



Q4 2016 Earnings

Earnings Release Supplement

January 13, 2017



BLACKROCK®

A broadly diversified business across clients, products and geographies

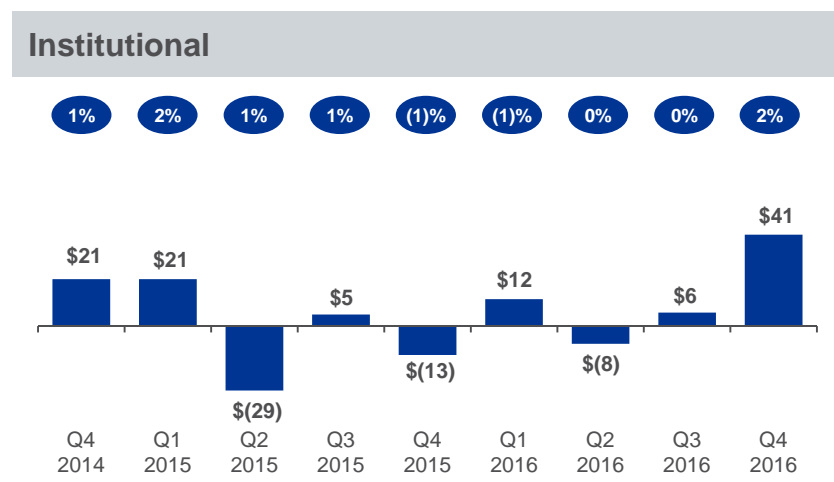
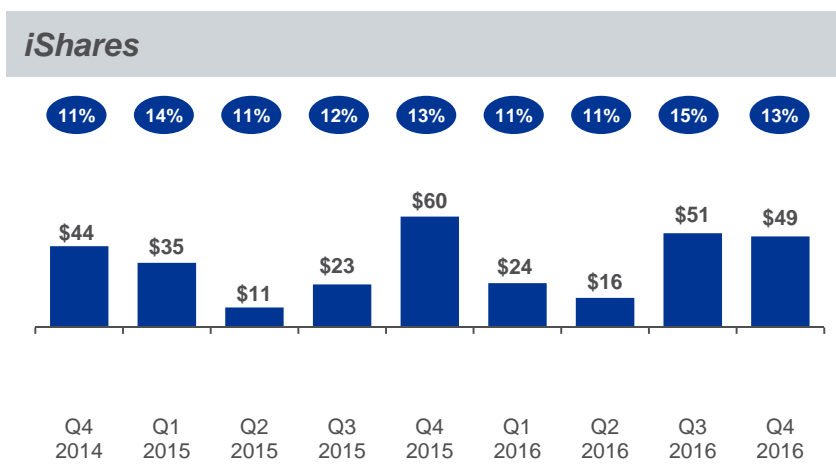
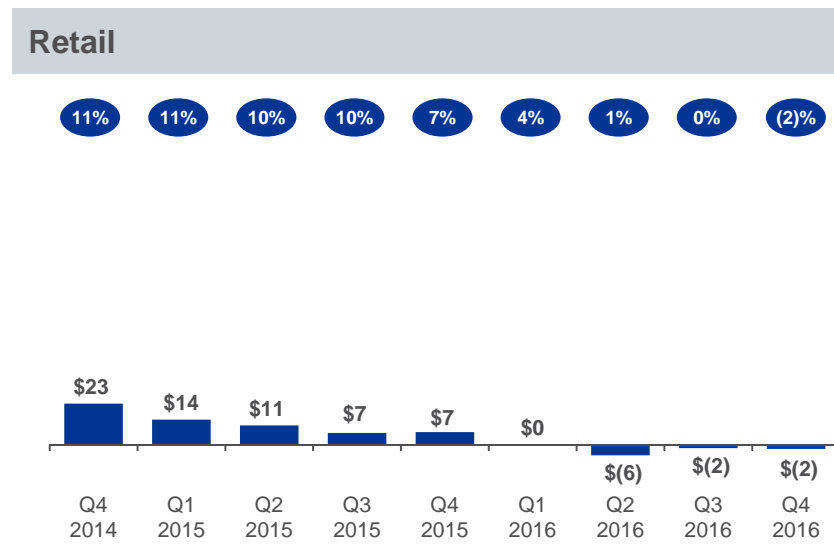
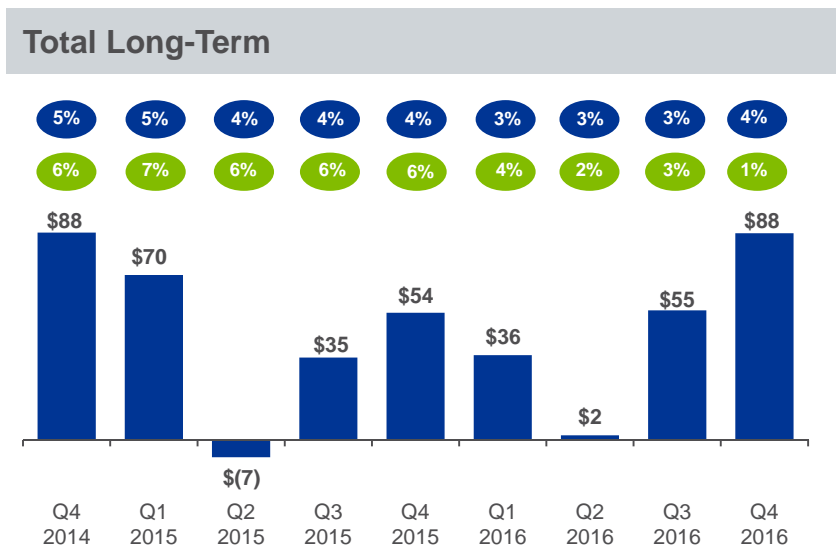
Q4 2016 Total Base Fees of \$2.486 billion
Assets Under Management of \$5.148 trillion at December 31, 2016



