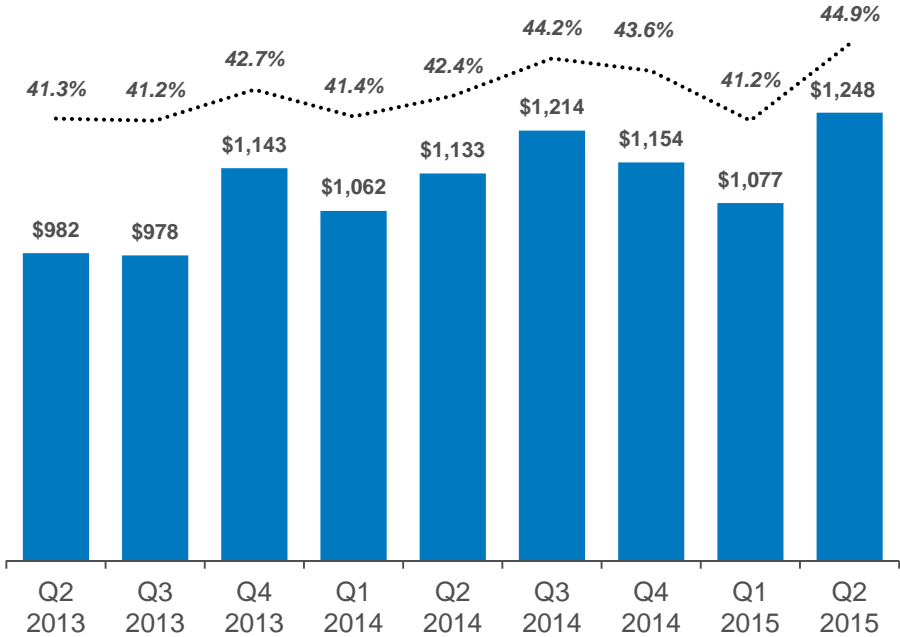
## Institutional



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

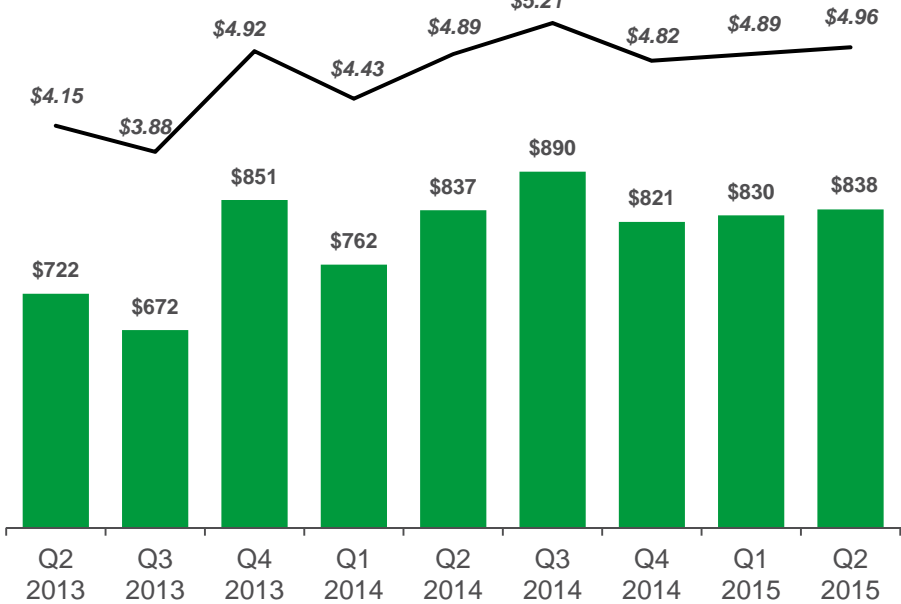
# Profitability (\$ in millions, except per share data)

