UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 June 30, 2022

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

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

Delaware	32-0174431
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

55 East 52nd Street, New York, NY 10055
(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.01 par value	BLK	New York Stock Exchange
1.250% Notes due 2025	BLK25	New York Stock Exchange

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 X No _____

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted 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 such files).

Yes X No _____

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

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes _____ No X

As of July 31, 2022, there were 150,768,739 shares of the registrant's common stock outstanding.

BlackRock, Inc.
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PART I

FINANCIAL INFORMATION

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BlackRock, Inc.
Condensed Consolidated Statements of Financial Condition
(unaudited)

(in millions, except shares and per share data)	June 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents[1]	$ 6,481	$ 9,323
Accounts receivable	3,471	3,789
Investments[1]	7,302	7,262
Separate account assets	61,269	86,226
Separate account collateral held under securities lending agreements	7,279	7,081
Property and equipment (net of accumulated depreciation and amortization of $1,344 and $1,256 at June 30, 2022 and December 31, 2021, respectively)	900	762
Intangible assets (net of accumulated amortization of $447 and $399 at June 30, 2022 and December 31, 2021, respectively)	18,377	18,453
Goodwill	15,346	15,351
Operating lease right-of-use assets	1,543	1,621
Other assets[1]	3,998	2,780
Total assets	$ 125,966	$ 152,648
Liabilities		
Accrued compensation and benefits	$ 1,408	$ 2,951
Accounts payable and accrued liabilities	1,324	1,397
Borrowings	6,635	7,446
Separate account liabilities	61,269	86,226
Separate account collateral liabilities under securities lending agreements	7,279	7,081
Deferred income tax liabilities	2,801	2,758
Operating lease liabilities	1,815	1,872
Other liabilities[1]	5,130	4,024
Total liabilities	87,661	113,755
Commitments and contingencies (Note 15)		
Temporary equity		
Redeemable noncontrolling interests	1,103	1,087
Permanent Equity		
BlackRock, Inc. stockholders' equity		
Common stock, $0.01 par value; Shares authorized: 500,000,000 at June 30, 2022 and December 31, 2021; Shares issued: 172,075,373 at June 30, 2022 and December 31, 2021; Shares outstanding: 150,966,457 and 151,684,491 at June 30, 2022 and December 31, 2021, respectively	2	2
Additional paid-in capital	19,469	19,640
Retained earnings	28,678	27,688
Accumulated other comprehensive loss	(1,091)	(550)
Treasury stock, common, at cost (21,108,916 and 20,390,882 shares held at June 30, 2022 and December 31, 2021, respectively)	(9,969)	(9,087)
Total BlackRock, Inc. stockholders' equity	37,089	37,693
Nonredeemable noncontrolling interests	113	113
Total permanent equity	37,202	37,806
Total liabilities, temporary equity and permanent equity	$ 125,966	$ 152,648

(1) At June 30, 2022, cash and cash equivalents, investments, other assets and other liabilities include $274 million, $3,880 million, $62 million, and $2,059 million, respectively, related to consolidated variable interest entities ("VIEs"). At December 31, 2021, cash and cash equivalents, investments, other assets and other liabilities include $251 million, $3,968 million, $50 million, and $1,919 million, respectively, related to consolidated VIEs.

See accompanying notes to condensed consolidated financial statements.

BlackRock, Inc.
Condensed Consolidated Statements of Income
(unaudited)

(in millions, except shares and per share data)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Revenue				
Investment advisory, administration fees and securities lending revenue:				
Related parties	$ 2,769	$ 2,829	$ 5,652	$ 5,514
Other third parties	919	928	1,869	1,835
Total investment advisory, administration fees and securities lending revenue	3,688	3,757	7,521	7,349
Investment advisory performance fees	106	340	204	469
Technology services revenue	332	316	673	622
Distribution fees	361	369	742	709
Advisory and other revenue	39	38	85	69
Total revenue	4,526	4,820	9,225	9,218
Expense				
Employee compensation and benefits	1,414	1,548	2,912	2,957
Distribution and servicing costs	572	523	1,146	1,028
Direct fund expense	304	320	633	640
General and administration expense	530	461	1,026	1,046
Amortization of intangible assets	38	37	76	71
Total expense	2,858	2,889	5,793	5,742
Operating income	1,668	1,931	3,432	3,476
Nonoperating income (expense)				
Net gain (loss) on investments	(314)	314	(416)	396
Interest and dividend income	21	8	39	27
Interest expense	(54)	(52)	(108)	(107)
Total nonoperating income (expense)	(347)	270	(485)	316
Income before income taxes	1,321	2,201	2,947	3,792
Income tax expense	358	654	621	972
Net income	963	1,547	2,326	2,820
Less:				
Net income (loss) attributable to noncontrolling interests	(114)	169	(187)	243
Net income attributable to BlackRock, Inc.	$ 1,077	$ 1,378	$ 2,513	$ 2,577
Earnings per share attributable to BlackRock, Inc. common stockholders:				
Basic	$ 7.12	$ 9.04	$ 16.59	$ 16.90
Diluted	$ 7.06	$ 8.92	$ 16.43	$ 16.69
Weighted-average common shares outstanding:				
Basic	151,292,580	152,443,039	151,511,496	152,504,902
Diluted	152,452,320	154,417,581	152,990,147	154,359,353

See accompanying notes to condensed consolidated financial statements.

BlackRock, Inc.
Condensed Consolidated Statements of Comprehensive Income
(unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Net income	$ 963	$ 1,547	$ 2,326	$ 2,820
Other comprehensive income (loss):				
Foreign currency translation adjustments(1)	(416)	23	(541)	(51)
Comprehensive income (loss)	547	1,570	1,785	2,769
Less: Comprehensive income (loss) attributable to noncontrolling interests	(114)	169	(187)	243
Comprehensive income attributable to BlackRock, Inc.	$ 661	$ 1,401	$ 1,972	$ 2,526

(1) Amounts for the three months ended June 30, 2022 and 2021 include a gain from a net investment hedge of $36 million (net of tax expense of $11 million) and a loss of $6 million (net of tax benefit of $2 million), respectively. Amounts for the six months ended June 30, 2022 and 2021 include a gain from a net investment hedge of $49 million (net of tax expense of $15 million) and $20 million (net of tax expense of $6 million), respectively.

See accompanying notes to condensed consolidated financial statements.

BlackRock, Inc.
Condensed Consolidated Statements of Changes in Equity
(unaudited)

For the Six Months Ended June 30, 2022

(in millions)	Additional Paid-in Capital[1]	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Common	Total BlackRock Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Permanent Equity	Redeemable Noncontrolling Interests / Temporary Equity
December 31, 2021	$ 19,642	$ 27,688	$ (550)	$ (9,087)	$ 37,693	$ 113	$ 37,806	$ 1,087
Net income	—	2,513	—	—	2,513	(2)	2,511	(185)
Dividends declared ($9.76 per share)	—	(1,523)	—	—	(1,523)	—	(1,523)	—
Stock-based compensation	376	—	—	—	376	—	376	—
Issuance of common shares related to employee stock transactions	(547)	—	—	561	14	—	14	—
Employee tax withholdings related to employee stock transactions	—	—	—	(443)	(443)	—	(443)	—
Shares repurchased	—	—	—	(1,000)	(1,000)	—	(1,000)	—
Contributions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	2	2	425
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	—	—	(224)
Other comprehensive income (loss)	—	—	(541)	—	(541)	—	(541)	—
June 30, 2022	**$ 19,471**	**$ 28,678**	**$ (1,091)**	**$ (9,969)**	**$ 37,089**	**$ 113**	**$ 37,202**	**$ 1,103**

(1) Amounts include $2 million of common stock at both June 30, 2022 and December 31, 2021.

For the Three Months Ended June 30, 2022

(in millions)	Additional Paid-in Capital[1]	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Common	Total BlackRock Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Permanent Equity	Redeemable Noncontrolling Interests / Temporary Equity
March 31, 2022	$ 19,304	$ 28,338	$ (675)	$ (9,478)	$ 37,489	$ 107	$ 37,596	$ 1,263
Net income	—	1,077	—	—	1,077	(2)	1,075	(112)
Dividends declared ($4.88 per share)	—	(737)	—	—	(737)	—	(737)	—
Stock-based compensation	175	—	—	—	175	—	175	—
Issuance of common shares related to employee stock transactions	(8)	—	—	16	8	—	8	—
Employee tax withholdings related to employee stock transactions	—	—	—	(7)	(7)	—	(7)	—
Shares repurchased	—	—	—	(500)	(500)	—	(500)	—
Contributions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	8	8	53
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	—	—	(101)
Other comprehensive income (loss)	—	—	(416)	—	(416)	—	(416)	—
June 30, 2022	**$ 19,471**	**$ 28,678**	**$ (1,091)**	**$ (9,969)**	**$ 37,089**	**$ 113**	**$ 37,202**	**$ 1,103**

(1) Amounts include $2 million of common stock at both June 30, 2022 and March 31, 2022.

See accompanying notes to condensed consolidated financial statements.

BlackRock, Inc.
Condensed Consolidated Statements of Changes in Equity
(unaudited)

For the Six Months Ended June 30, 2021

(in millions)	Additional Paid-in Capital[1]	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Common	Total BlackRock Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Permanent Equity	Redeemable Noncontrolling Interests / Temporary Equity
December 31, 2020	$ 19,295	$ 24,334	$ (337)	$ (8,009)	$ 35,283	$ 51	$ 35,334	$ 2,322
Net income	—	2,577	—	—	2,577	2	2,579	241
Dividends declared ($8.26 per share)	—	(1,291)	—	—	(1,291)	—	(1,291)	—
Stock-based compensation	378	—	—	—	378	—	378	—
Issuance of common shares related to employee stock transactions	(374)	—	—	384	10	—	10	—
Employee tax withholdings related to employee stock transactions	—	—	—	(273)	(273)	—	(273)	—
Shares repurchased	—	—	—	(600)	(600)	—	(600)	—
Contributions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	61	61	776
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	1	1	(1,097)
Other comprehensive income (loss)	—	—	(51)	—	(51)	—	(51)	—
June 30, 2021	**$ 19,299**	**$ 25,620**	**$ (388)**	**$ (8,498)**	**$ 36,033**	**$ 115**	**$ 36,148**	**$ 2,242**

(1) Amounts include $2 million of common stock at both June 30, 2021 and December 31, 2020.

For the Three Months Ended June 30, 2021

(in millions)	Additional Paid-in Capital[1]	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Common	Total BlackRock Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Permanent Equity	Redeemable Noncontrolling Interests / Temporary Equity
March 31, 2021	$ 19,123	$ 24,872	$ (411)	$ (8,204)	$ 35,380	$ 49	$ 35,429	$ 2,411
Net income	—	1,378	—	—	1,378	2	1,380	167
Dividends declared ($4.13 per share)	—	(630)	—	—	(630)	—	(630)	—
Stock-based compensation	182	—	—	—	182	—	182	—
Issuance of common shares related to employee stock transactions	(6)	—	—	11	5	—	5	—
Employee tax withholdings related to employee stock transactions	—	—	—	(5)	(5)	—	(5)	—
Shares repurchased	—	—	—	(300)	(300)	—	(300)	—
Contributions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	63	63	154
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	1	1	(490)
Other comprehensive income (loss)	—	—	23	—	23	—	23	—
June 30, 2021	**$ 19,299**	**$ 25,620**	**$ (388)**	**$ (8,498)**	**$ 36,033**	**$ 115**	**$ 36,148**	**$ 2,242**

(1) Amounts include $2 million of common stock at both June 30, 2021 and March 31, 2021.

See accompanying notes to condensed consolidated financial statements.

BlackRock, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

(in millions)	Six Months Ended June 30, 2022	2021
Operating activities		
Net income	$ 2,326	$ 2,820
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	199	198
Noncash lease expense	82	63
Stock-based compensation	376	378
Deferred income tax expense (benefit)	12	233
Net (gains) losses within CIPs	388	(310)
Net (purchases) proceeds within CIPs	(590)	(759)
(Earnings) losses from equity method investees	57	(107)
Distributions of earnings from equity method investees	32	25
Changes in operating assets and liabilities:		
Accounts receivable	216	(264)
Investments, trading	115	62
Other assets	(1,224)	(1,330)
Accrued compensation and benefits	(1,582)	(801)
Accounts payable and accrued liabilities	(118)	205
Other liabilities	934	840
Net cash provided by/(used in) operating activities	1,223	1,253
Investing activities		
Purchases of investments	(383)	(360)
Proceeds from sales and maturities of investments	117	184
Distributions of capital from equity method investees	34	55
Net consolidations (deconsolidations) of sponsored investment funds	(5)	(39)
Acquisitions, net of cash acquired	—	(1,097)
Purchases of property and equipment	(263)	(178)
Net cash provided by/(used in) investing activities	(500)	(1,435)
Financing activities		
Repayments of long-term borrowings	(750)	(750)
Cash dividends paid	(1,523)	(1,291)
Repurchases of common stock	(1,443)	(873)
Net contributions (redemptions/distributions) - noncontrolling interest holders	427	837
Other financing activities	17	11
Net cash provided by/(used in) financing activities	(3,272)	(2,066)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(293)	—
Net increase/(decrease) in cash, cash equivalents and restricted cash	(2,842)	(2,248)
Cash, cash equivalents and restricted cash, beginning of period	9,340	8,681
Cash, cash equivalents and restricted cash, end of period	$ 6,498	$ 6,433
Supplemental schedule of noncash investing and financing transactions:		
Issuance of common stock	$ 547	$ 374
Increase (decrease) in noncontrolling interests due to net consolidation (deconsolidation) of sponsored investment funds	$ (224)	$ (1,096)

See accompanying notes to condensed consolidated financial statements.

1. Business Overview

BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company") is a leading publicly traded investment management firm providing a broad range of investment management and technology services to institutional and retail clients worldwide.

BlackRock's diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes enables the Company to tailor investment outcomes and asset allocation solutions for clients. Product offerings include single- and multi-asset portfolios investing in equities, fixed income, alternatives and money market instruments. Products are offered directly and through intermediaries in a variety of vehicles, including open-end and closed-end mutual funds, *iShares*® and BlackRock exchange-traded funds ("ETFs"), separate accounts, collective trust funds and other pooled investment vehicles. BlackRock also offers technology services, including the investment and risk management technology platform, Aladdin®, Aladdin Wealth, eFront and Cachematrix, as well as advisory services and solutions to a broad base of institutional and wealth management clients.