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

Long-term net flows (\$ in billions)

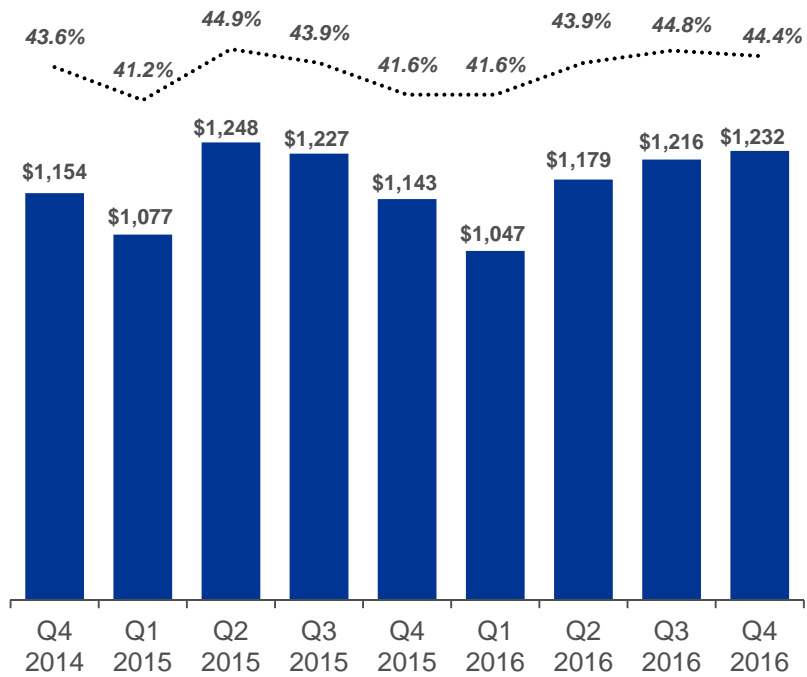
● LTM organic asset growth rate (%)
 ● LTM organic base fee growth rate (%)



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

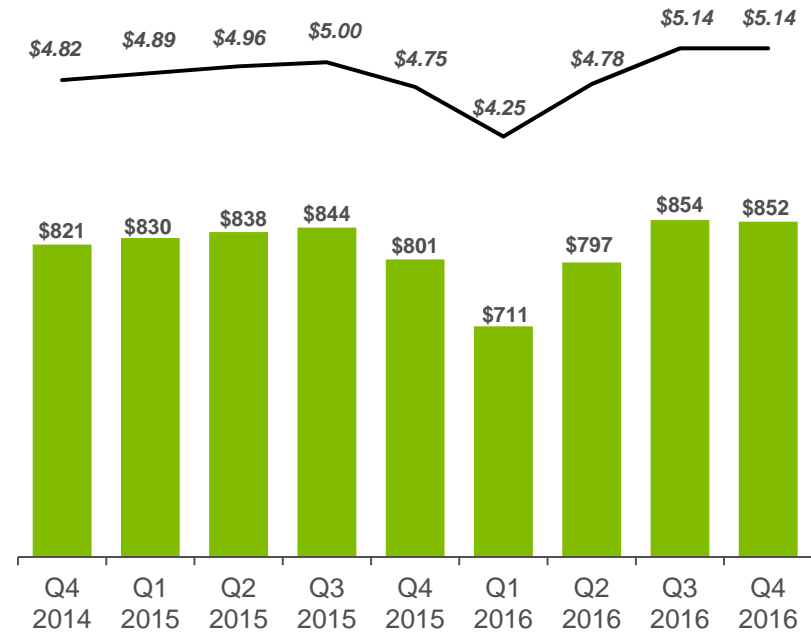
Profitability (\$ in millions, except per share data)

Operating Income and Margin, as adjusted



■ Operating Income, as adjusted Operating Margin, as adjusted

Net Income and EPS, as adjusted



■ Net Income, as adjusted — EPS, as adjusted

For further information and reconciliations between GAAP and as adjusted, see page 12 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.