Operating Income and Margin, as adjusted



Operating Income    Operating Margin

Net Income and EPS, as adjusted



Net Income    EPS

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

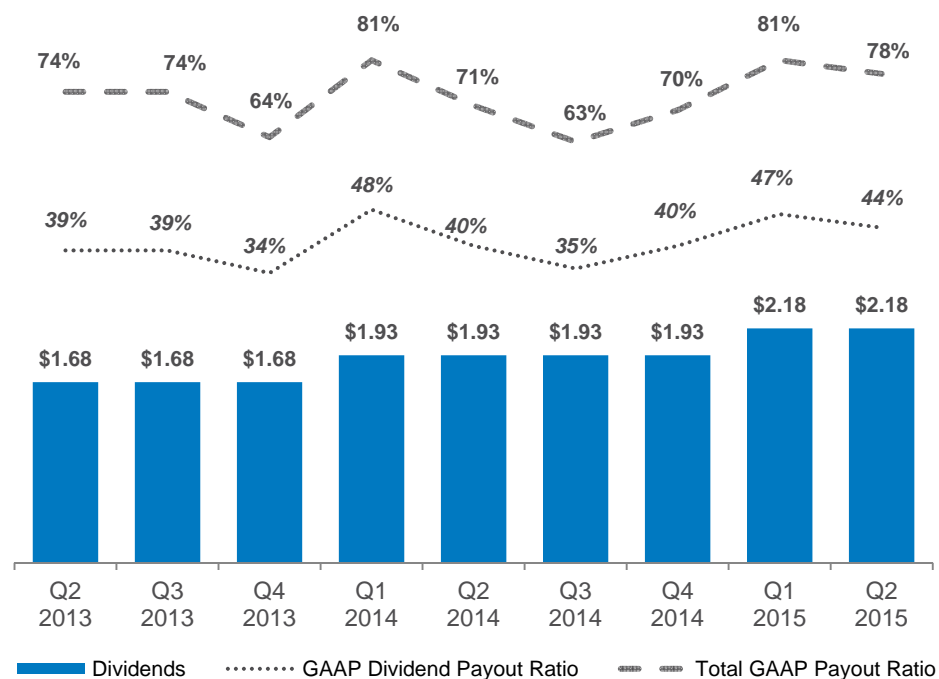
# Capital management (amounts in millions, except per share data)

## Share repurchases and weighted average diluted shares



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

## Dividends and Payout Ratios



GAAP Dividend Payout Ratio = Dividends declared / GAAP net income.

Total GAAP Payout Ratio = (Dividends declared + share repurchases) / GAAP net income.

# Major market indices and exchange rates

	Spot			% Change 6/30/2015 vs.		Average			% Change Q2 2015 vs.	
	6/30/2014	3/31/2015	6/30/2015	3/31/2015	6/30/2014	Q2 2014	Q1 2015	Q2 2015	Q1 2015	Q2 2014
<b>Equity Indices:</b>										
<i>Domestic</i>										
S&P 500	1,960	2,068	2,063	0%	5%	1,900	2,063	2,102	2%	11%
<i>Global</i>										
MSCI Barra World Index	1,743	1,741	1,736	0%	0%	1,698	1,726	1,780	3%	5%
MSCI Europe Index	117	135	129	(4)%	10%	116	128	135	5%	16%
MSCI AC Asia Pacific Index	146	146	146	0%	0%	141	142	151	6%	7%
MSCI Emerging Markets Index	1,051	975	972	0%	(8)%	1,024	969	1,016	5%	(1)%
S&P Global Natural Resources	3,733	3,061	3,057	0%	(18)%	3,612	3,140	3,216	2%	(11)%
<b>Fixed Income Index:</b>										
Barclays U.S. Aggregate Bond Index	1,878	1,946	1,913	(2)%	2%	1,862	1,936	1,929	0%	4%
<b>Foreign Exchange Rates:</b>										
GBP to USD	1.71	1.48	1.57	6%	(8)%	1.68	1.51	1.53	1%	(9)%
EUR to USD	1.37	1.07	1.11	4%	(19)%	1.37	1.13	1.11	(2)%	(19)%