2. 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. Noncontrolling interests ("NCI") on the condensed consolidated statements of financial condition represent the portion of consolidated sponsored investment products ("CIPs") and a consolidated affiliate (collectively, "consolidated entities") in which the Company does not have direct equity ownership. Intercompany balances and transactions have been eliminated upon consolidation.

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 revenue and expense 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 condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and footnotes related thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 25, 2022 ("2021 Form 10-K").

The interim financial information at June 30, 2022 and for the three and six months ended June 30, 2022 and 2021 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 period presentations and disclosures, while not required to be recast, were reclassified to ensure comparability with current period classifications.

Fair Value Measurements

Hierarchy of Fair Value Inputs. The Company uses a fair value hierarchy that prioritizes inputs to valuation approaches used to measure fair value. 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. Assets and liabilities 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 may include listed mutual funds, ETFs, listed equities and certain exchange-traded derivatives.

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; quotes from pricing services or brokers for which the Company can determine that orderly transactions took place at the quoted price or that the inputs used to arrive at the price are observable; and inputs other than quoted prices that are observable, such as models or other valuation methodologies.

- Level 2 assets may include debt securities, investments in collateralized loan obligations ("CLOs"), bank loans, short-term floating-rate notes, asset-backed securities, securities held within consolidated hedge funds, as well as over-the-counter derivatives, including interest and inflation rate swaps and foreign currency exchange contracts that have inputs to the valuations that generally can be corroborated by observable market data.

Level 3 Inputs:
Unobservable inputs for the valuation of the asset or liability, which may include nonbinding broker quotes. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation.

- Level 3 assets may include direct private equity investments held within consolidated funds, investments in CLOs and bank loans held within consolidated CLOs.
- Level 3 liabilities may include borrowings of consolidated CLOs and contingent liabilities related to acquisitions valued based upon discounted cash flow analyses using unobservable market data.

Significance of Inputs. 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.

Valuation Approaches. The fair values of certain Level 3 assets and liabilities were determined using various valuation approaches as appropriate, including third-party pricing vendors, broker quotes and market and income approaches.

A significant number of inputs used to value equity, debt securities, investments in CLOs and bank loans is sourced from third-party pricing vendors. Generally, prices obtained from pricing vendors are categorized as Level 1 inputs for identical securities traded in active markets and as Level 2 for other similar securities if the vendor uses observable inputs in determining the price.

In addition, quotes obtained from brokers generally are nonbinding and categorized as Level 3 inputs. However, if the Company is able to determine that market participants have transacted for the asset in an orderly manner near the quoted price or if the Company can determine that the inputs used by the broker are observable, the quote is classified as a Level 2 input.

Investments Measured at Net Asset Values. As a practical expedient, the Company uses net asset value ("NAV") as the fair value for certain investments. The inputs to value these investments may include the Company's capital accounts for its partnership interests in various alternative investments, including hedge funds, real assets and private equity funds, which may be adjusted by using the returns of certain market indices. The various partnerships generally 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 from third-party sources, including independent appraisals. 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 could be used as an input to value these investments.

Fair Value Assets and Liabilities of Consolidated CLO. The Company applies the fair value option provisions for eligible assets, including bank loans, held by a consolidated CLO. As the fair value of the financial assets of the consolidated CLO is more observable than the fair value of the borrowings of the consolidated CLO, the Company measures the fair value of the borrowings of the consolidated CLO equal to the fair value of the assets of the consolidated CLO less the fair value of the Company's economic interest in the CLO.

Derivatives and Hedging Activities. The Company does not use derivative financial instruments for trading or speculative purposes. The Company uses derivative financial instruments primarily for purposes of hedging exposures to fluctuations in foreign currency exchange rates of certain assets and liabilities, and market exposures for certain seed investments. However, certain CIPs also utilize derivatives as a part of their investment strategy.

The Company records all derivative financial instruments as either assets or liabilities at fair value on a gross basis in the condensed consolidated statements of financial condition. Credit risks are managed through master netting and collateral support agreements. The amounts related to the right to reclaim or the obligation to return cash collateral may not be used to offset amounts due under the derivative instruments in the normal course of settlement. Therefore, such amounts are not offset against fair value amounts recognized for derivative instruments with the same counterparty and are included in other assets and other liabilities. Changes in the fair value of the Company's derivative financial instruments are recognized in earnings and, where applicable, are offset by the corresponding gain or loss on the related foreign-denominated assets or liabilities or hedged investments, on the condensed consolidated statements of income.

The Company may also use financial instruments designated as net investment hedges for accounting purposes to hedge net investments in international subsidiaries whose functional currency is not US dollars. The gain or loss from revaluing net investment hedges at the spot rate is deferred and reported within accumulated other comprehensive income (loss) ("AOCI") on the condensed consolidated statements of financial condition. The Company reassesses the effectiveness of its net investment hedge at least quarterly.

***Separate Account Assets and Liabilities*.** Separate account assets are maintained by BlackRock Life Limited, a wholly owned subsidiary of the Company, which is a registered life insurance company in the United Kingdom ("UK"), and represent segregated assets held for purposes of funding individual and group pension contracts. The life insurance company does not underwrite any insurance contracts that involve any insurance risk transfer from the insured to the life insurance company. The separate account assets primarily include equity securities, debt securities, money market funds and derivatives. The separate account assets are not subject to general claims of the creditors of BlackRock. These separate account assets and the related equal and offsetting liabilities are recorded as separate account assets and separate account liabilities on the condensed consolidated statements of financial condition.

The net investment income attributable to separate account assets supporting individual and group pension contracts accrues directly to the contract owner and is not reported on the condensed consolidated statements of income. While BlackRock has no economic interest in these separate account assets and liabilities, BlackRock earns policy administration and management fees associated with these products, which are included in investment advisory, administration fees and securities lending revenue on the condensed consolidated statements of income.

Separate Account Collateral Assets Held and Liabilities Under Securities Lending Agreements. The Company facilitates securities lending arrangements whereby securities held by separate accounts maintained by BlackRock Life Limited are lent to third parties under global master securities lending agreements. In exchange, the Company obtains either a) the legal title, or b) a first ranking priority security interest, in the collateral. The minimum collateral values generally range from approximately 102% to 112% of the value of the securities in order to reduce counterparty risk. The required collateral value is calculated on a daily basis. The global master securities lending agreements provide the Company the right to request additional collateral or, in the event of borrower default, the right to liquidate collateral. The securities lending transactions entered into by the Company are accompanied by an agreement that entitles the Company to request the borrower to return the securities at any time; therefore, these transactions are not reported as sales.

In situations where the Company obtains the legal title to collateral under these securities lending arrangements, the Company records an asset on the condensed consolidated statements of financial condition in addition to an equal collateral liability for the obligation to return the collateral. Additionally, in situations where the Company obtains a first ranking priority security interest in the collateral, the Company does not have the ability to pledge or resell the collateral and therefore does not record the collateral on the condensed consolidated statements of financial condition. At June 30, 2022 and December 31, 2021, the fair value of loaned securities held by separate accounts was approximately $12.6 billion and $13.2 billion, respectively, and the fair value of the collateral under these securities lending agreements was approximately $13.5 billion and $14.1 billion, respectively, of which approximately $7.3 billion as of June 30, 2022 and $7.1 billion as of December 31, 2021 was recognized on the condensed consolidated statements of financial condition. During the six months ended June 30, 2022 and 2021, the Company had not resold or repledged any of the collateral obtained under these arrangements. The securities lending revenue earned from lending securities held by the separate accounts is included in investment advisory, administration fees and securities lending revenue on the condensed consolidated statements of income.

Money Market Fee Waivers. The Company may voluntarily waive a portion of its management fees on certain money market funds to ensure that they maintain a targeted level of daily net investment income (the "Yield Support waivers"). During the three and six months ended June 30, 2022, these waivers resulted in a reduction of management fees of approximately $0 million and $72 million, respectively, which was partially offset by a reduction of BlackRock's distribution and servicing costs paid to financial intermediaries. During the three and six months ended June 30, 2021, these waivers resulted in a reduction of management fees of approximately $160 million and $230 million, respectively, which also was partially offset by a reduction of BlackRock's distribution and servicing costs paid to financial intermediaries. The Company may increase or decrease the level of Yield Support waivers in future periods.

3. Acquisition

Aperio Group, LLC

On February 1, 2021, the Company acquired 100% of the equity interests of Aperio Group, LLC (the "Aperio Transaction" or "Aperio"), a pioneer in customizing tax-optimized index equity separately managed accounts ("SMAs") for approximately $1.1 billion in cash, using existing cash resources. The acquisition of Aperio increased BlackRock's SMA assets under management and expanded the breadth of the Company's capabilities via tax-managed strategies across factors, broad market indexing, and investor Environmental, Social, and Governance preferences across all asset classes.

The purchase price for the Aperio Transaction was allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the date of the transaction. The goodwill recognized in connection with the acquisition is primarily attributable to anticipated synergies from the transaction. A summary of the fair values of the assets acquired and liabilities assumed in this acquisition is as follows:

(in millions)	Fair Value
Accounts receivable	$ 16
Finite-lived intangible assets:	
Customer relationships	270
Other	17
Goodwill	776
Deferred income tax liabilities	(16)
Other liabilities assumed	(12)
Total consideration, net of cash acquired	$ 1,051
Summary of consideration, net of cash acquired:	
Cash paid	$ 1,055
Cash acquired	(4)
Total consideration, net of cash acquired	$ 1,051

4. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents reported within the condensed consolidated statements of financial condition to the cash, cash equivalents, and restricted cash reported within the condensed consolidated statements of cash flows.

(in millions)	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 6,481	$ 9,323
Restricted cash included in other assets	17	17
Total cash, cash equivalents and restricted cash	$ 6,498	$ 9,340

5. Investments

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

(in millions)	June 30, 2022	December 31, 2021
Debt securities:		
Trading securities (including $1,014 and $1,140 trading debt securities of CIPs at June 30, 2022 and December 31, 2021, respectively)	$ 1,057	$ 1,186
Held-to-maturity investments	491	430
Total debt securities	1,548	1,616
Equity securities at FVTNI (including $1,441 and $1,485 equity securities at FVTNI of CIPs at June 30, 2022 and December 31, 2021, respectively)	1,684	1,738
Equity method investments(1)	1,782	1,694
Bank loans held by CIPs	279	284
Federal Reserve Bank stock(2)	90	96
Carried interest(3)	1,644	1,555
Other investments(4)	275	279
Total investments	$ 7,302	$ 7,262

(1) Equity method investments primarily include BlackRock's direct investments in certain BlackRock sponsored investment funds.
(2) Federal Reserve Bank stock is held for regulatory purposes and is restricted from sale.
(3) Carried interest represents allocations to BlackRock's general partner capital accounts from certain sponsored investment funds. These balances are subject to change upon cash distributions, additional allocations or reallocations back to limited partners within the respective funds.
(4) Other investments include BlackRock's investments in nonmarketable equity securities, which are measured at cost, adjusted for observable price changes and private equity and real asset investments held by CIPs measured at fair value.

Held-to-Maturity Investments

Held-to-maturity investments included certain investments in BlackRock sponsored CLOs and foreign government debt held primarily for regulatory purposes. The amortized cost (carrying value) of these investments approximated fair value (primarily a Level 2 input). At June 30, 2022, $25 million of these investments mature between one to five years, $129 million of these investments mature between five to ten years and $337 million of these investments mature after 10 years.

Trading Debt Securities and Equity Securities at FVTNI

A summary of the cost and carrying value of trading debt securities and equity securities at fair value recorded through net income ("FVTNI") is as follows:

	June 30, 2022		December 31, 2021	
(in millions)	Cost	Carrying Value	Cost	Carrying Value
Trading debt securities:				
Corporate debt	$ 629	$ 620	$ 703	$ 701
Government debt	331	331	365	363
Asset/mortgage-backed debt	120	106	126	122
Total trading debt securities	$ 1,080	$ 1,057	$ 1,194	$ 1,186
Equity securities at FVTNI:				
Equity securities/mutual funds	$ 1,600	$ 1,684	$ 1,451	$ 1,738
Total equity securities at FVTNI	$ 1,600	$ 1,684	$ 1,451	$ 1,738

6. Consolidated Sponsored Investment Products

The Company consolidates certain sponsored investment funds accounted for as voting rights entities ("VREs") because it is deemed to control such funds.

In the normal course of business, the Company is the manager of various types of sponsored investment vehicles, which may be considered VIEs. The Company 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's involvement in financing the operations of the VIEs is generally limited to its investments in the entity. The Company's consolidated VIEs include certain sponsored investment products in which BlackRock has an investment and as the investment manager, is deemed to have both the power to direct the most significant activities of the products and the right to receive benefits (or the obligation to absorb losses) that could potentially be significant to these sponsored investment products. The assets of these VIEs are not available to creditors of the Company. In addition, the investors in these VIEs have no recourse to the credit of the Company.

The following table presents the balances related to these CIPs accounted for as VIEs and VREs that were recorded on the condensed consolidated statements of financial condition, including BlackRock's net interest in these products:

	June 30, 2022			December 31, 2021		
(in millions)	**VIEs**	**VREs**	**Total**	**VIEs**	**VREs**	**Total**
Cash and cash equivalents	$ 274	$ 44	$ 318	$ 251	$ 57	$ 308
Investments:						
Trading debt securities	684	330	1,014	870	270	1,140
Equity securities at FVTNI	1,097	344	1,441	1,100	385	1,485
Bank loans	279	—	279	284	—	284
Other investments	228	—	228	210	—	210
Carried interest	1,592	—	1,592	1,504	—	1,504
Total investments	3,880	674	4,554	3,968	655	4,623
Other assets	62	24	86	50	32	82
Other liabilities(1)	(2,059)	(40)	(2,099)	(1,919)	(82)	(2,001)
Noncontrolling interests - CIPs	(1,060)	(89)	(1,149)	(1,046)	(79)	(1,125)
BlackRock's net interests in CIPs	$ 1,097	$ 613	$ 1,710	$ 1,304	$ 583	$ 1,887

(1) At both June 30, 2022 and December 31, 2021, other liabilities of VIEs primarily include deferred carried interest liabilities and borrowings of a consolidated CLO.