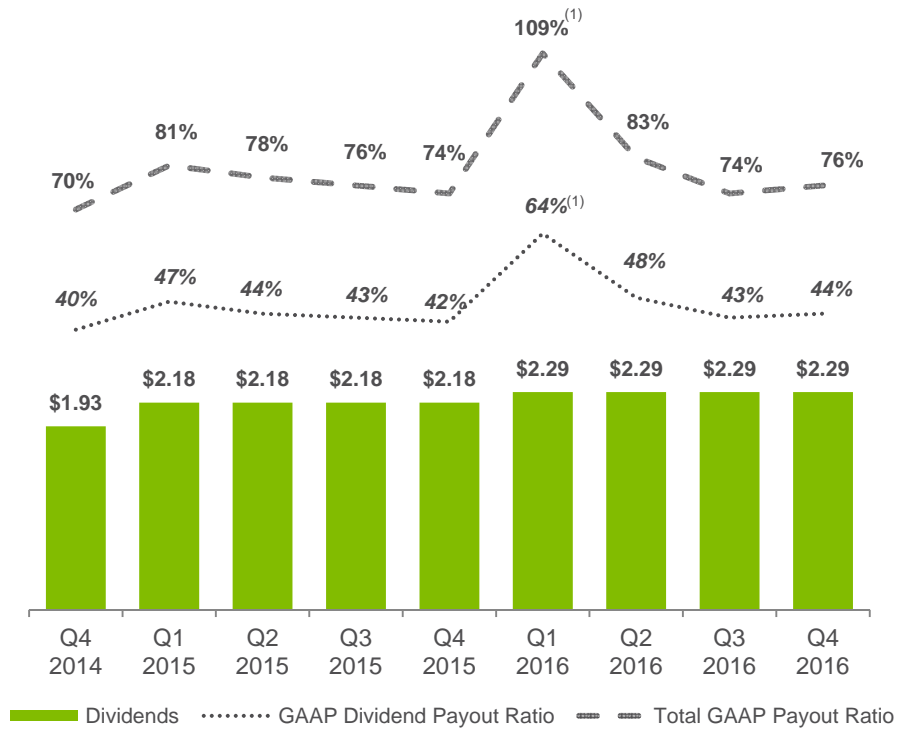
Capital management (amounts in millions, except per share data)

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.

⁽¹⁾ GAAP Dividend Payout Ratio and Total GAAP Payout Ratio include the pre-tax restructuring charge of \$76 million.

Major market indices and exchange rates

	Spot			% Change 12/31/2016 vs.		Average			% Change Q4 2016 vs.	
	12/31/2015	9/30/2016	12/31/2016	9/30/2016	12/31/2015	Q4 2015	Q3 2016	Q4 2016	Q3 2016	Q4 2015
Equity Indices:										
<i>Domestic</i>										
S&P 500	2,044	2,168	2,239	3%	10%	2,053	2,161	2,186	1%	6%
<i>Global</i>										
MSCI Barra World Index	1,663	1,726	1,751	1%	5%	1,677	1,712	1,718	-%	2%
MSCI Europe Index	123	116	123	6%	-%	125	115	117	2%	(6)%
MSCI AC Asia Pacific Index	132	140	135	(4)%	2%	132	137	137	-%	4%
MSCI Emerging Markets Index	794	903	862	(5)%	9%	828	887	877	(1)%	6%
S&P Global Natural Resources	2,376	2,930	3,123	7%	31%	2,509	2,888	3,010	4%	20%
Fixed Income Index:										
Barclays U.S. Aggregate Bond Index	1,925	2,037	1,976	(3)%	3%	1,933	2,035	1,994	(2)%	3%
Foreign Exchange Rates:										
GBP to USD	1.47	1.30	1.23	(5)%	(16)%	1.52	1.31	1.24	(5)%	(18)%
EUR to USD	1.09	1.12	1.05	(6)%	(4)%	1.09	1.12	1.08	(4)%	(1)%