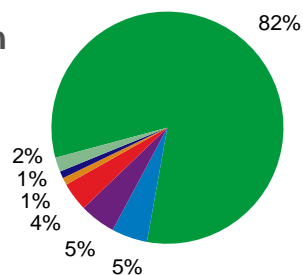
Source: Bloomberg

# Quarterly revenue

## Total Revenue

Q2 2015

\$2,905 million



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

### Percentage Change

Base Fees ex. SL	4%
Securities Lending	5
Performance Fees	18
Aladdin	14
Other BRS	(3)
Distribution Fees	(28)
Other Revenue	(6)
<b>Total</b>	<b>5</b>

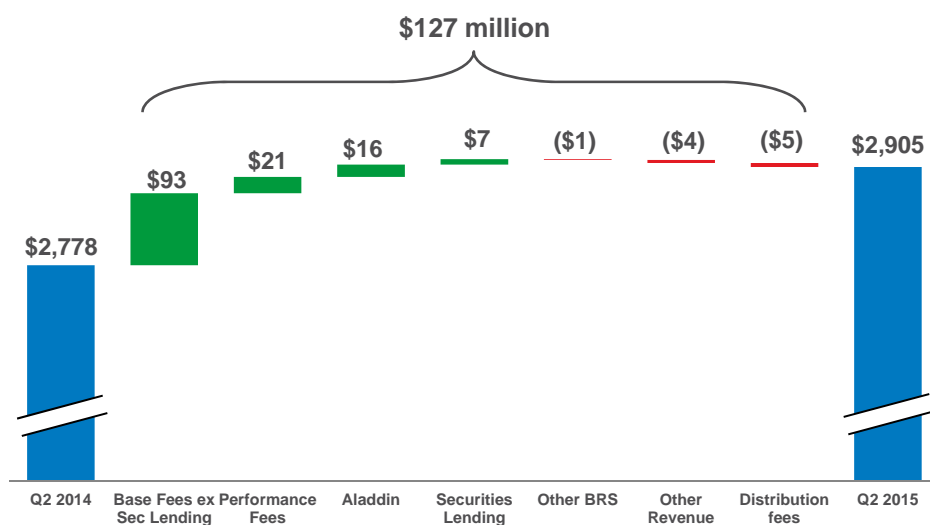
### Year-over-Year

4%
5
18
14
(3)
(28)
(6)
<b>5</b>

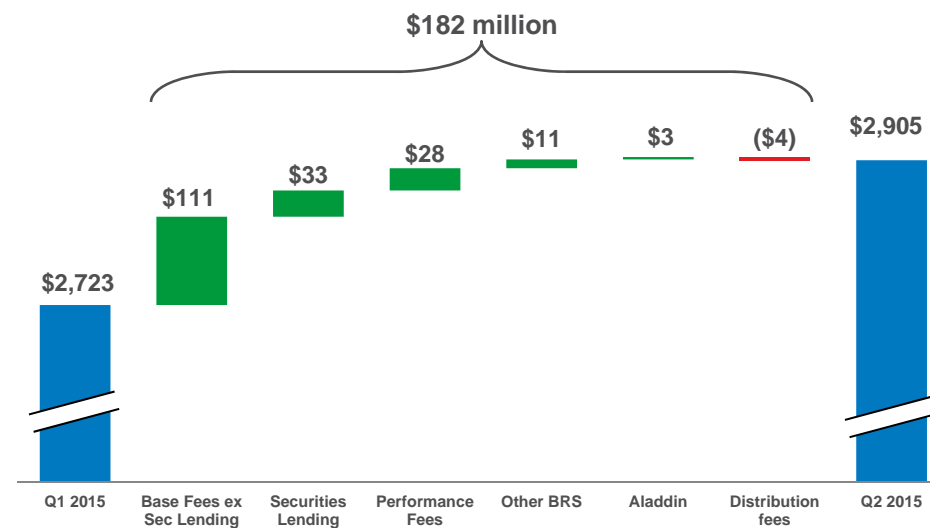
### Sequential

5%
29
26
2
52
(24)
0
<b>7</b>

## Q2 2015 Compared to Q2 2014



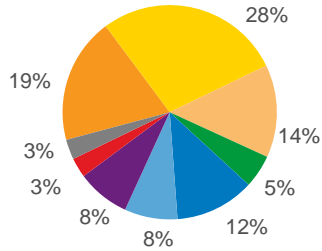
## Q2 2015 Compared to Q1 2015



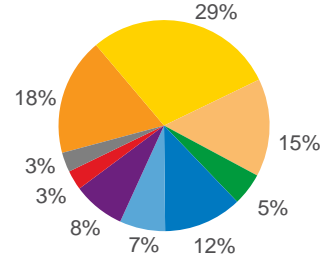
# Quarterly investment advisory, administration fees and securities lending revenue