BlackRock's total exposure to CIPs represents the value of its economic ownership interest in these CIPs. Valuation changes associated with investments held at fair value by these CIPs are reflected in nonoperating income (expense) and partially offset in net income (loss) attributable to NCI for the portion not attributable to BlackRock.

The Company cannot readily access cash and cash equivalents held by CIPs to use in its operating activities.

Net gain (loss) related to consolidated VIEs is presented in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Nonoperating net gain (loss) on consolidated VIEs	$ (183)	$ 190	$ (316)	$ 273
Net income (loss) attributable to NCI on consolidated VIEs	$ (108)	$ 168	$ (183)	$ 223

7. Variable Interest Entities

Nonconsolidated VIEs. At June 30, 2022 and December 31, 2021, the Company's carrying value of assets and liabilities included on the condensed consolidated statements of financial condition pertaining to nonconsolidated VIEs and its maximum risk of loss related to VIEs for which it held a variable interest, but for which it was not the primary beneficiary ("PB"), was as follows:

(in millions)				
At June 30, 2022	**Investments**	**Advisory Fee Receivables**	**Other Net Assets (Liabilities)**	**Maximum Risk of Loss(1)**
Sponsored investment products	$ 976	$ 92	$ (12)	$ 1,084
At December 31, 2021				
Sponsored investment products	$ 882	$ 62	$ (12)	$ 961

(1) At both June 30, 2022 and December 31, 2021, BlackRock's maximum risk of loss associated with these VIEs primarily related to BlackRock's investments and the collection of advisory fee receivables.

The net assets of sponsored investment products that are nonconsolidated VIEs approximated $20 billion and $20 billion at June 30, 2022 and December 31, 2021, respectively.

8. Fair Value Disclosures

Fair Value Hierarchy

Assets and liabilities measured at fair value on a recurring basis

June 30, 2022 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV(1)	Other(2)	June 30, 2022
Assets:						
Investments						
Debt securities:						
Held-to-maturity investments	$ —	$ —	$ —	$ —	$ 491	$ 491
Trading securities	—	1,041	16	—	—	1,057
Total debt securities	—	1,041	16	—	491	1,548
Equity securities at FVTNI:						
Equity securities/mutual funds	1,684	—	—	—	—	1,684
Equity method:						
Equity and fixed income mutual funds	238	—	—	—	—	238
Hedge funds/funds of hedge funds/other	—	—	—	428	—	428
Private equity funds	—	—	—	853	—	853
Real assets funds	—	—	—	263	—	263
Total equity method	238	—	—	1,544	—	1,782
Bank loans	—	27	252	—	—	279
Federal Reserve Bank Stock	—	—	—	—	90	90
Carried interest	—	—	—	—	1,644	1,644
Other investments(3)	—	1	4	111	159	275
Total investments	1,922	1,069	272	1,655	2,384	7,302
Other assets(4)	126	33	—	—	—	159
Separate account assets	40,072	20,476	—	—	721	61,269
Separate account collateral held under securities lending agreements:						
Equity securities	2,686	—	—	—	—	2,686
Debt securities	—	4,593	—	—	—	4,593
Total separate account collateral held under securities lending agreements	2,686	4,593	—	—	—	7,279
Total	$ 44,806	$ 26,171	$ 272	$ 1,655	$ 3,105	$ 76,009
Liabilities:						
Separate account collateral liabilities under securities lending agreements	$ 2,686	$ 4,593	$ —	$ —	$ —	$ 7,279
Other liabilities(5)	—	36	314	—	—	350
Total	$ 2,686	$ 4,629	$ 314	$ —	$ —	$ 7,629

(1) Amounts are comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient.

(2) Amounts are comprised of investments held at amortized cost and cost, adjusted for observable price changes, carried interest and certain equity method investments, which include sponsored investment funds and other assets, which 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 liabilities under fair value measures; therefore, the Company's investment in such equity method investees may not represent fair value.

(3) Level 3 amounts primarily include direct investments in private equity companies held by consolidated private equity funds.

(4) Level 1 amount includes a minority investment in a publicly traded company.

(5) Level 2 amount primarily includes fair value of derivatives (See Note 9, *Derivatives and Hedging*, for more information). Level 3 amounts primarily include borrowings of a consolidated CLO classified based on the significance of unobservable inputs used for calculating the fair value of consolidated CLO assets, and contingent liabilities related to certain acquisitions (see Note 15, *Commitments and Contingencies*, for more information).

Assets and liabilities measured at fair value on a recurring basis

December 31, 2021 *(in millions)*	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV(1)	Other(2)	December 31, 2021
Assets:						
Investments						
Debt securities:						
Held-to-maturity investments	$ —	$ —	$ —	$ —	$ 430	$ 430
Trading securities	—	1,169	17	—	—	1,186
Total debt securities	—	1,169	17	—	430	1,616
Equity securities at FVTNI:						
Equity securities/mutual funds	1,738	—	—	—	—	1,738
Equity method:						
Equity and fixed income mutual funds	245	—	—	—	—	245
Hedge funds/funds of hedge funds/other	—	—	—	369	—	369
Private equity funds	—	—	—	846	—	846
Real assets funds	—	—	—	234	—	234
Total equity method	245	—	—	1,449	—	1,694
Bank loans	—	14	270	—	—	284
Federal Reserve Bank Stock	—	—	—	—	96	96
Carried interest	—	—	—	—	1,555	1,555
Other investments(3)	—	—	5	96	178	279
Total investments	1,983	1,183	292	1,545	2,259	7,262
Other assets(4)	195	39	—	—	—	234
Separate account assets	54,675	30,786	—	—	765	86,226
Separate account collateral held under securities lending agreements:						
Equity securities	3,717	—	—	—	—	3,717
Debt securities	—	3,364	—	—	—	3,364
Total separate account collateral held under securities lending agreements	3,717	3,364	—	—	—	7,081
Total	$ 60,570	$ 35,372	$ 292	$ 1,545	$ 3,024	$ 100,803
Liabilities:						
Separate account collateral liabilities under securities lending agreements	$ 3,717	$ 3,364	$ —	$ —	$ —	$ 7,081
Other liabilities(5)	—	26	342	—	—	368
Total	$ 3,717	$ 3,390	$ 342	$ —	$ —	$ 7,449

(1) Amounts are comprised of certain investments measured at fair value using NAV (or its equivalent) as a practical expedient.

(2) Amounts are comprised of investments held at amortized cost and cost, adjusted for observable price changes, carried interest and certain equity method investments, which include sponsored investment funds and other assets, which 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 liabilities under fair value measures; therefore, the Company's investment in such equity method investees may not represent fair value.

(3) Level 3 amounts include direct investments in private equity companies held by consolidated private equity funds.

(4) Level 1 amount includes a minority investment in a publicly traded company.

(5) Level 2 amount primarily includes fair value of derivatives (See Note 9, *Derivatives and Hedging*, for more information). Level 3 amounts primarily include borrowings of a consolidated CLO classified based on the significance of unobservable inputs used for calculating the fair value of consolidated CLO assets, and contingent liabilities related to certain acquisitions (see Note 15, *Commitments and Contingencies*, for more information).

Level 3 Assets. Level 3 assets may include investments in CLOs and bank loans of consolidated CLOs, which were valued based on single-broker nonbinding quotes and direct private equity investments, which were valued using the market or income approach.

Level 3 investments of $272 million and $292 million at June 30, 2022 and December 31, 2021, respectively, primarily included bank loans of a consolidated CLO.

Level 3 Liabilities. Level 3 liabilities primarily include borrowings of a consolidated CLO, which were valued based on the fair value of the assets of the consolidated CLO less the fair value of the Company's economic interest in the CLO, and contingent liabilities related to certain acquisitions, which were valued based upon discounted cash flow analyses using unobservable market data inputs.

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis for the Three Months Ended June 30, 2022

(in millions)	March 31, 2022	Realized and Unrealized Gains (Losses)	Purchases	Sales and Maturities	Issuances and other Settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2022	Total Net Unrealized Gains (Losses) Included in Earnings(1)
Assets:									
Investments:									
Debt securities:									
Trading	$ 8	$ (3)	$ 13	$ (1)	$ —	$ —	$ (1)	$ 16	$ (3)
Total debt securities	8	(3)	13	(1)	—	—	(1)	16	(3)
Private equity	4	—	—	—	—	—	—	4	—
Bank loans	264	(3)	8	(18)	—	4	(3)	252	(3)
Total investments	276	(6)	21	(19)	—	4	(4)	272	(6)
Total Level 3 assets	$ 276	$ (6)	$ 21	$ (19)	$ —	$ 4	$ (4)	$ 272	$ (6)
Liabilities:									
Other liabilities	$ 312	$ —	$ —	$ —	$ 2	$ —	$ —	$ 314	$ —
Total Level 3 liabilities	$ 312	$ —	$ —	$ —	$ 2	$ —	$ —	$ 314	$ —

(1) Earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at the reporting date.

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis for the Six Months Ended June 30, 2022

(in millions)	December 31, 2021	Realized and Unrealized Gains (Losses)	Purchases	Sales and Maturities	Issuances and other Settlements(1)	Transfers into Level 3	Transfers out of Level 3	June 30, 2022	Total Net Unrealized Gains (Losses) Included in Earnings(2)
Assets:									
Investments:									
Debt securities:									
Trading	$ 17	$ (3)	$ 19	$ (13)	$ —	$ —	$ (4)	$ 16	$ (3)
Total debt securities	17	(3)	19	(13)	—	—	(4)	16	(3)
Private equity	5	—	—	—	—	—	(1)	4	—
Bank loans	270	(3)	16	(18)	—	4	(17)	252	(3)
Total investments	292	(6)	35	(31)	—	4	(22)	272	(6)
Total Level 3 assets	$ 292	$ (6)	$ 35	$ (31)	$ —	$ 4	$ (22)	$ 272	$ (6)
Liabilities:									
Other liabilities	$ 342	$ (1)	$ —	$ —	$ (29)	$ —	$ —	$ 314	$ (1)
Total Level 3 liabilities	$ 342	$ (1)	$ —	$ —	$ (29)	$ —	$ —	$ 314	$ (1)

(1) Amounts include proceeds from borrowings of a consolidated CLO and contingent liability payment related to a prior acquisition.
(2) Earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at the reporting date.

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis for the Three Months Ended June 30, 2021

(in millions)	March 31, 2021	Realized and Unrealized Gains (Losses)	Purchases	Sales and Maturities	Issuances and other Settlements(1)	Transfers into Level 3	Transfers out of Level 3	June 30, 2021	Total Net Unrealized Gains (Losses) Included in Earnings(2)
Assets:									
Investments:									
Debt securities:									
Trading	$ 14	$ —	$ 7	$ —	$ —	$ —	$ —	$ 21	$ —
Total debt securities	14	—	7	—	—	—	—	21	—
Private equity	9	—	—	—	—	—	(4)	5	—
Bank loans	235	—	20	—	—	6	—	261	—
Total investments	258	—	27	—	—	6	(4)	287	—
Total Level 3 assets	$ 258	$ —	$ 27	$ —	$ —	$ 6	$ (4)	$ 287	$ —
Liabilities:									
Other liabilities	$ 280	$ (1)	$ —	$ —	$ 17	$ —	$ —	$ 298	$ (1)
Total Level 3 liabilities	$ 280	$ (1)	$ —	$ —	$ 17	$ —	$ —	$ 298	$ (1)

(1) Amounts include proceeds from borrowings of a consolidated CLO and a contingent liability, partially offset by contingent liability payment related to a prior acquisition.
(2) Earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at the reporting date.

Changes in Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis for the Six Months Ended June 30, 2021

(in millions)	December 31, 2020	Realized and Unrealized Gains (Losses)	Purchases	Sales and Maturities	Issuances and other Settlements(1)	Transfers into Level 3	Transfers out of Level 3	June 30, 2021	Total Net Unrealized Gains (Losses) Included in Earnings(2)
Assets:									
Investments:									
Debt securities:									
Trading	$ 11	$ —	$ 12	$ —	$ —	$ —	$ (2)	$ 21	$ —
Total debt securities	11	—	12	—	—	—	(2)	21	—
Private equity	9	—	—	—	—	—	(4)	5	—
Bank loans	232	—	29	—	—	10	(10)	261	—
Total investments	252	—	41	—	—	10	(16)	287	—
Total Level 3 assets	$ 252	$ —	$ 41	$ —	$ —	$ 10	$ (16)	$ 287	$ —
Liabilities:									
Other liabilities	$ 272	$ (4)	$ —	$ —	$ 22	$ —	$ —	$ 298	$ (4)
Total Level 3 liabilities	$ 272	$ (4)	$ —	$ —	$ 22	$ —	$ —	$ 298	$ (4)

(1) Amounts include proceeds from borrowings of a consolidated CLO and a contingent liability, partially offset by contingent liability payment related to prior acquisitions.
(2) Earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at the reporting date.

Realized and Unrealized Gains (Losses) for Level 3 Assets and Liabilities. Realized and unrealized gains (losses) recorded for Level 3 assets and liabilities are reported in nonoperating income (expense) on the condensed consolidated statements of income. A portion of net income (loss) related to securities held by CIPs is allocated to NCI to reflect net income (loss) not attributable to the Company.

Transfers in and/or out of Levels. Transfers in and/or out of levels are reflected when significant inputs, including market inputs or performance attributes, used for the fair value measurement become observable/unobservable, or when the carrying value of certain equity method investments no longer represents fair value as determined under valuation methodologies.

Disclosures of Fair Value for Financial Instruments Not Held at Fair Value. At June 30, 2022 and December 31, 2021, the fair value of the Company's financial instruments not held at fair value are categorized in the table below:

	June 30, 2022		December 31, 2021		
(in millions)	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Fair Value Hierarchy
Financial Assets(1)*:*					
Cash and cash equivalents	$ 6,481	$ 6,481	$ 9,323	$ 9,323	Level 1(2) (3)
Other assets	$ 44	$ 44	$ 22	$ 22	Level 1(2) (4)
Financial Liabilities:					
Long-term borrowings	$ 6,635	$ 6,102	$ 7,446	$ 7,735	Level 2(5)

(1) See Note 5, *Investments*, for further information on investments not held at fair value.
(2) Cash and cash equivalents are carried at either cost or amortized cost, which approximates fair value due to their short-term maturities.
(3) At June 30, 2022 and December 31, 2021, approximately $1.7 billion and $2.4 billion, respectively, of money market funds were recorded within cash and cash equivalents on the condensed consolidated statements of financial condition. Money market funds are valued based on quoted market prices, or $1.00 per share, which generally is the NAV of the fund.
(4) Other assets include restricted cash and cash collateral deposited with certain derivative counterparties.
(5) Long-term borrowings are recorded at amortized cost, net of debt issuance costs. The fair value of the long-term borrowings, including the current portion of long-term borrowings, is determined using market prices and the EUR/USD foreign exchange rate at the end of June 2022 and December 2021, respectively. See Note 14, *Borrowings*, for the fair value of each of the Company's long-term borrowings.