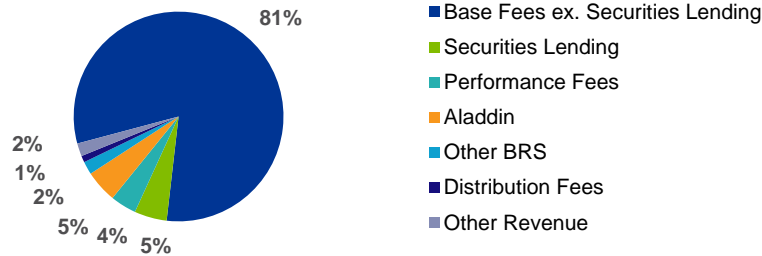
Source: Bloomberg

Quarterly revenue

Total Revenue

Q4 2016

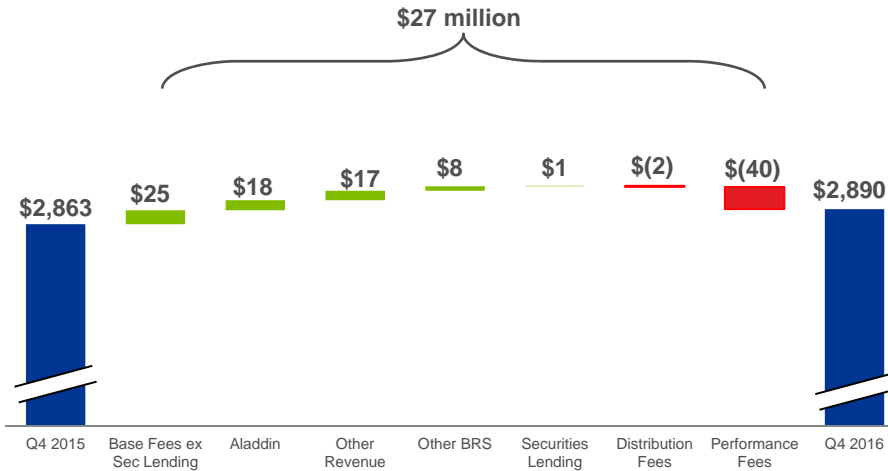
\$2,890 million



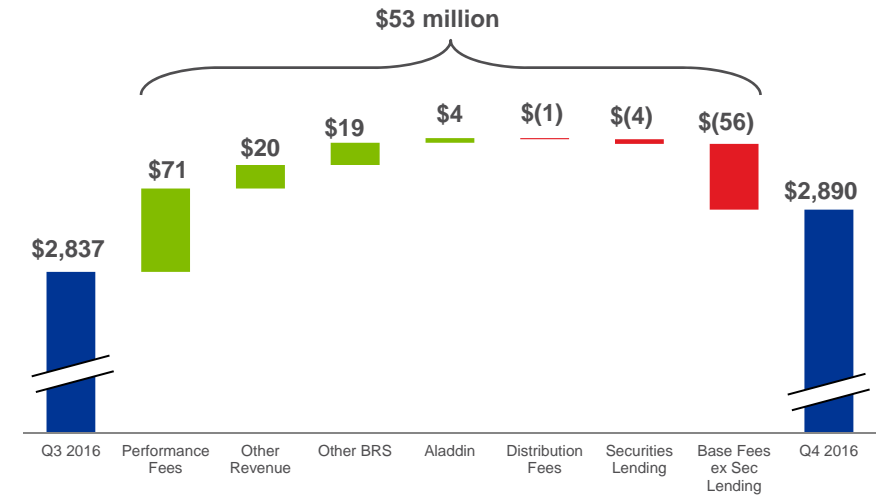
Percentage Change

	Year-over-Year	Sequential
Base Fees ex. SL	1%	(2)%
Securities Lending	1%	(3)%
Performance Fees	(24)%	122%
Aladdin	13%	3%
Other BRS	24%	86%
Distribution Fees	(18)%	(10)%
Other Revenue	33%	41%
Total	1%	2%

Q4 2016 Compared to Q4 2015



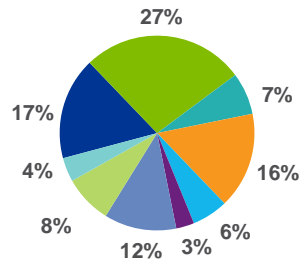
Q4 2016 Compared to Q3 2016



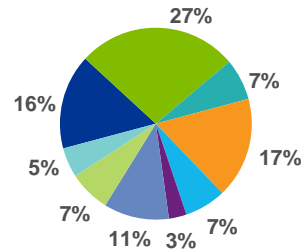
Quarterly investment advisory, administration fees and securities lending revenue