## Investment advisory, administration fees and securities lending revenue

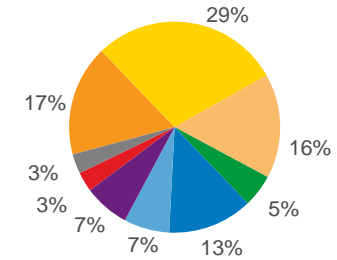
Q2 2014: \$2,434 million



Q2 2015: \$2,534 million

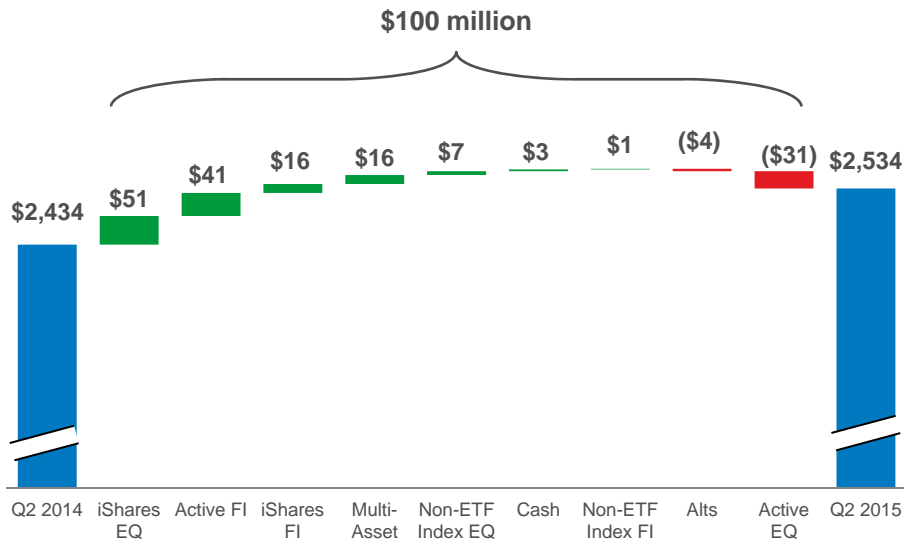


Q1 2015: \$2,390 million

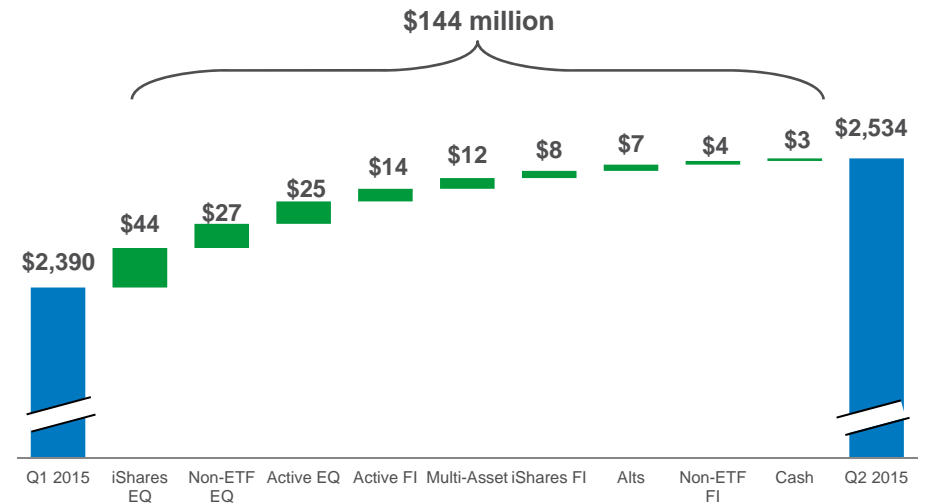


■ Active Equity 
 ■ iShares Equity 
 ■ Active Fixed Income 
 ■ iShares Fixed Income 
 ■ Multi-Asset 
 ■ Alternatives 
 ■ Non-ETF Index Equity 
 ■ Non-ETF Index Fixed Income 
 ■ Cash