Investments in Certain Entities that Calculate NAV Per Share

As a practical expedient to value certain investments that do not have a readily determinable fair value and have attributes of an investment company, the Company uses NAV as the fair value. The following tables list information regarding all investments that use a fair value measurement to account for both their financial assets and financial liabilities in their calculation of a NAV per share (or equivalent).

June 30, 2022

(in millions)	Ref	Fair Value	Total Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity method:(1)					
Hedge funds/funds of hedge funds/ other	(a)	$ 428	$ 103	Daily/Monthly (32%) Quarterly (12%) N/R (56%)	1 – 90 days
Private equity funds	(b)	853	215	N/R	N/R
Real assets funds	(c)	263	245	Quarterly (20%) N/R (80%)	60 days
Consolidated sponsored investment products:					
Real assets funds	(d)	95	91	N/R	N/R
Other funds	(c)	16	64	N/R	N/R
Total		$ 1,655	$ 718		

December 31, 2021

(in millions)	Ref	Fair Value	Total Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity method:(1)					
Hedge funds/funds of hedge funds/ other	(a)	$ 369	$ 141	Daily/Monthly (20%) Quarterly (20%) N/R (60%)	1 – 90 days
Private equity funds	(b)	846	153	N/R	N/R
Real assets funds	(c)	234	245	Quarterly (20%) N/R (80%)	60 days
Consolidated sponsored investment products:					
Real assets funds	(d)	90	101	N/R	N/R
Other funds	(c)	6	25	N/R	N/R
Total		$ 1,545	$ 665		

N/R – not redeemable

(1) Comprised of equity method investments, which include investment companies that account for their financial assets and most financial liabilities under fair value measures; therefore, the Company's investment in such equity method investees approximates fair value.

(a) This category includes hedge funds and funds of hedge funds that invest primarily in equities, fixed income securities, distressed credit, opportunistic and mortgage instruments and other third-party hedge funds. The fair values of the investments have been estimated using the NAV of the Company's ownership interest in partners' capital. The liquidation period for the investments in the funds that are not subject to redemption is unknown at both June 30, 2022 and December 31, 2021.

(b) This category includes private equity funds that initially invest in nonmarketable securities of private companies, which ultimately may become public in the future. The fair values of these investments have been estimated using capital accounts representing the Company's ownership interest in the funds and may also include other performance inputs. The Company's investment in each fund is not subject to redemption and is normally returned through distributions as a result of the liquidation of the underlying assets of the private equity funds. The liquidation period for the investments in these funds is unknown at both June 30, 2022 and December 31, 2021.

(c) This category includes several real assets funds that invest directly and indirectly in real estate or infrastructure. The fair values of the investments have been estimated using capital accounts representing the Company's ownership interest in the funds. The Company's investments that are not subject to redemption or are not currently redeemable are normally returned through distributions and realizations of the underlying assets of the funds. The liquidation period for the investments in the funds that are not subject to redemptions is unknown at both June 30, 2022 and December 31, 2021. The total remaining unfunded commitments were $336 million and $346 million at June 30, 2022 and December 31, 2021, respectively. The Company's portion of the total remaining unfunded commitments was $298 million and $298 million at June 30, 2022 and December 31, 2021, respectively.

(d) This category includes the underlying third-party private equity funds within consolidated BlackRock sponsored private equity funds of funds. These investments are not subject to redemption or are not currently redeemable; however, for certain funds, the Company may sell or transfer its interest, which may need approval by the general partner of the underlying funds. Due to the nature of the investments in this category, the Company reduces its investment by distributions that are received through the realization of the underlying assets of the funds. The liquidation period for the underlying assets of these funds is unknown.

Fair Value Option

At June 30, 2022 and December 31, 2021, the Company elected the fair value option for certain investments in CLOs of approximately $43 million and $47 million, respectively, reported within investments.

In addition, the Company elected the fair value option for bank loans and borrowings of a consolidated CLO, recorded within investments and other liabilities, respectively. The following table summarizes the information related to these bank loans and borrowings at June 30, 2022 and December 31, 2021:

(in millions)	June 30, 2022	December 31, 2021
CLO Bank loans:		
Aggregate principal amounts outstanding	$ 280	$ 281
Fair value	279	284
Aggregate unpaid principal balance in excess of (less than) fair value	$ 1	$ (3)
CLO Borrowings:		
Aggregate principal amounts outstanding	$ 293	$ 275
Fair value	$ 281	$ 278

At June 30, 2022, the principal amounts outstanding of the borrowings issued by the CLOs mature in 2030.

During the three and six months ended June 30, 2022 and 2021, the net gains (losses) from the change in fair value of the bank loans and borrowings held by the consolidated CLO were not material and were recorded in net gain (loss) on the condensed consolidated statements of income. The change in fair value of the assets and liabilities included interest income and expense, respectively.

9. Derivatives and Hedging

The Company maintains a program to enter into swaps to hedge against market price and interest rate exposures with respect to certain seed investments in sponsored investment products. At June 30, 2022 and December 31, 2021, the Company had outstanding total return swaps with aggregate notional values of approximately $651 million and $720 million, respectively.

The Company executes forward foreign currency exchange contracts to mitigate the risk of certain foreign exchange movements. At June 30, 2022 and December 31, 2021, the Company had outstanding forward foreign currency exchange contracts with aggregate notional values of approximately $1.7 billion and $1.8 billion, respectively, and with expiration dates in July 2022 and January 2022, respectively.

At both June 30, 2022 and December 31, 2021, the Company had a derivative providing credit protection with a notional amount of approximately $17 million to a counterparty, representing the Company's maximum risk of loss with respect to the derivative. The Company carries the derivative at fair value based on the expected discounted future cash outflows under the arrangement.

The following table presents the fair values of derivative instruments recognized in the condensed consolidated statements of financial condition at June 30, 2022 and December 31, 2021:

(in millions)	Assets			Liabilities		
Derivative instruments	**Statement of Financial Condition Classification**	**June 30, 2022**	**December 31, 2021**	**Statement of Financial Condition Classification**	**June 30, 2022**	**December 31, 2021**
Total return swaps	Other assets	$ 32	$ 5	Other liabilities	$ 5	$ 14
Forward foreign currency exchange contracts	Other assets	1	34	Other liabilities	19	—
Total		**$ 33**	**$ 39**		**$ 24**	**$ 14**

The following table presents realized and unrealized gains (losses) recognized in the condensed consolidated statements of income on derivative instruments:

		Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**Statement of Income**	**2022**	**2021**	**2022**	**2021**
Derivative Instruments	**Classification**	**Gains (Losses)**		**Gains (Losses)**	
Total return swaps	Nonoperating income (expense)	$ 62	$ (50)	$ 103	$ (84)
Forward foreign currency exchange contracts	General and administration expense	(129)	3	(171)	10
Total gain (loss) from derivative instruments		$ (67)	$ (47)	$ (68)	$ (74)

The Company consolidates certain sponsored investment funds, which may utilize derivative instruments as a part of the funds' investment strategies. The change in fair value of such derivatives, which is recorded in nonoperating income (expense), was not material for the three and six months ended June 30, 2022 and 2021.

See Note 15, *Borrowings*, in the 2021 Form 10-K for more information on the Company's net investment hedge.

10. Goodwill

Goodwill activity during the six months ended June 30, 2022 was as follows:

(in millions)	
December 31, 2021	$ 15,351
Other[1]	(5)
June 30, 2022	**$ 15,346**

(1) Amounts primarily resulted from a decline related to tax benefits realized from tax-deductible goodwill in excess of book goodwill from the acquisition of the fund-of-funds business of Quellos Group, LLC in October 2007 (the "Quellos Transaction"). Goodwill related to the Quellos Transaction will continue to be reduced in future periods by the amount of tax benefits realized from tax-deductible goodwill in excess of book goodwill from the Quellos Transaction. The balance of the Quellos tax-deductible goodwill in excess of book goodwill was approximately $27 million and $43 million at June 30, 2022 and December 31, 2021, respectively.

11. Intangible Assets

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

(in millions)	Indefinite-lived	Finite-lived	Total
December 31, 2021	$ 17,578	$ 875	$ 18,453
Amortization expense	—	(76)	(76)
June 30, 2022	**$ 17,578**	**$ 799**	**$ 18,377**

12. Leases

The following table presents components of lease cost included in general and administration expense on the condensed consolidated statements of income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2022	2021	2022	2021
Lease cost:				
Operating lease cost(1)	$ 54	$ 39	$ 105	$ 78
Variable lease cost(2)	11	10	22	20
Total lease cost	$ 65	$ 49	$ 127	$ 98

(1) Amounts include short-term leases, which are immaterial for the three and six months ended June 30, 2022 and 2021.
(2) Amounts include operating lease payments, which may be adjusted based on usage, changes in an index or market rate, as well as common area maintenance charges and other variable costs not included in the measurement of right-of-use ("ROU") assets and operating lease liabilities.

Supplemental information related to operating leases is summarized below:

	Six Months Ended June 30,	
(in millions)	2022	2021
Supplemental cash flow information:		
Operating cash flows from operating leases included in the measurement of operating lease liabilities	$ 82	$ 81
Supplemental noncash information:		
ROU assets in exchange for operating lease liabilities	$ 37	$ 28

	June 30, 2022	December 31, 2021
Lease term and discount rate:		
Weighted-average remaining lease term	16 years	16 years
Weighted-average discount rate	3 %	3 %

13. Other Assets

At June 30, 2022 and December 31, 2021, the Company had $553 million and $583 million of equity method investments, respectively, recorded within other assets on the condensed consolidated statements of financial condition, since such investees are considered to be an extension of BlackRock's core business. BlackRock's share of these investees' underlying net income or loss is based upon the most currently available information and is recorded within advisory and other revenue. In accordance with GAAP, certain equity method investees do not account for both their financial assets and liabilities under fair value measures; therefore, the Company's investment in such equity method investees may not represent fair value.

At June 30, 2022 and December 31, 2021, the Company had $304 million and $268 million of other nonequity method corporate minority investments recorded within other assets on the consolidated statements of financial condition, which included investments in equity securities, generally measured at fair value or under the measurement alternative to fair value for nonmarketable securities. Changes in value of these securities are recorded in nonoperating income (expense) on the consolidated statements of income. See Note 2, *Significant Accounting Policies*, in the notes to the consolidated financial statements contained in the 2021 Form 10-K for further information.

14. Borrowings

2022 Revolving Credit Facility. Since 2011, the Company has maintained an unsecured revolving credit facility which is available for working capital and general corporate purposes (the "2022 credit facility"). In March 2022, the 2022 credit facility was amended to, among other things, (i) increase the aggregate commitment amount by $300 million to $4.7 billion, (ii) extend the maturity date to March 2027, (iii) change the rate for borrowings denominated in US dollars from a rate based on the London Interbank Offered Rate ("LIBOR") to a rate based on the secured overnight financing rate ("SOFR") subject to certain adjustments and (iv) raise and/or add certain specified targets for the sustainability-linked pricing mechanics. The 2022 credit facility permits the Company to request up to an additional $1.0 billion of borrowing capacity, subject to lender credit approval, which could increase the overall size of the 2022 credit facility to an aggregate principal amount of up to $5.7 billion. The 2022 credit 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 unrestricted cash) of 3 to 1, which was satisfied with a ratio of less than 1 to 1 at June 30, 2022. At June 30, 2022, the Company had no amount outstanding under the 2022 credit facility.

Commercial Paper Program. The Company can issue unsecured commercial paper notes (the "CP Notes") on a private-placement basis up to a maximum aggregate amount outstanding at any time of $4 billion. The commercial paper program is currently supported by the 2022 credit facility. At June 30, 2022, BlackRock had no CP Notes outstanding.

Long-Term Notes

The carrying value and fair value of long-term notes determined using market prices and EUR/USD foreign exchange rate at June 30, 2022 included the following:

(in millions)	Maturity Amount	Unamortized Discount and Debt Issuance Costs[1]	Carrying Value	Fair Value
3.50% Notes due 2024	$ 1,000	$ (2)	$ 998	$ 1,005
1.25% Notes due 2025	732	(2)	730	712
3.20% Notes due 2027	700	(3)	697	691
3.25% Notes due 2029	1,000	(10)	990	947
2.40% Notes due 2030	1,000	(6)	994	878
1.90% Notes due 2031	1,250	(10)	1,240	1,040
2.10% Notes due 2032	1,000	(14)	986	829
Total long-term notes	$ 6,682	$ (47)	$ 6,635	$ 6,102

(1) The unamortized discount and debt issuance costs are being amortized over the term of the notes.

Long-term notes at December 31, 2021 had a carrying value of $7.4 billion and a fair value of $7.7 billion, determined using market prices and EUR/USD foreign exchange rate at December 31, 2021.

In June 2022, the Company fully repaid $750 million of 3.375% notes at maturity.

See Note 15, *Borrowings*, in the 2021 Form 10-K for more information regarding the Company's borrowings.

15. Commitments and Contingencies

Investment Commitments. At June 30, 2022, the Company had $806 million of various capital commitments to fund sponsored investment products, including CIPs. These products include private equity funds, real assets funds and opportunistic funds. This amount excludes additional commitments made by consolidated funds of funds to underlying third-party funds as third-party noncontrolling interest holders have the legal obligation to fund the respective commitments of such funds of funds. Generally, the timing of the funding of these commitments is unknown and the commitments are callable on demand at any time prior to the expiration of the commitment. These unfunded commitments are not recorded on the condensed consolidated statements of financial condition. These commitments do not include potential future commitments approved by the Company that are not yet legally binding. The Company intends to make additional capital commitments from time to time to fund additional investment products for, and with, its clients.