Investment advisory, administration fees and securities lending revenue

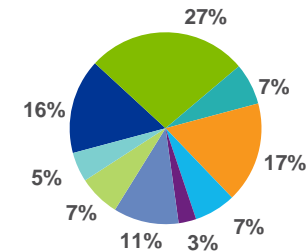
Q4 2015: \$2,460 million



Q4 2016: \$2,486 million

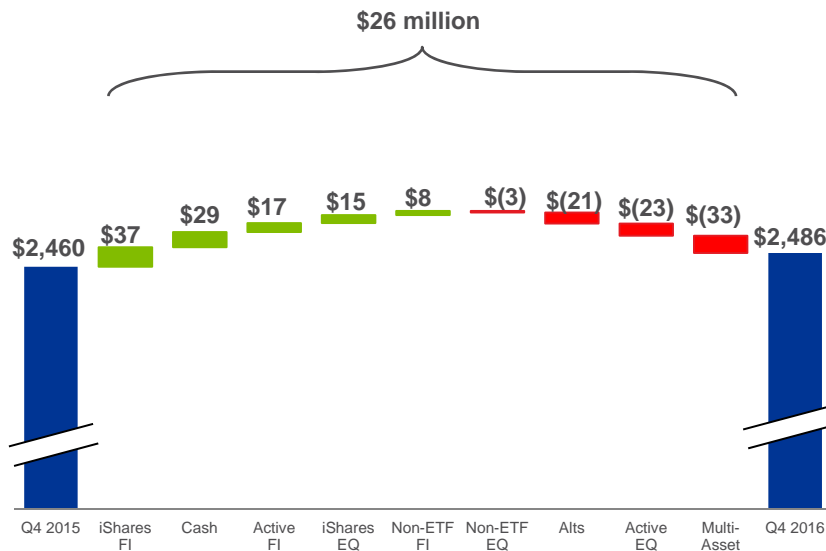


Q3 2016: \$2,546 million

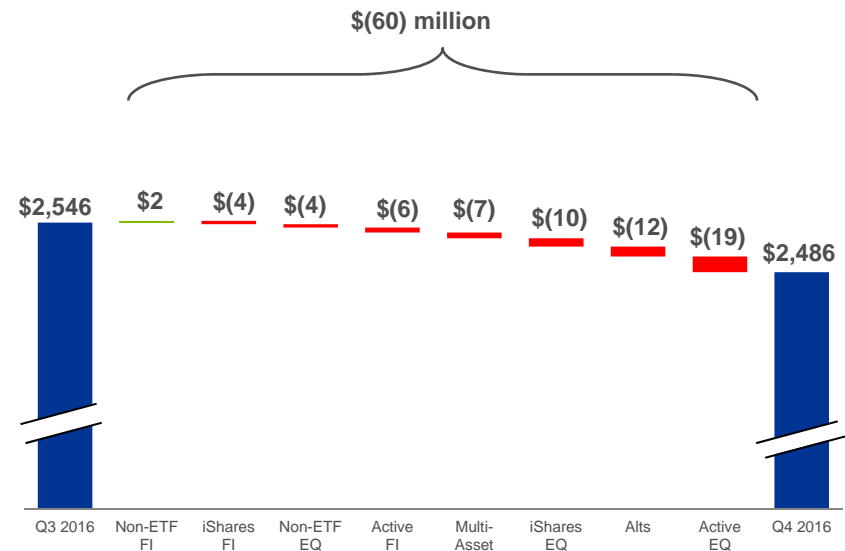


■ Active Equity ■ iShares Equity ■ Non-ETF Index Equity ■ Active Fixed Income ■ iShares Fixed Income ■ Non-ETF Index Fixed Income ■ Multi-Asset ■ Alternatives ■ Cash