### Q2 2015 Compared to Q2 2014



### Q2 2015 Compared to Q1 2015



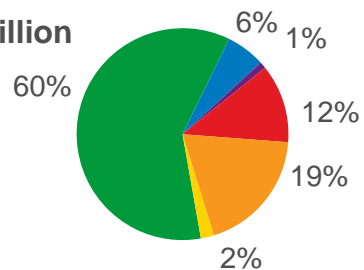


# Quarterly expense

## Expense, as adjusted, by category

Q2 2015

\$1,657 million

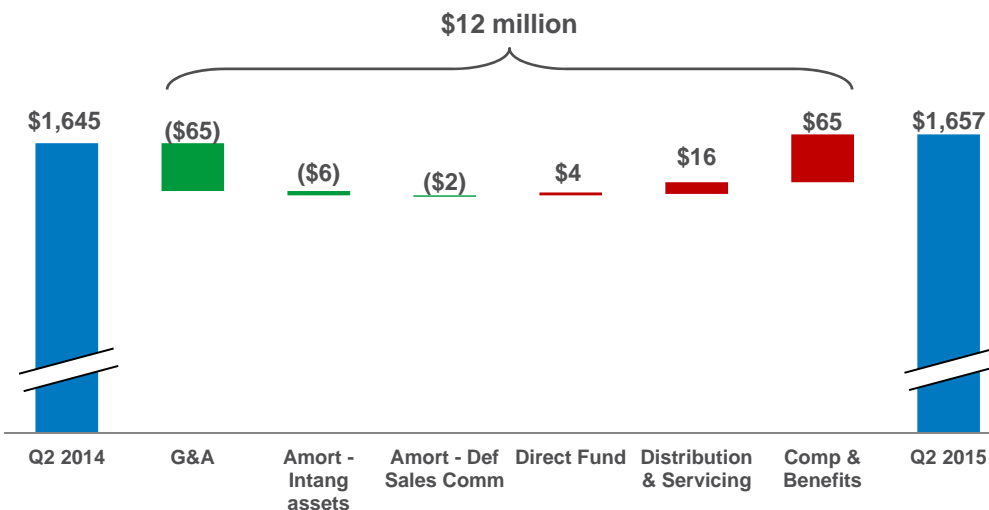


- Employee Comp. & Benefits
- Distribution & Servicing Costs
- Amort. of Deferred Sales Commissions
- Direct Fund Expense
- General & Administration
- Amortization of Intangibles