Contingencies

Legal Proceedings. From time to time, BlackRock receives subpoenas or other requests for information from various US federal and state governmental and regulatory authorities and international governmental and regulatory authorities in connection with industry-wide or other investigations or proceedings. It is BlackRock's policy to cooperate fully with such matters. The Company, certain of its subsidiaries and employees have been named as defendants in various legal actions, including arbitrations and other litigation arising in connection with BlackRock's activities. Additionally, BlackRock-advised investment portfolios may be subject to lawsuits, any of which potentially could harm the investment returns of the applicable portfolio or result in the Company being liable to the portfolios for any resulting damages.

Management, after consultation with legal counsel, currently does not anticipate that the aggregate liability arising out of regulatory matters or lawsuits will have a material effect on BlackRock's results of operations, financial position, or cash flows. However, there is no assurance as to whether any such pending or threatened matters will have a material effect on BlackRock's results of operations, financial position or cash flows in any future reporting period. Due to uncertainties surrounding the outcome of these matters, management cannot reasonably estimate the possible loss or range of loss that may arise from these matters.

Indemnifications. In the ordinary course of business or in connection with certain acquisition agreements, 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 or the likelihood of any liability is considered remote. Consequently, no liability has been recorded on the condensed consolidated statements of financial condition.

In connection with securities lending transactions, BlackRock has agreed to indemnify certain securities lending clients against potential loss resulting from a borrower's failure to fulfill its obligations under the securities lending agreement should the value of the collateral pledged by the borrower at the time of default be insufficient to cover the borrower's obligation under the securities lending agreement. The amount of securities on loan as of June 30, 2022 and subject to this type of indemnification was $268 billion. In the Company's capacity as lending agent, cash and securities totaling $284 billion were held as collateral for indemnified securities on loan at June 30, 2022. The fair value of these indemnifications was not material at June 30, 2022.

16. Revenue

The table below presents detail of revenue for the three and six months ended June 30, 2022 and 2021 and includes the product mix of investment advisory, administration fees and securities lending revenue, and performance fees.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Investment advisory, administration fees and securities lending revenue:				
Equity:				
Active	$ 550	$ 641	$ 1,166	$ 1,217
ETFs	1,103	1,156	2,261	2,224
Non-ETF Index	186	198	373	374
Equity subtotal	1,839	1,995	3,800	3,815
Fixed income:				
Active	503	545	1,037	1,070
ETFs	274	294	563	589
Non-ETF Index	102	116	220	229
Fixed income subtotal	879	955	1,820	1,888
Multi-asset	331	344	690	672
Alternatives:				
Illiquid alternatives	184	167	363	335
Liquid alternatives	161	150	328	297
Currency and commodities(1)	62	55	118	108
Alternatives subtotal	407	372	809	740
Long-term	**3,456**	**3,666**	**7,119**	**7,115**
Cash management	232	91	402	234
Total investment advisory, administration fees and securities lending revenue	**3,688**	**3,757**	**7,521**	**7,349**
Investment advisory performance fees:				
Equity	3	36	15	62
Fixed income	13	15	22	29
Multi-asset	7	9	12	17
Alternatives:				
Illiquid alternatives	65	90	102	97
Liquid alternatives	18	190	53	264
Alternatives subtotal	83	280	155	361
Total performance fees	**106**	**340**	**204**	**469**
Technology services revenue	**332**	**316**	**673**	**622**
Distribution fees:				
Retrocessions	269	264	548	502
12b-1 fees (US mutual fund distribution fees)	80	87	168	172
Other	12	18	26	35
Total distribution fees	**361**	**369**	**742**	**709**
Advisory and other revenue:				
Advisory	15	9	31	24
Other	24	29	54	45
Total advisory and other revenue	**39**	**38**	**85**	**69**
Total revenue	**$ 4,526**	**$ 4,820**	**$ 9,225**	**$ 9,218**

(1) Amounts include commodity ETFs.

The tables below present the investment advisory, administration fees and securities lending revenue by client type and investment style:

(in millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
By client type:				
Retail	$ 1,139	$ 1,231	$ 2,363	$ 2,356
ETFs	1,436	1,505	2,937	2,922
Institutional:				
Active	636	657	1,311	1,307
Index	245	273	508	530
Total institutional	881	930	1,819	1,837
Long-term	**3,456**	**3,666**	**7,119**	**7,115**
Cash management	232	91	402	234
Total	**$ 3,688**	**$ 3,757**	**$ 7,521**	**$ 7,349**
By investment style:				
Active	$ 1,727	$ 1,842	$ 3,578	$ 3,581
Index and ETFs	1,729	1,824	3,541	3,534
Long-term	**3,456**	**3,666**	**7,119**	**7,115**
Cash management	232	91	402	234
Total	**$ 3,688**	**$ 3,757**	**$ 7,521**	**$ 7,349**

Investment advisory and administration fees – remaining performance obligation

The tables below present estimated investment advisory and administration fees expected to be recognized in the future related to the unsatisfied portion of the performance obligations at June 30, 2022 and 2021:

June 30, 2022

(in millions)	Remainder of 2022	2023	2024	2025	Thereafter	Total
Investment advisory and administration fees:						
Alternatives[1][2]	$ 91	$ 169	$ 106	$ 68	$ 49	$ 483

June 30, 2021

(in millions)	Remainder of 2021	2022	2023	2024	Thereafter	Total
Investment advisory and administration fees:						
Alternatives[1][2]	$ 86	$ 168	$ 137	$ 82	$ 51	$ 524

(1) Investment advisory and administration fees include management fees related to certain alternative products, which are based on contractual committed capital outstanding at June 30, 2022 and 2021. Actual management fees could be higher to the extent additional committed capital is raised. These fees are generally billed on a quarterly basis in arrears.

(2) The Company elected the following practical expedients and therefore does not include amounts related to (1) performance obligations with an original duration of one year or less, and (2) variable consideration related to future service periods.

Change in Deferred Carried Interest Liability

The table below presents changes in the deferred carried interest liability, which is included in other liabilities on the condensed consolidated statements of financial condition, for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2022	2021	2022	2021
Beginning balance	$ 1,699	$ 748	$ 1,508	$ 584
Net increase (decrease) in unrealized allocations	(46)	461	177	627
Performance fee revenue recognized	(61)	(77)	(93)	(79)
Ending balance	$ 1,592	$ 1,132	$ 1,592	$ 1,132

Technology services revenue – remaining performance obligation

The tables below present estimated technology services revenue expected to be recognized in the future related to the unsatisfied portion of the performance obligations at June 30, 2022 and 2021:

June 30, 2022

(in millions)	Remainder of 2022	2023	2024	2025	Thereafter	Total
Technology services revenue[1][2]	$ 65	$ 70	$ 42	$ 27	$ 23	$ 227

June 30, 2021

(in millions)	Remainder of 2021	2022	2023	2024	Thereafter	Total
Technology services revenue[1][2]	$ 67	$ 71	$ 40	$ 20	$ 14	$ 212

(1) Technology services revenue primarily includes upfront payments from customers, which the Company generally recognizes as services are performed.
(2) The Company elected the following practical expedients and therefore does not include amounts related to (1) performance obligations with an original duration of one year or less, and (2) variable consideration related to future service periods.

In addition to amounts disclosed in the tables above, certain technology services contracts require fixed minimum fees, which are billed on a monthly or quarterly basis in arrears. The Company recognizes such revenue as services are performed. As of June 30, 2022, the estimated fixed minimum fees for the remainder of the year approximated $425 million. The term for these contracts, which are either in their initial or renewal period, ranges from one to five years.

The table below presents changes in the technology services deferred revenue liability for the three and six months ended June 30, 2022 and 2021, which is included in other liabilities on the condensed consolidated statements of financial condition:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2022	2021	2022	2021
Beginning balance	$ 113	$ 111	$ 122	$ 123
Additions[1]	27	26	49	44
Revenue recognized that was included in the beginning balance	(32)	(30)	(63)	(60)
Ending balance	$ 108	$ 107	$ 108	$ 107

(1) Amounts are net of revenue recognized.

17. Stock-Based Compensation

Restricted Stock and RSUs.

Restricted stock and restricted stock units ("RSUs") activity for the six months ended June 30, 2022 is summarized below.

Outstanding at	Restricted Stock and RSUs	Weighted-Average Grant Date Fair Value
December 31, 2021	2,183,017	$ 586.45
Granted	733,872	$ 830.24
Converted	(840,871)	$ 500.83
Forfeited	(43,037)	$ 703.76
June 30, 2022	**2,032,981**	**$ 707.39**

In January 2022, the Company granted 498,633 RSUs or shares of restricted stock to employees as part of 2021 annual incentive compensation that vest ratably over three years from the date of grant and 197,817 RSUs or shares of restricted stock to employees that cliff vest 100% on January 31, 2025. The Company values restricted stock and RSUs at their grant-date fair value as measured by BlackRock's common stock price. The total fair market value of RSUs/restricted stock granted to employees during the six months ended June 30, 2022 was $609 million.

At June 30, 2022, the intrinsic value of outstanding RSUs was $1.2 billion, reflecting a closing stock price of $609.04.

At June 30, 2022, total unrecognized stock-based compensation expense related to unvested RSUs was $743 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 1.4 years.

Performance-Based RSUs.

Performance-based RSU activity for the six months ended June 30, 2022 is summarized below.

Outstanding at	Performance-Based RSUs	Weighted-Average Grant Date Fair Value
December 31, 2021	668,805	$ 533.48
Granted	143,846	$ 820.28
Additional shares due to attainment of performance measures	111,991	$ 410.32
Converted	(385,134)	$ 410.32
Forfeited	(8,454)	$ 662.34
June 30, 2022	**531,054**	**$ 672.47**

In January 2022, the Company granted 143,846 performance-based RSUs that cliff vest 100% on January 31, 2025. These awards are amortized over a service period of three years. The number of shares distributed at vesting could be higher or lower than the original grant based on the level of attainment of predetermined Company performance measures. In January 2022, the Company granted 111,991 additional RSUs to certain employees based on the attainment of Company performance measures during the performance period.

The Company values performance-based RSUs at their grant-date fair value as measured by BlackRock's common stock price. The total grant-date fair market value of performance-based RSUs granted to employees during the six months ended June 30, 2022 was $164 million.

At June 30, 2022, the intrinsic value of outstanding performance-based RSUs was $323 million, reflecting a closing stock price of $609.04.

At June 30, 2022, total unrecognized stock-based compensation expense related to unvested performance-based awards was $197 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 1.4 years.

See Note 18, *Stock-Based Compensation,* in the 2021 Form 10-K for more information on performance-based RSUs.

Performance-based Stock Options.

Stock option activity for the six months ended June 30, 2022 is summarized below.

Outstanding at	Shares Under Option		Weighted Average Exercise Price
December 31, 2021	1,817,923	$	513.50
Forfeited	(60,392)	$	513.50
June 30, 2022	**1,757,531**	**$**	**513.50**

Vesting of the performance-based stock options is contingent upon the achievement of obtaining 125% of BlackRock's grant-date stock price within five years from the grant date and the attainment of Company performance measures during the four-year performance period. If both hurdles are achieved, the award will vest in three equal installments at the end of 2022, 2023 and 2024, respectively. Both hurdles have been achieved. Vested options are exercisable for up to nine years following the grant date. The awards are generally forfeited if the employee leaves the Company before the respective vesting date. The expense for each tranche is amortized over the respective requisite service period.

At June 30, 2022, total unrecognized stock-based compensation expense related to unvested performance-based stock options was $32 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 1.4 years. At June 30, 2022, the weighted-average remaining life of the awards is approximately 4.4 years.

See Note 18, *Stock-Based Compensation,* in the 2021 Form 10-K for more information on performance-based stock options.

18. Net Capital Requirements

The Company is required to maintain net capital in certain regulated subsidiaries within a number of jurisdictions, which is partially maintained by retaining cash and cash equivalent investments in those subsidiaries or jurisdictions. As a result, such subsidiaries of the Company may be restricted in their ability to transfer cash between different jurisdictions and to their parents. Additionally, transfers of cash between international jurisdictions may have adverse tax consequences that could discourage such transfers.

At June 30, 2022, the Company was required to maintain approximately $2.2 billion in net capital in certain regulated subsidiaries, including BlackRock Institutional Trust Company, N.A. (a wholly owned subsidiary of the Company that is chartered as a national bank whose powers are limited to trust and other fiduciary activities and which is subject to regulatory capital requirements administered by the US Office of the Comptroller of the Currency), entities regulated by the Financial Conduct Authority and Prudential Regulation Authority in the UK, and the Company's broker-dealers. The Company was in compliance with all applicable regulatory net capital requirements.

19. Accumulated Other Comprehensive Income (Loss)

The following table presents changes in AOCI for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Beginning balance	$ (675)	$ (411)	$ (550)	$ (337)
Foreign currency translation adjustments[1]	(416)	23	(541)	(51)
Ending balance	**$ (1,091)**	**$ (388)**	**$ (1,091)**	**$ (388)**

(1) Amounts for the three months ended June 30, 2022 and 2021 include a gain from a net investment hedge of $36 million (net of tax expense of $11 million) and a loss of $6 million (net of tax benefit of $2 million), respectively. Amounts for the six months ended June 30, 2022 and 2021 include a gain from a net investment hedge of $49 million (net of tax expense of $15 million) and $20 million (net of tax expense of $6 million), respectively.

20. Capital Stock

Share Repurchases. During the six months ended June 30, 2022, the Company repurchased 1.4 million common shares under the Company's existing share repurchase program for approximately $1 billion. At June 30, 2022, there were approximately 2.2 million shares still authorized to be repurchased under the program.

21. Income Taxes

Income tax expense for the six months ended June 30, 2022 included $133 million of discrete tax benefits related to stock-based compensation awards and the resolution of certain outstanding tax matters. In addition, income tax expense for the six months ended June 30, 2022 included $18 million of net noncash tax benefits related to the revaluation of certain deferred income tax liabilities.

Income tax expense for the three and six months ended June 30, 2021 included $171 million of noncash net expense related to the revaluation of certain deferred tax assets and liabilities as a result of legislation enacted in the United Kingdom increasing its corporate tax rate. Income tax expense for the six months ended June 30, 2021 also included $39 million of discrete tax benefits related to stock-based compensation awards.

22. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share ("EPS") for the three and six months ended June 30, 2022 and 2021 under the treasury stock method:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except shares and per share data)	**2022**	**2021**	**2022**	**2021**
Net income attributable to BlackRock, Inc.	$ 1,077	$ 1,378	$ 2,513	$ 2,577
Basic weighted-average shares outstanding	151,292,580	152,443,039	151,511,496	152,504,902
Dilutive effect of:				
Nonparticipating RSUs	835,374	1,304,463	1,032,540	1,294,242
Stock options	324,366	670,079	446,111	560,209
Total diluted weighted-average shares outstanding	152,452,320	154,417,581	152,990,147	154,359,353
Basic earnings per share	$ 7.12	$ 9.04	$ 16.59	$ 16.90
Diluted earnings per share	$ 7.06	$ 8.92	$ 16.43	$ 16.69

For the three and six months ended June 30, 2022, 560,841 and 492,045 RSUs, respectively, were excluded from the calculation of diluted EPS because to include them would have an anti-dilutive effect. The amount of anti-dilutive RSUs was immaterial for the three and six months ended June 30, 2021. Certain performance-based RSUs were excluded from the diluted EPS calculation because the designated contingency was not met for the three and six months ended June 30, 2022 and 2021, respectively.

23. Segment Information

The Company's management directs BlackRock's operations as one business, the asset management business. The Company utilizes a consolidated approach to assess performance and allocate resources. As such, the Company operates in one business segment.

The following table illustrates total revenue for the three and six months ended June 30, 2022 and 2021 by geographic region. These amounts are aggregated on a legal entity basis and do not necessarily reflect where the customer resides or affiliated services are provided.

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
Revenue	**2022**	**2021**	**2022**	**2021**
Americas	$ 3,014	$ 3,158	$ 6,103	$ 5,968
Europe	1,307	1,440	2,703	2,827
Asia-Pacific	205	222	419	423
Total revenue	$ 4,526	$ 4,820	$ 9,225	$ 9,218

See Note 16, *Revenue*, for further information on the Company's sources of revenue.

The following table illustrates long-lived assets that consist of goodwill and property and equipment at June 30, 2022 and December 31, 2021 by geographic region. These amounts are aggregated on a legal entity basis and do not necessarily reflect where the asset is physically located.

(in millions)	June 30,	December 31,
Long-lived Assets	**2022**	**2021**
Americas	$ 14,828	$ 14,675
Europe	1,324	1,341
Asia-Pacific	94	97
Total long-lived assets	$ 16,246	$ 16,113

Americas is primarily comprised of the United States, Latin America and Canada, while Europe is primarily comprised of the United Kingdom, the Netherlands, Switzerland, France, Ireland and Luxembourg. Asia-Pacific is primarily comprised of Hong Kong, Australia, Japan and Singapore.

24. Subsequent Events

The Company conducted a review for subsequent events and determined that no subsequent events had occurred that would require accrual or additional disclosures.

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" and similar expressions.

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

BlackRock has previously disclosed risk factors in its Securities and Exchange Commission reports. These risk factors and those identified elsewhere in this report, among others, could cause actual results to differ materially from forward-looking statements or historical performance and include: (1) a pandemic or health crisis, including the COVID-19 pandemic, and its continued impact on financial institutions, the global economy or capital markets, as well as BlackRock's products, clients, vendors and employees, and BlackRock's results of operations, the full extent of which may be unknown; (2) the introduction, withdrawal, success and timing of business initiatives and strategies; (3) 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 ("AUM"); (4) the relative and absolute investment performance of BlackRock's investment products; (5) BlackRock's ability to develop new products and services that address client preferences; (6) the impact of increased competition; (7) the impact of future acquisitions or divestitures; (8) BlackRock's ability to integrate acquired businesses successfully; (9) the unfavorable resolution of legal proceedings; (10) the extent and timing of any share repurchases; (11) the impact, extent and timing of technological changes and the adequacy of intellectual property, data, information and cybersecurity protection; (12) attempts to circumvent BlackRock's operational control environment or the potential for human error in connection with BlackRock's operational systems; (13) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to BlackRock; (14) changes in law and policy and uncertainty pending any such changes; (15) any failure to effectively manage conflicts of interest; (16) damage to BlackRock's reputation; (17) geopolitical unrest, terrorist activities, civil or international hostilities, including the military conflict between Russia and Ukraine, and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (18) climate change-related risks to BlackRock's business, products, operations and clients; (19) the ability to attract and retain highly talented professionals; (20) fluctuations in the carrying value of BlackRock's economic investments; (21) 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; (22) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (23) the failure by key third-party providers of BlackRock to fulfill their obligations to the Company; (24) operational, technological and regulatory risks associated with BlackRock's major technology partnerships; (25) any disruption to the operations of third parties whose functions are integral to BlackRock's exchange-traded funds ("ETF") platform; (26) 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 (27) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

OVERVIEW

BlackRock, Inc. (together, with its subsidiaries, unless the context otherwise indicates, "BlackRock" or the "Company") is a leading publicly traded investment management firm with $8.5 trillion of AUM at June 30, 2022. With approximately 18,900 employees in more than 30 countries who serve clients in over 100 countries across the globe, BlackRock provides a broad range of investment management and technology services to institutional and retail clients worldwide.

BlackRock's diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes enables the Company to tailor investment outcomes and asset allocation solutions for clients. Product offerings include single- and multi-asset portfolios investing in equities, fixed income, alternatives and money market instruments. Products are offered directly and through intermediaries in a variety of vehicles, including open-end and closed-end mutual funds, ETFs, separate accounts, collective trust funds and other pooled investment vehicles. BlackRock also offers technology services, including the investment and risk management technology platform, Aladdin, Aladdin Wealth, eFront, and Cachematrix, as well as advisory services and solutions to a broad base of institutional and wealth management clients.

BlackRock serves a diverse mix of institutional and retail clients across the globe. Clients include tax-exempt institutions, such as defined benefit and defined contribution pension plans, charities, foundations and endowments; official institutions, such as central banks, sovereign wealth funds, supranationals and other government entities; taxable institutions, including insurance companies, financial institutions, corporations and third-party fund sponsors, and retail intermediaries.

BlackRock maintains a significant global sales and marketing presence that is focused on establishing and maintaining retail and institutional investment management and technology service relationships by marketing its services to investors directly and through third-party distribution relationships, including financial professionals and pension consultants.

Certain prior period presentations and disclosures, while not required to be recast, were reclassified to ensure comparability with current period classifications.

COVID-19 Impact

BlackRock continues to actively monitor COVID-19 developments and their potential impact on the Company's employees, business and operations, particularly in jurisdictions where BlackRock has significant employee populations and/or business activity. The aggregate extent to which COVID-19, including existing and new variants and its continued related impact on the global economy, affects BlackRock's business, results of operations and financial condition, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and further duration of the pandemic and recovery period, the emergence and spread of additional variants of the COVID-19 virus, the continuing prevalence of severe, unconstrained and/or escalating rates of infection in certain countries and regions, and the availability, adoption and efficacy of treatments and vaccines and future actions taken by governmental authorities, central banks, and other third parties in response to the pandemic. See Part I, Item 1A - *Risk Factors*, of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 25, 2022 ("2021 Form 10-K"), for further information on the possible future impact of the COVID-19 pandemic on BlackRock's business, results of operations and financial condition.

EXECUTIVE SUMMARY

(in millions, except shares and per share data)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
GAAP basis:				
Total revenue	$ 4,526	$ 4,820	$ 9,225	$ 9,218
Total expense	2,858	2,889	5,793	5,742
Operating income	$ 1,668	$ 1,931	$ 3,432	$ 3,476
Operating margin	*36.9%*	*40.1%*	*37.2%*	*37.7%*
Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests	(233)	101	(298)	73
Income tax expense	358	654	621	972
Net income attributable to BlackRock	$ 1,077	$ 1,378	$ 2,513	$ 2,577
Diluted earnings per common share	$ 7.06	$ 8.92	$ 16.43	$ 16.69
Effective tax rate	24.9%	32.2%	19.8%	27.4%
As adjusted(1):				
Operating income	$ 1,727	$ 2,016	$ 3,549	$ 3,615
Operating margin	*43.7%*	*46.9%*	*43.9%*	*46.4%*
Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests	$ (233)	$ 101	$ (298)	$ 73
Net income attributable to BlackRock	$ 1,122	$ 1,614	$ 2,584	$ 2,854
Diluted earnings per common share	$ 7.36	$ 10.45	$ 16.89	$ 18.49
Effective tax rate	24.9%	23.8%	20.5%	22.6%
Other:				
Assets under management (end of period)	$ 8,487,410	$ 9,495,993	$ 8,487,410	$ 9,495,993
Diluted weighted-average common shares outstanding	152,452,320	154,417,581	152,990,147	154,359,353
Shares outstanding (end of period)	150,966,457	152,298,784	150,966,457	152,298,784
Book value per share(2)	$ 245.68	$ 236.59	$ 245.68	$ 236.59
Cash dividends declared and paid per share	$ 4.88	$ 4.13	$ 9.76	$ 8.26

(1) As adjusted items are described in more detail in *Non-GAAP Financial Measures*. Beginning in the first quarter of 2022, BlackRock updated the definitions of operating income, as adjusted, operating margin, as adjusted, and net income attributable to BlackRock, Inc., as adjusted, to include new adjustments. Such measures have been recast for 2021 to reflect the inclusion of such new adjustments. For further information, refer to the Current Report on Form 8-K furnished on April 13, 2022.

(2) Total BlackRock stockholders' equity divided by total shares outstanding at June 30 of the respective period-end.

THREE MONTHS ENDED JUNE 30, 2022 COMPARED WITH THREE MONTHS ENDED JUNE 30, 2021

GAAP. Operating income of $1,668 million decreased $263 million and operating margin of 36.9% decreased 320 bps from the second quarter of 2021. Decreases in operating income and operating margin were driven by the impact of significantly lower markets, the negative impact of foreign exchange movements and lower performance fees, partially offset by organic base fee growth, the elimination of yield-related fee waivers on money market funds, higher technology services revenue and lower expense. Nonoperating income (expense) less net income (loss) attributable to noncontrolling interests ("NCI") decreased $334 million from the second quarter of 2021, driven primarily by mark-to-market losses on the Company's un-hedged seed capital, co-investment portfolios and certain minority investments.

Earnings per diluted common share decreased $1.86, or 21%, from the second quarter of 2021, primarily reflecting lower operating and nonoperating income, partially offset by a lower effective tax rate in the current quarter. Second quarter 2021 income tax expense included $171 million of noncash net expense related to the revaluation of certain deferred tax assets and liabilities as a result of legislation enacted in the UK increasing its corporate tax rate. See *Income Tax Expense* within *Discussion of Financial Results* for more information.

As Adjusted. Operating income of $1,727 million decreased $289 million and operating margin of 43.7% decreased 320 bps from the second quarter of 2021. Earnings per diluted common share decreased $3.09, or 30%, from the second quarter of 2021. Income tax expense, as adjusted, for the second quarter 2021 excluded $171 million of noncash net expense described above.

SIX MONTHS ENDED JUNE 30, 2022 COMPARED WITH SIX MONTHS ENDED JUNE 30, 2021

GAAP. Operating income of $3,432 million decreased $44 million and operating margin of 37.2% decreased 50 bps from the six months ended June 30, 2021. Decreases in operating income and operating margin reflected lower performance fees and higher volume related expense, partially offset by higher investment advisory and administration fees (collectively "base fees"), higher technology services revenue, lower employee compensation and benefits expense and lower general and administration expense, including the impact of $178 million of product launch costs incurred in 2021.

Nonoperating income (expense) less net income (loss) attributable to NCI decreased $371 million from the six months ended June 30, 2021, driven primarily by mark-to-market losses on the Company's un-hedged seed capital, co-investment portfolios and certain minority investments during the six months ended June 30, 2022.

Income tax expense for the six months ended June 30, 2022 reflected $133 million of discrete tax benefits related to stock-based compensation awards that vested in 2022 and the resolution of certain outstanding tax matters, and $18 million of net noncash tax benefits related to the revaluation of certain deferred income tax liabilities. Income tax expense for the six months ended June 30, 2021 included $171 million of noncash net expense described above and $39 million of discrete tax benefits related to stock-based compensation awards that vested in 2021. See *Income Tax Expense* within *Discussion of Financial Results* for more information.

Earnings per diluted common share decreased $0.26 or 2%, from the six months ended June 30, 2021, reflecting lower operating and nonoperating income, partially offset by a lower effective tax rate.

As Adjusted. Operating income of $3,549 million decreased $66 million and operating margin of 43.9% decreased 250 bps from the six months ended June 30, 2021. The impact of product launch costs has been excluded from as adjusted operating margin for the six months ended June 30, 2021.

Earnings per diluted common share decreased $1.60, or 9%, from the six months ended June 30, 2021, primarily driven by lower nonoperating income in the six months ended June 30, 2022. Income tax expense for the six months ended June 30, 2022 and 2021 excluded the $18 million net noncash benefit and the $171 million net noncash expense, respectively, described above.

See *Non-GAAP Financial Measures* for further information on as adjusted items and the reconciliation to accounting principles generally accepted in the United States ("GAAP"). Beginning in the first quarter of 2022, BlackRock updated the definitions of operating income, as adjusted, operating margin, as adjusted, and net income attributable to BlackRock, Inc., as adjusted, to include new adjustments. Such measures have been recast for 2021 to reflect the inclusion of such new adjustments. For further information, refer to the Current Report on Form 8-K furnished on April 13, 2022.

For further discussion of BlackRock's revenue, expense, nonoperating results and income tax expense, see *Discussion of Financial Results* herein.

NON-GAAP FINANCIAL MEASURES

BlackRock reports its financial results in accordance with GAAP; however, management believes evaluating the Company's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Adjustments to GAAP financial measures ("non-GAAP adjustments") include certain items management deems nonrecurring or that occur infrequently, transactions that ultimately will not impact BlackRock's book value or certain tax items that do not impact cash flow. Management reviews non-GAAP financial measures, in addition to GAAP financial measures, to assess ongoing operations and considers them to be helpful, for both management and investors, in evaluating BlackRock's financial performance over time. Management also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance comparability for the reporting periods presented. Non-GAAP measures may pose limitations because they do not include all of BlackRock's revenue and expense. 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. Non-GAAP measures may not be comparable to other similarly titled measures of other companies.

Beginning in the first quarter of 2022, the Company updated its definition of operating income, as adjusted, operating margin, as adjusted, and net income attributable to BlackRock, Inc., as adjusted, to include adjustments related to amortization of intangible assets, other acquisition-related costs, including compensation costs for nonrecurring retention-related deferred compensation, and contingent consideration fair value adjustments incurred in connection with certain acquisitions. Such measures have been recast for 2021 to reflect the inclusion of such new adjustments. For further information, refer to the Current Report on Form 8-K furnished on April 13, 2022.