Q4 2016 Compared to Q4 2015



Q4 2016 Compared to Q3 2016

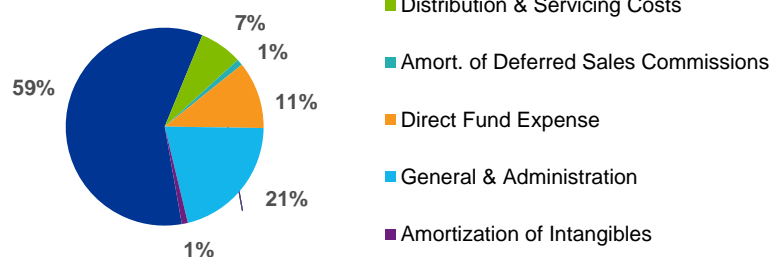


Quarterly expense

Expense, as adjusted, by category

Q4 2016

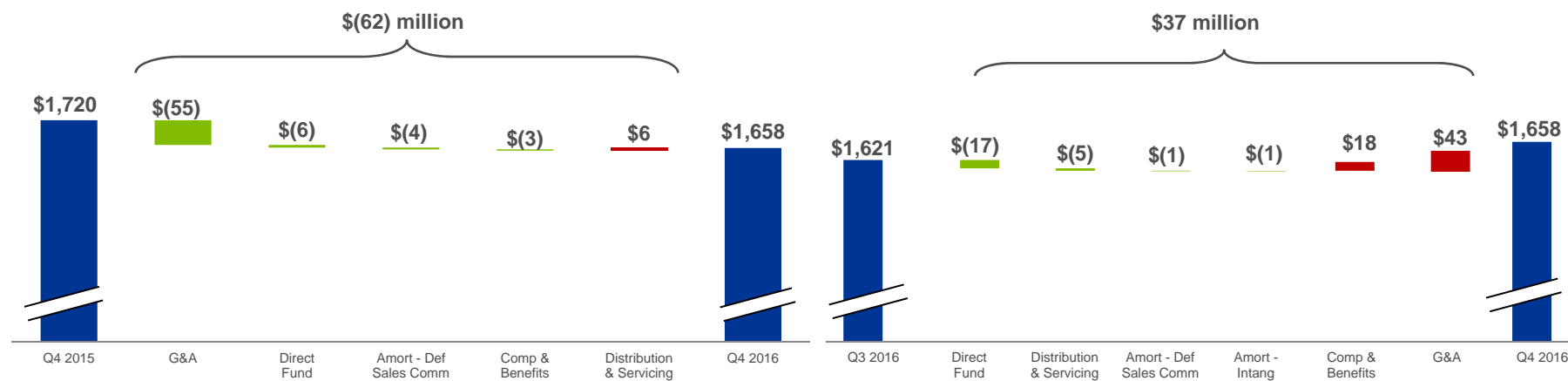
\$1,658 million



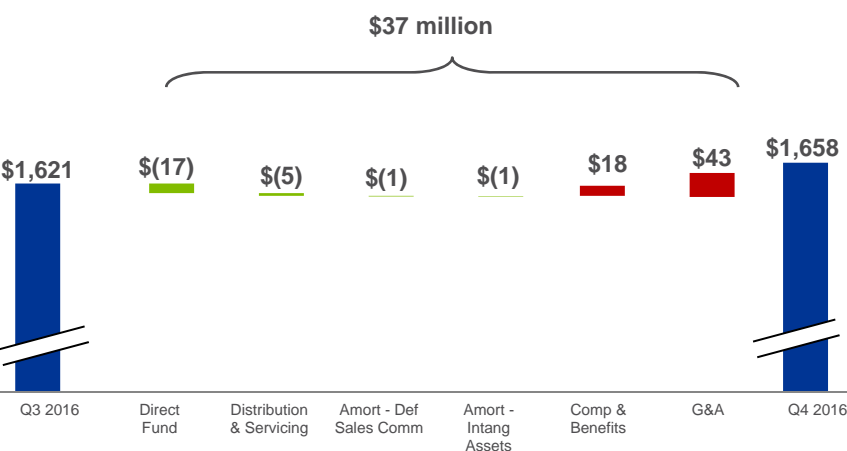
Percentage Change

	Year-over-Year	Sequential
Employee Comp. & Benefits	-%	2%
Distribution & Servicing Costs	6%	(4)%
Amort. of Deferred Sales Commissions	(36)%	(13)%
Direct Fund Expense	(3)%	(9)%
General & Administrative	(13)%	14%
Amortization of Intangibles	-%	(4)%
Total	(4)%	2%

Q4 2016 Compared to Q4 2015, as adjusted



Q4 2016 Compared to Q3 2016, as adjusted



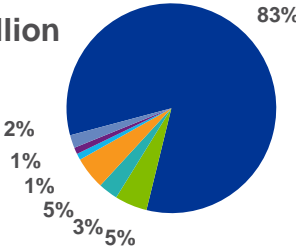
Expense, as adjusted, includes non-GAAP adjustments related to PNC LTIP funding obligation of \$7 million in the fourth quarter of 2016, \$4 million in fourth quarter of 2015 and \$7 million in the third quarter of 2016. Expense, as adjusted, also includes a non-GAAP adjustment for compensation related to appreciation (depreciation) on certain deferred compensation plans of \$2 million in the fourth quarter of 2015. For further information, see notes (1) through (4) in the current earnings release.

Full year revenue

Total Revenue

Full year 2016

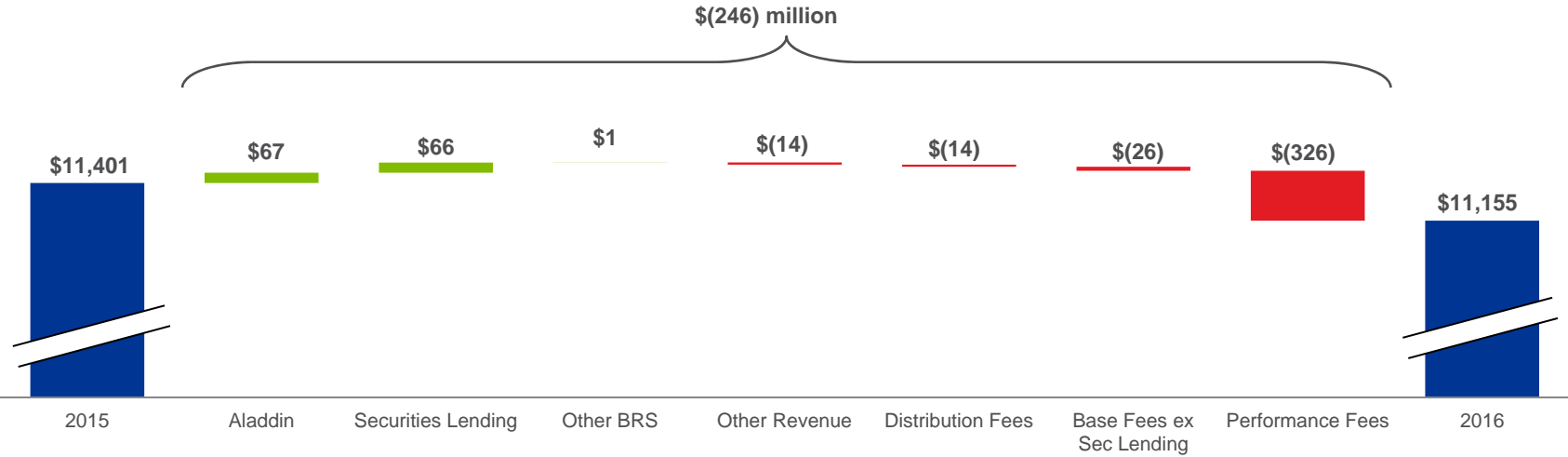
\$11,155 million



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

Percentage Change	Year-over-Year
Base Fees ex. SL	-%
Securities Lending	13%
Performance Fees	(52)%
Aladdin	13%
Other BRS	1%
Distribution Fees	(25)%
Other Revenue	(6)%
Total	(2)%