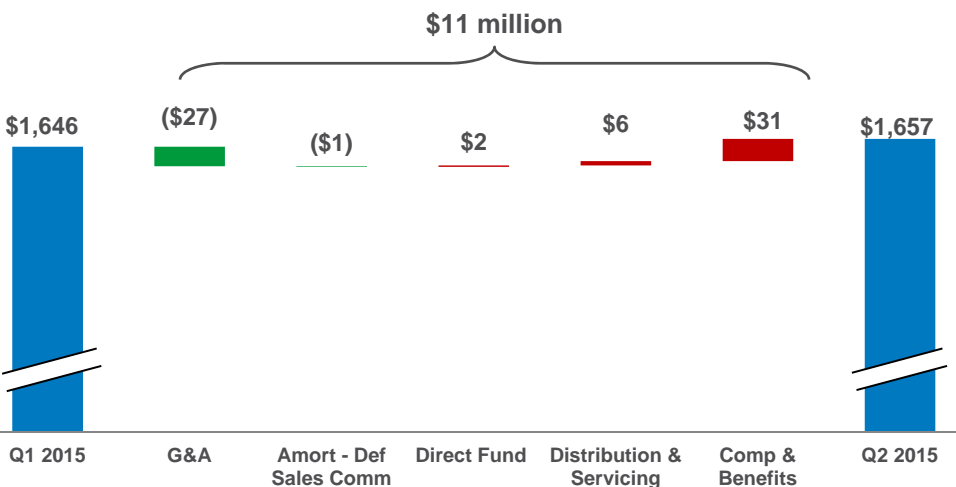
### Percentage Change

	Year-over-Year	Sequential
Employee Comp. & Benefits	7%	3%
Distribution & Servicing Costs	18	6
Amort. of Deferred Sales Commissions	(14)	(8)
Direct Fund Expense	2	1
General & Administrative	(17)	(8)
Amortization of Intangibles	(15)	0
<b>Total</b>	<b>1</b>	<b>1</b>

## Q2 2015 Compared to Q2 2014, as adjusted



## Q2 2015 Compared to Q1 2015, as adjusted



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

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

	2013			2014				2015	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Operating Income</b>									
GAAP	\$849	\$966	\$1,133	\$1,051	\$1,122	\$1,157	\$1,144	\$1,067	\$1,238
Non-GAAP adjustments	133	12	10	11	11	57	10	10	10
As Adjusted	<u>\$982</u>	<u>\$978</u>	<u>\$1,143</u>	<u>\$1,062</u>	<u>\$1,133</u>	<u>\$1,214</u>	<u>\$1,154</u>	<u>\$1,077</u>	<u>\$1,248</u>
<b>Nonoperating Income (Expense)</b>									
GAAP	\$69	(\$18)	\$24	\$17	\$16	(\$52)	(\$60)	\$16	(\$41)
Non-GAAP adjustments	(57)	(3)	(11)	9	(36)	44	6	(5)	(9)
As Adjusted	<u>\$12</u>	<u>(\$21)</u>	<u>\$13</u>	<u>\$26</u>	<u>(\$20)</u>	<u>(\$8)</u>	<u>(\$54)</u>	<u>\$11</u>	<u>(\$50)</u>
<b>Net Income</b>									
GAAP	\$729	\$730	\$841	\$756	\$808	\$917	\$813	\$822	\$819
Non-GAAP adjustments	(7)	(58)	10	6	29	(27)	8	8	19
As Adjusted	<u>\$722</u>	<u>\$672</u>	<u>\$851</u>	<u>\$762</u>	<u>\$837</u>	<u>\$890</u>	<u>\$821</u>	<u>\$830</u>	<u>\$838</u>

Note: During the second quarter of 2015, the Company adopted new accounting guidance on consolidations effective January 1, 2015 using the modified retrospective method. Upon adoption, the Company recorded a change to total nonoperating income (expense) with an equal and offsetting change to noncontrolling interests for the three months ended March 31, 2015. There was no impact to net income attributable to BlackRock, Inc. or to BlackRock's earnings per share.

Non-GAAP adjustments include amounts related to the reduction of an indemnification asset, the PennyMac Charitable Contribution, PNC LTIP funding obligation, compensation related to appreciation (depreciation) on certain deferred compensation plans and noncash income tax matters, as applicable.

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

## Important Notes

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

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

In addition to risk factors previously disclosed in BlackRock’s Securities and Exchange Commission reports and those identified elsewhere in this presentation, 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, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) the relative and absolute investment performance of BlackRock’s investment products; (4) the impact of increased competition; (5) the impact of future acquisitions or divestitures; (6) the unfavorable resolution of legal proceedings; (7) the extent and timing of any share repurchases; (8) the impact, extent and timing of technological changes and the adequacy of intellectual property, information and cyber security protection; (9) the impact of legislative and regulatory actions and reforms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock or The PNC Financial Services Group, Inc.; (10) terrorist activities, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (11) the ability to attract and retain highly talented professionals; (12) fluctuations in the carrying value of BlackRock’s economic investments; (13) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products or transactions, which could affect the value proposition to clients and, generally, the tax position of BlackRock; (14) BlackRock’s success in maintaining the distribution of its products; (15) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (16) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations on page 9 of this earnings release supplement, our current earnings release dated July 15, 2015, and BlackRock’s other periodic reports, which are available on BlackRock’s web site at [www.blackrock.com](http://www.blackrock.com).