Computations for all periods are derived from the condensed consolidated statements of income as follows:

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Operating income, GAAP basis	**$ 1,668**	**$ 1,931**	**$ 3,432**	**$ 3,476**
Non-GAAP expense adjustments:				
Amortization of intangible assets	38	37	76	71
Acquisition-related compensation costs	6	47	13	64
Contingent consideration fair value adjustments	—	1	1	4
Lease cost - Hudson Yards	15	—	27	—
Operating income, as adjusted	**1,727**	**2,016**	**3,549**	**3,615**
Product launch costs and commissions	—	—	—	185
Operating income used for operating margin measurement	$ 1,727	$ 2,016	$ 3,549	$ 3,800
Revenue, GAAP basis	$ 4,526	$ 4,820	$ 9,225	$ 9,218
Non-GAAP adjustments:				
Distribution fees	(361)	(369)	(742)	(709)
Investment advisory fees	(211)	(154)	(404)	(319)
Revenue used for operating margin measurement	$ 3,954	$ 4,297	$ 8,079	$ 8,190
Operating margin, GAAP basis	**36.9%**	**40.1%**	**37.2%**	**37.7%**
Operating margin, as adjusted	**43.7%**	**46.9%**	**43.9%**	**46.4%**

Management believes operating income, as adjusted, and operating margin, as adjusted, are effective indicators of BlackRock's financial performance over time, and, therefore, provide useful disclosure to investors. Management believes that operating margin, as adjusted, reflects the Company's long-term ability to manage ongoing costs in relation to its revenues. The Company uses operating margin, as adjusted, to assess the Company's financial performance, to determine the long-term and annual compensation of the Company's senior-level employees and to evaluate the Company's relative performance against industry peers. Furthermore, this metric eliminates margin variability arising from the accounting of revenues and expenses related to distributing different product structures in multiple distribution channels utilized by asset managers.

- Operating income, as adjusted, includes non-GAAP expense adjustments. Beginning in the first quarter of 2022, the Company updated its definition of operating income, as adjusted, to include adjustments related to amortization of intangible assets, other acquisition-related costs, including compensation costs for nonrecurring retention-related deferred compensation, and contingent consideration fair value adjustments incurred in connection with certain acquisitions. Management believes excluding the impact of these expenses when calculating operating income, as adjusted, provides a helpful indication of the Company's financial performance over time, thereby providing helpful information for both management and investors while also increasing comparability with other companies. In addition, as previously reported in 2021, the Company recorded expense related to the lease of office space for its future headquarters located at 50 Hudson Yards in New York ("Lease cost – Hudson Yards") from August 2021. While the Company expects to begin to occupy the new office space in late 2022 (and begin cash lease payments in May 2023), the Company was required to record lease expense when it obtained access to the building to begin its tenant improvements. As a result, the Company is recognizing lease expense for both its current and future headquarters until its current headquarters lease expires in April 2023. Management believes removing Lease cost – Hudson Yards when calculating operating income, as adjusted, is useful to assess the Company's financial performance and enhances comparability among periods presented.
- Operating income used for measuring operating margin, as adjusted, is equal to operating income, as adjusted, excluding the impact of product launch costs (e.g. closed-end fund launch costs) and related commissions. Management believes the exclusion of such costs and related commissions is useful because these costs can fluctuate considerably and revenue associated with the expenditure of these costs will not fully impact BlackRock's results until future periods.
- Revenue used for calculating operating margin, as adjusted, is reduced to exclude all of the Company's distribution fees, which are recorded as a separate line item on the condensed consolidated statements of income, as well as a portion of investment advisory fees received that is used to pay distribution and servicing costs. For certain products, based on distinct arrangements, distribution fees are collected by the Company and then passed-through to third-party client intermediaries. For other products, investment advisory fees are collected by the Company and a portion is passed-through to third-party client intermediaries. However, in both structures, the third-party client intermediary similarly owns the relationship with the retail client and is responsible for distributing the product and servicing the client. The amount of distribution and investment advisory fees fluctuates each period primarily based on a predetermined percentage of the value of AUM during the period. These fees also vary based on the type of investment product sold and the geographic location where it is sold. In addition, the Company may waive fees on certain products that could result in the reduction of payments to the third-party intermediaries.

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

(in millions, except per share data)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Net income attributable to BlackRock, Inc., GAAP basis	**$ 1,077**	**$ 1,378**	**$ 2,513**	**$ 2,577**
Non-GAAP adjustments:				
Amortization of intangible assets, net of tax	29	28	58	54
Acquisition-related compensation costs, net of tax	5	36	10	49
Contingent consideration fair value adjustments, net of tax	—	1	1	3
Lease cost - Hudson Yards, net of tax	11	—	20	—
Income tax matters	—	171	(18)	171
Net income attributable to BlackRock, Inc., as adjusted	**$ 1,122**	**$ 1,614**	**$ 2,584**	**$ 2,854**
Diluted weighted-average common shares outstanding	152.5	154.4	153.0	154.4
Diluted earnings per common share, GAAP basis	**$ 7.06**	**$ 8.92**	**$ 16.43**	**$ 16.69**
Diluted earnings per common share, as adjusted	**$ 7.36**	**$ 10.45**	**$ 16.89**	**$ 18.49**

Management believes net income attributable to BlackRock, Inc., as adjusted, and diluted earnings per common 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 nonrecurring items, charges that ultimately will not impact BlackRock's book value or certain tax items that do not impact cash flow.

See note (1) above regarding operating income, as adjusted, and operating margin, as adjusted, for information on the updated presentation of non-GAAP expense adjustments related to amortization of intangible assets, other acquisition-related costs, including compensation costs for nonrecurring retention-related deferred compensation, and contingent consideration fair value adjustments incurred in connection with certain acquisitions, as well as previously reported Lease cost – Hudson Yards.

Per share amounts reflect net income attributable to BlackRock, Inc., as adjusted divided by diluted weighted-average common shares outstanding.

ASSETS UNDER MANAGEMENT

AUM for reporting purposes generally is 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.

AUM and Net Inflows (Outflows) by Client Type and Product Type

	AUM				Net inflows (outflows)		
(in millions)	June 30, 2022	March 31, 2022	December 31, 2021	June 30, 2021	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022	Twelve Months Ended June 30, 2022
Retail	$ 863,425	$ 989,123	$ 1,040,053	$ 995,483	$ (9,973)	$ 191	$ 44,386
ETFs	2,784,296	3,150,496	3,267,354	3,031,505	52,103	108,312	270,209
Institutional:							
Active	1,510,862	1,676,167	1,756,717	1,624,049	5,275	21,673	130,738
Index	2,580,603	3,019,764	3,181,652	3,097,073	21,208	52,182	3,549
Institutional subtotal	4,091,465	4,695,931	4,938,369	4,721,122	26,483	73,855	134,287
Long-term	**7,739,186**	**8,835,550**	**9,245,776**	**8,748,110**	**68,613**	**182,358**	**448,882**
Cash management	739,457	724,939	755,057	727,603	21,218	(5,876)	25,638
Advisory(1)	8,767	9,025	9,310	20,280	(258)	(543)	(11,530)
Total	**$ 8,487,410**	**$ 9,569,514**	**$ 10,010,143**	**$ 9,495,993**	**$ 89,573**	**$ 175,939**	**$ 462,990**

AUM and Net Inflows (Outflows) by Investment Style and Product Type

	AUM				Net inflows (outflows)		
(in millions)	June 30, 2022	March 31, 2022	December 31, 2021	June 30, 2021	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022	Twelve Months Ended June 30, 2022
Active	$ 2,210,648	$ 2,479,140	$ 2,606,325	$ 2,446,632	$ (10,339)	$ 9,699	$ 154,734
Index and ETFs	5,528,538	6,356,410	6,639,451	6,301,478	78,952	172,659	294,148
Long-term	**7,739,186**	**8,835,550**	**9,245,776**	**8,748,110**	**68,613**	**182,358**	**448,882**
Cash management	739,457	724,939	755,057	727,603	21,218	(5,876)	25,638
Advisory(1)	8,767	9,025	9,310	20,280	(258)	(543)	(11,530)
Total	**$ 8,487,410**	**$ 9,569,514**	**$ 10,010,143**	**$ 9,495,993**	**$ 89,573**	**$ 175,939**	**$ 462,990**

AUM and Net Inflows (Outflows) by Product Type

	AUM				Net inflows (outflows)		
(in millions)	June 30, 2022	March 31, 2022	December 31, 2021	June 30, 2021	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022	Twelve Months Ended June 30, 2022
Equity	$ 4,345,120	$ 5,119,044	$ 5,342,360	$ 5,034,391	$ 28,642	$ 104,666	$ 182,940
Fixed income	2,439,844	2,645,871	2,822,041	2,712,165	36,126	43,649	171,856
Multi-asset	678,465	785,182	816,494	748,770	1,380	19,052	66,994
Alternatives:							
Illiquid alternatives	112,039	109,141	102,579	95,961	5,414	9,286	15,835
Liquid alternatives	83,770	87,326	87,348	81,560	(932)	976	6,629
Currency and commodities(2)	79,948	88,986	74,954	75,263	(2,017)	4,729	4,628
Alternatives subtotal	275,757	285,453	264,881	252,784	2,465	14,991	27,092
Long-term	**7,739,186**	**8,835,550**	**9,245,776**	**8,748,110**	**68,613**	**182,358**	**448,882**
Cash management	739,457	724,939	755,057	727,603	21,218	(5,876)	25,638
Advisory(1)	8,767	9,025	9,310	20,280	(258)	(543)	(11,530)
Total	**$ 8,487,410**	**$ 9,569,514**	**$ 10,010,143**	**$ 9,495,993**	**$ 89,573**	**$ 175,939**	**$ 462,990**

(1) Advisory AUM represents mandates linked to purchases and disposition of assets and portfolios on behalf of official institutions and long-term portfolio liquidation assignments.
(2) Amounts include commodity ETFs.

Component Changes in AUM for the Three Months Ended June 30, 2022

The following table presents the component changes in AUM by client type and product type for the three months ended June 30, 2022.

(in millions)	March 31, 2022	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Retail:						
Equity	$ 446,043	$ (872)	$ (66,388)	$ (7,557)	$ 371,226	$ 409,171
Fixed income	343,712	(7,563)	(18,397)	(3,892)	313,860	328,816
Multi-asset	149,480	(3,000)	(16,394)	(944)	129,142	139,662
Alternatives	49,888	1,462	(1,681)	(472)	49,197	49,900
Retail subtotal	989,123	(9,973)	(102,860)	(12,865)	863,425	927,549
ETFs:						
Equity	2,350,421	23,328	(348,798)	(14,608)	2,010,343	2,178,149
Fixed income	712,767	30,739	(41,926)	(5,692)	695,888	702,485
Multi-asset	8,716	161	(942)	(67)	7,868	8,246
Alternatives	78,592	(2,125)	(6,159)	(111)	70,197	75,187
ETFs subtotal	3,150,496	52,103	(397,825)	(20,478)	2,784,296	2,964,067
Institutional:						
Active:						
Equity	188,822	3,885	(23,962)	(5,048)	163,697	176,618
Fixed income	718,225	(6,774)	(40,123)	(9,476)	661,852	687,561
Multi-asset	617,843	4,866	(72,880)	(15,670)	534,159	575,970
Alternatives	151,277	3,298	(805)	(2,616)	151,154	150,957
Active subtotal	1,676,167	5,275	(137,770)	(32,810)	1,510,862	1,591,106
Index:						
Equity	2,133,758	2,301	(287,363)	(48,842)	1,799,854	1,969,660
Fixed income	871,167	19,724	(73,665)	(48,982)	768,244	813,260
Multi-asset	9,143	(647)	(937)	(263)	7,296	7,863
Alternatives	5,696	(170)	(99)	(218)	5,209	5,600
Index subtotal	3,019,764	21,208	(362,064)	(98,305)	2,580,603	2,796,383
Institutional subtotal	4,695,931	26,483	(499,834)	(131,115)	4,091,465	4,387,489
Long-term	**8,835,550**	**68,613**	**(1,000,519)**	**(164,458)**	**7,739,186**	**8,279,105**
Cash management	724,939	21,218	(130)	(6,570)	739,457	734,270
Advisory(3)	9,025	(258)	-	-	8,767	8,903
Total	**$ 9,569,514**	**$ 89,573**	**$ (1,000,649)**	**$ (171,028)**	**$ 8,487,410**	**$ 9,022,278**

(1) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.
(2) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing four months.
(3) Advisory AUM represents mandates linked to purchases and disposition of assets and portfolios on behalf of official institutions and long-term portfolio liquidation assignments.

The following table presents the component changes in AUM by investment style and product type for the three months ended June 30, 2022.

(in millions)	March 31, 2022	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Active:						
Equity	$ 472,849	$ (1,825)	$ (69,076)	$ (8,900)	$ 393,048	$ 434,212
Fixed income	1,037,813	(15,139)	(56,717)	(12,000)	953,957	993,668
Multi-asset	767,316	1,865	(89,273)	(16,613)	663,295	715,624
Alternatives	201,162	4,760	(2,486)	(3,088)	200,348	200,855
Active subtotal	2,479,140	(10,339)	(217,552)	(40,601)	2,210,648	2,344,359
Index and ETFs:						
ETFs:						
Equity	2,350,421	23,328	(348,798)	(14,608)	2,010,343	2,178,149
Fixed income	712,767	30,739	(41,926)	(5,692)	695,888	702,485
Multi-asset	8,716	161	(942)	(67)	7,868	8,246
Alternatives	78,592	(2,125)	(6,159)	(111)	70,197	75,187
ETFs subtotal	3,150,496	52,103	(397,825)	(20,478)	2,784,296	2,964,067
Non-ETF Index:						
Equity	2,295,774	7,139	(308,637)	(52,547)	1,941,729	2,121,237
Fixed income	895,291	20,526	(75,468)	(50,350)	789,999	835,969
Multi-asset	9,150	(646)	(938)	(264)	7,302	7,871
Alternatives	5,699	(170)	(99)	(218)	5,212	5,602
Non-ETF Index subtotal	3,205,914	26,849	(385,142)	(103,379)	2,744,242	2,970,679
Index & ETFs subtotal	6,356,410	78,952	(782,967)	(123,857)	5,528,538	5,934,746
Long-term	**8,835,550**	**68,613**	**(1,000,519)**	**(164,458)**	**7,739,186**	**8,279,105**
Cash management	724,939	21,218	(130)	(6,570)	739,457	734,270
Advisory(3)	9,025	(258)	-	-	8,767	8,903
Total	**$ 9,569,514**	**$ 89,573**	**$ (1,000,649)**	**$ (171,028)**	**$ 8,487,410**	**$ 9,022,278**

The following table presents the component changes in AUM by product type for the three months ended June 30, 2022.