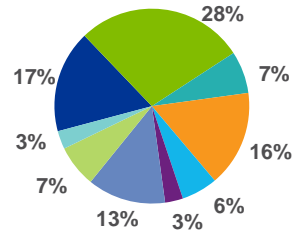
2016 Compared to 2015



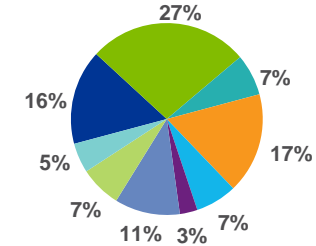
Full year investment advisory, administration fees and securities lending revenue

Investment advisory, administration fees and securities lending revenue

Full year 2015: \$9,840 million

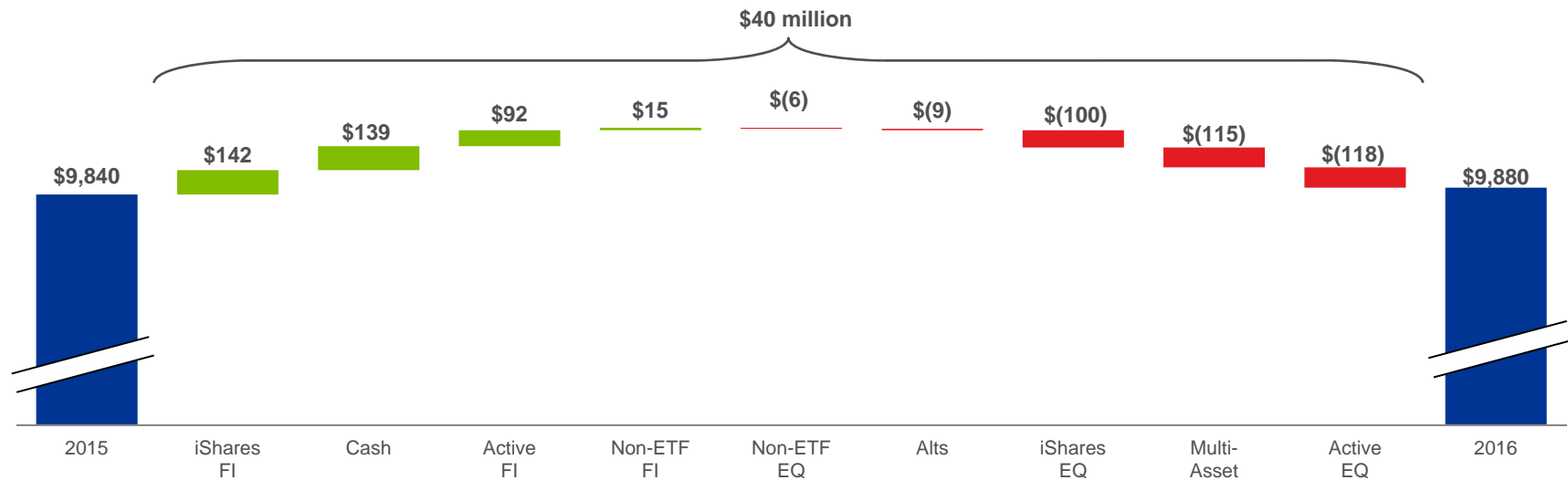


Full year 2016: \$9,880 million



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

2016 Compared to 2015

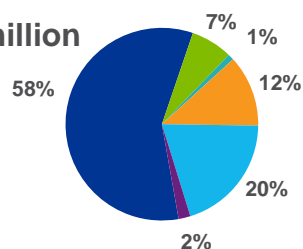


Full year expense

Expense, as adjusted, by category

Full year 2016

\$6,481 million



■ Employee Comp. & Benefits

■ Distribution & Servicing Costs

■ Amort. of Deferred Sales Commissions

■ Direct Fund Expense

■ General & Administration

■ Amortization of Intangibles

Percentage Change

Employee Comp. & Benefits

Distribution & Servicing Costs

Amort. of Deferred Sales Commissions

Direct Fund Expense

General & Administrative

Amortization of Intangibles

Total

Year-over-Year

(3)%

5%

(29)%

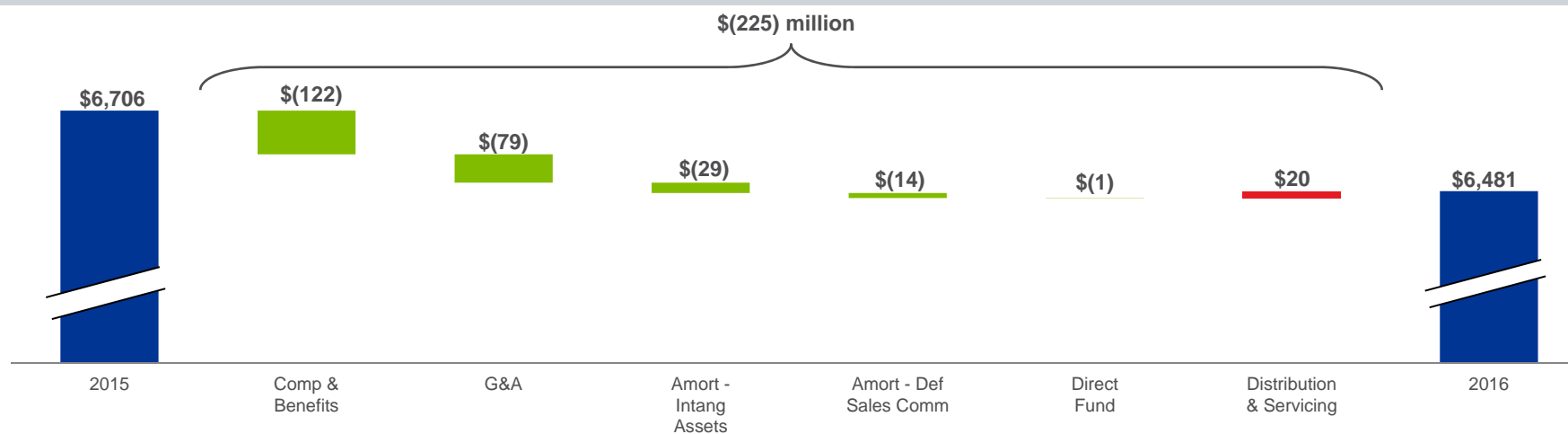
-%

(6)%

(23)%

(3)%

2016 Compared to 2015, as adjusted



Expense, as adjusted, includes non-GAAP adjustments related to a restructuring charge of \$76 million in 2016 and PNC LTIP funding obligation of \$28 million and \$30 million in 2016 and 2015, respectively. Expense, as adjusted, also includes a non-GAAP adjustment for compensation related to appreciation (depreciation) on certain deferred compensation plans of \$1 million in 2015. For further information, see notes (1) through (4) in the current earnings release.

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

	2014	2015				2016			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating Income									
GAAP	\$1,144	\$1,067	\$1,238	\$1,222	\$1,137	\$963	\$1,173	\$1,209	\$1,225
Non-GAAP adjustments	10	10	10	5	6	84	6	7	7
As Adjusted	<u>\$1,154</u>	<u>\$1,077</u>	<u>\$1,248</u>	<u>\$1,227</u>	<u>\$1,143</u>	<u>\$1,047</u>	<u>\$1,179</u>	<u>\$1,216</u>	<u>\$1,232</u>
Nonoperating Income (Expense)									
GAAP	\$(60)	\$16	\$(41)	\$(48)	\$11	\$(48)	\$(25)	\$1	\$(38)
Non-GAAP adjustments	6	(5)	(9)	16	(10)	10	(6)	(2)	-
As Adjusted	<u>\$(54)</u>	<u>\$11</u>	<u>\$(50)</u>	<u>\$(32)</u>	<u>\$1</u>	<u>\$(38)</u>	<u>\$(31)</u>	<u>\$(1)</u>	<u>\$(38)</u>
Net Income									
GAAP	\$813	\$822	\$819	\$843	\$861	\$657	\$789	\$875	\$851
Non-GAAP adjustments	8	8	19	1	(60)	54	8	(21)	1
As Adjusted	<u>\$821</u>	<u>\$830</u>	<u>\$838</u>	<u>\$844</u>	<u>\$801</u>	<u>\$711</u>	<u>\$797</u>	<u>\$854</u>	<u>\$852</u>

Non-GAAP adjustments include amounts related to a restructuring charge, PNC LTIP funding obligation, compensation related to appreciation (depreciation) on certain deferred compensation plans 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 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 ("SEC") reports and those identified elsewhere in this earnings release, 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 potential for human error in connection with BlackRock's operational systems; (10) 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 PNC; (11) 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; (12) the ability to attract and retain highly talented professionals; (13) fluctuations in the carrying value of BlackRock's economic investments; (14) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products or transactions, which could affect the value proposition to clients and, generally, the tax position of the Company; (15) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (16) the failure by a key vendor of BlackRock to fulfill its obligations to the Company; (17) any disruption to the operations of third parties whose functions are integral to BlackRock's ETF platform; (18) 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 (19) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations on page 12 of this earnings release supplement, our current earnings release dated January 13, 2017, and BlackRock's other periodic reports, which are available on BlackRock's website at www.blackrock.com.