(in millions)	March 31, 2022	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Equity	$ 5,119,044	$ 28,642	$ (726,511)	$ (76,055)	$ 4,345,120	$ 4,733,598
Fixed income	2,645,871	36,126	(174,111)	(68,042)	2,439,844	2,532,122
Multi-asset	785,182	1,380	(91,153)	(16,944)	678,465	731,741
Alternatives:						
Illiquid alternatives	109,141	5,414	(682)	(1,834)	112,039	110,501
Liquid alternatives	87,326	(932)	(1,518)	(1,106)	83,770	85,574
Currency and commodities(4)	88,986	(2,017)	(6,544)	(477)	79,948	85,569
Alternatives subtotal	285,453	2,465	(8,744)	(3,417)	275,757	281,644
Long-term	**8,835,550**	**68,613**	**(1,000,519)**	**(164,458)**	**7,739,186**	**8,279,105**
Cash management	724,939	21,218	(130)	(6,570)	739,457	734,270
Advisory(3)	9,025	(258)	-	-	8,767	8,903
Total	**$ 9,569,514**	**$ 89,573**	**$ (1,000,649)**	**$ (171,028)**	**$ 8,487,410**	**$ 9,022,278**

(1) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.
(2) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing four months.
(3) Advisory AUM represents mandates linked to purchases and disposition of assets and portfolios on behalf of official institutions and long-term portfolio liquidation assignments.
(4) Amounts include commodity ETFs.

AUM decreased $1.08 trillion to $8.49 trillion at June 30, 2022, driven by net market depreciation and the negative impact of foreign exchange movements, partially offset by net inflows.

Long-term net inflows of $69 billion were comprised of net inflows of $52 billion and $26 billion into ETFs and institutional, respectively, partially offset by $10 billion of retail outflows. Net flows in long-term products are described below.

- ETFs net inflows of $52 billion reflected growth from each of our major product categories, including core equity, strategic, and precision ETFs. Fixed income net inflows of $31 billion reflected demand for treasuries, short duration, inflation-linked, sustainable and municipal bond ETFs. Equity net inflows of $23 billion were driven by both US and international equity market exposures.
- Institutional index net inflows of $21 billion were led by $20 billion of fixed income net inflows reflecting continued strength in liability-driven investment ("LDI") solutions.
- Institutional active net inflows of $5 billion were led by growth in systematic active equity, illiquid alternatives, LifePath target-date funds and outsourced chief investment officer ("OCIO") solutions, partially offset by fixed income net outflows.
- Retail net outflows of $10 billion reflected industry pressures in active fixed income and world allocation strategies, partially offset by strength in index separately managed accounts ("SMAs"), municipal bonds and our systematic multi-strategy alternatives fund.

Cash management AUM increased to $739 billion, driven by US government mandates and included inflows from Circle Internet Financial as the Company became the primary manager of their USD Coin cash reserves.

Net market depreciation of $1 trillion was primarily driven by global equity and fixed income market depreciation.

AUM decreased $171 billion due to the negative impact of foreign exchange movements, primarily due to the strengthening of the US dollar, largely against the British pound, the Japanese yen and the Euro.

Component Changes in AUM for the Six Months Ended June 30, 2022

The following table presents the component changes in AUM by client type and product type for the six months ended June 30, 2022.

(in millions)	December 31, 2021	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Retail:						
Equity	$ 471,937	$ 5,329	$ (95,767)	$ (10,273)	$ 371,226	$ 426,530
Fixed income	365,306	(9,458)	(37,149)	(4,839)	313,860	341,015
Multi-asset	155,461	(22)	(25,078)	(1,219)	129,142	144,767
Alternatives	47,349	4,342	(1,879)	(615)	49,197	49,151
Retail subtotal	1,040,053	191	(159,873)	(16,946)	863,425	961,463
ETFs:						
Equity	2,447,248	64,499	(484,632)	(16,772)	2,010,343	2,255,471
Fixed income	745,373	38,889	(81,054)	(7,320)	695,888	713,181
Multi-asset	9,119	231	(1,433)	(49)	7,868	8,466
Alternatives	65,614	4,693	14	(124)	70,197	72,087
ETFs subtotal	3,267,354	108,312	(567,105)	(24,265)	2,784,296	3,049,205
Institutional:						
Active:						
Equity	199,980	5,716	(35,704)	(6,295)	163,697	183,162
Fixed income	767,402	(9,667)	(83,354)	(12,529)	661,852	715,059
Multi-asset	642,951	18,997	(108,576)	(19,213)	534,159	598,329
Alternatives	146,384	6,627	1,285	(3,142)	151,154	150,223
Active subtotal	1,756,717	21,673	(226,349)	(41,179)	1,510,862	1,646,773
Index:						
Equity	2,223,195	29,122	(388,908)	(63,555)	1,799,854	2,036,631
Fixed income	943,960	23,885	(130,877)	(68,724)	768,244	861,222
Multi-asset	8,963	(154)	(1,135)	(378)	7,296	8,173
Alternatives	5,534	(671)	657	(311)	5,209	5,540
Index subtotal	3,181,652	52,182	(520,263)	(132,968)	2,580,603	2,911,566
Institutional subtotal	4,938,369	73,855	(746,612)	(174,147)	4,091,465	4,558,339
Long-term	**9,245,776**	**182,358**	**(1,473,590)**	**(215,358)**	**7,739,186**	**8,569,007**
Cash management	755,057	(5,876)	(759)	(8,965)	739,457	735,753
Advisory(3)	9,310	(543)	-	-	8,767	9,012
Total	**$ 10,010,143**	**$ 175,939**	**$ (1,474,349)**	**$ (224,323)**	**$ 8,487,410**	**$ 9,313,772**

(1) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.
(2) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing seven months.
(3) Advisory AUM represents mandates linked to purchases and disposition of assets and portfolios on behalf of official institutions and long-term portfolio liquidation assignments.

The following table presents the component changes in AUM by investment style and product type for the six months ended June 30, 2022.

(in millions)	December 31, 2021	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Active:						
Equity	$ 507,103	$ 172	$ (102,604)	$ (11,623)	$ 393,048	$ 454,645
Fixed income	1,107,085	(20,416)	(117,195)	(15,517)	953,957	1,032,671
Multi-asset	798,404	18,974	(133,653)	(20,430)	663,295	743,088
Alternatives	193,733	10,969	(596)	(3,758)	200,348	199,373
Active subtotal	2,606,325	9,699	(354,048)	(51,328)	2,210,648	2,429,777
Index and ETFs:						
ETFs:						
Equity	2,447,248	64,499	(484,632)	(16,772)	2,010,343	2,255,471
Fixed income	745,373	38,889	(81,054)	(7,320)	695,888	713,181
Multi-asset	9,119	231	(1,433)	(49)	7,868	8,466
Alternatives	65,614	4,693	14	(124)	70,197	72,087
ETFs subtotal	3,267,354	108,312	(567,105)	(24,265)	2,784,296	3,049,205
Non-ETF Index:						
Equity	2,388,009	39,995	(417,775)	(68,500)	1,941,729	2,191,678
Fixed income	969,583	25,176	(134,185)	(70,575)	789,999	884,625
Multi-asset	8,971	(153)	(1,136)	(380)	7,302	8,181
Alternatives	5,534	(671)	659	(310)	5,212	5,541
Non-ETF Index subtotal	3,372,097	64,347	(552,437)	(139,765)	2,744,242	3,090,025
Index & ETFs subtotal	6,639,451	172,659	(1,119,542)	(164,030)	5,528,538	6,139,230
Long-term	**9,245,776**	**182,358**	**(1,473,590)**	**(215,358)**	**7,739,186**	**8,569,007**
Cash management	755,057	(5,876)	(759)	(8,965)	739,457	735,753
Advisory(3)	9,310	(543)	-	-	8,767	9,012
Total	**$ 10,010,143**	**$ 175,939**	**$ (1,474,349)**	**$ (224,323)**	**$ 8,487,410**	**$ 9,313,772**

The following table presents the component changes in AUM by product type for the six months ended June 30, 2022.

(in millions)	December 31, 2021	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Equity	$ 5,342,360	$ 104,666	$ (1,005,011)	$ (96,895)	$ 4,345,120	$ 4,901,794
Fixed income	2,822,041	43,649	(332,434)	(93,412)	2,439,844	2,630,477
Multi-asset	816,494	19,052	(136,222)	(20,859)	678,465	759,735
Alternatives:						
Illiquid alternatives	102,579	9,286	2,525	(2,351)	112,039	108,652
Liquid alternatives	87,348	976	(3,377)	(1,177)	83,770	86,251
Currency and commodities(4)	74,954	4,729	929	(664)	79,948	82,098
Alternatives subtotal	264,881	14,991	77	(4,192)	275,757	277,001
Long-term	**9,245,776**	**182,358**	**(1,473,590)**	**(215,358)**	**7,739,186**	**8,569,007**
Cash management	755,057	(5,876)	(759)	(8,965)	739,457	735,753
Advisory(3)	9,310	(543)	-	-	8,767	9,012
Total	**$ 10,010,143**	**$ 175,939**	**$ (1,474,349)**	**$ (224,323)**	**$ 8,487,410**	**$ 9,313,772**

(1) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.
(2) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing seven months.
(3) Advisory AUM represents mandates linked to purchases and disposition of assets and portfolios on behalf of official institutions and long-term portfolio liquidation assignments.
(4) Amounts include commodity ETFs.

AUM decreased $1.52 trillion to $8.49 trillion at June 30, 2022, driven by net market depreciation and the negative impact of foreign exchange movements, partially offset by net inflows.

Long-term net inflows of $182 billion were comprised of net inflows of $108 billion and $74 billion into ETFs and institutional, respectively. Net flows in long-term products are described below.

- ETFs net inflows of $108 billion reflected growth from each of our major product categories, including core equity, strategic, and precision ETFs. Equity net inflows of $64 billion were driven by both US and international equity market exposures. Fixed income net inflows of $39 billion reflected demand for treasuries, short duration, sustainable, and municipal bond ETFs.
- Institutional index net inflows of $52 billion were led by $29 billion of equity net inflows, including approximately $70 billion from two large institutional clients during the first quarter of 2022, and $24 billion of fixed income inflows reflecting continued strength in LDI solutions.
- Institutional active net inflows of $22 billion were led by growth in systematic active equity, illiquid alternatives, LifePath target-date funds and OCIO solutions.

Cash management AUM decreased to $739 billion, due to net outflows of $6 billion and the negative impact of foreign exchange movements of $9 billion.

Net market depreciation of $1.5 trillion was primarily driven by global equity and fixed income market depreciation.

AUM decreased $224 billion due to the negative impact of foreign exchange movements, primarily due to the strengthening of the US dollar, largely against the British pound, the Japanese yen and the Euro.

Component Changes in AUM for the Twelve Months Ended June 30, 2022

The following table presents the component changes in AUM by client type and product type for the twelve months ended June 30, 2022.

(in millions)	June 30, 2021	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Retail:						
Equity	$ 446,327	$ 23,190	$ (84,740)	$ (13,551)	$ 371,226	$ 439,849
Fixed income	359,480	3,925	(42,563)	(6,982)	313,860	350,333
Multi-asset	147,228	7,683	(24,120)	(1,649)	129,142	147,910
Alternatives	42,448	9,588	(2,023)	(816)	49,197	46,930
Retail subtotal	995,483	44,386	(153,446)	(22,998)	863,425	985,022
ETFs:						
Equity	2,257,828	169,555	(392,003)	(25,037)	2,010,343	2,279,120
Fixed income	700,009	94,433	(87,618)	(10,936)	695,888	714,420
Multi-asset	7,663	1,551	(1,265)	(81)	7,868	8,312
Alternatives	66,005	4,670	(311)	(167)	70,197	69,079
ETFs subtotal	3,031,505	270,209	(481,197)	(36,221)	2,784,296	3,070,931
Institutional:						
Active:						
Equity	184,174	15,311	(27,814)	(7,974)	163,697	184,401
Fixed income	716,671	43,210	(80,946)	(17,083)	661,852	720,305
Multi-asset	584,582	58,347	(81,391)	(27,379)	534,159	603,840
Alternatives	138,622	13,870	2,652	(3,990)	151,154	146,260
Active subtotal	1,624,049	130,738	(187,499)	(56,426)	1,510,862	1,654,806
Index:						
Equity	2,146,062	(25,116)	(239,291)	(81,801)	1,799,854	2,096,323
Fixed income	936,005	30,288	(111,182)	(86,867)	768,244	902,546
Multi-asset	9,297	(587)	(925)	(489)	7,296	9,074
Alternatives	5,709	(1,036)	906	(370)	5,209	5,604
Index subtotal	3,097,073	3,549	(350,492)	(169,527)	2,580,603	3,013,547
Institutional subtotal	4,721,122	134,287	(537,991)	(225,953)	4,091,465	4,668,353
Long-term	**8,748,110**	**448,882**	**(1,172,634)**	**(285,172)**	**7,739,186**	**8,724,306**
Cash management	727,603	25,638	(1,687)	(12,097)	739,457	729,454
Advisory(3)	20,280	(11,530)	18	(1)	8,767	10,566
Total	**$ 9,495,993**	**$ 462,990**	**$ (1,174,303)**	**$ (297,270)**	**$ 8,487,410**	**$ 9,464,326**

(1) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.
(2) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.
(3) Advisory AUM represents mandates linked to purchases and disposition of assets and portfolios on behalf of official institutions and long-term portfolio liquidation assignments.

The following table presents the component changes in AUM by investment style and product type for the twelve months ended June 30, 2022.

(in millions)	June 30, 2021	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Active:						
Equity	$ 479,240	$ 23,744	$ (94,518)	$ (15,418)	$ 393,048	$ 468,953
Fixed income	1,054,517	41,507	(120,201)	(21,866)	953,957	1,047,608
Multi-asset	731,806	66,025	(105,509)	(29,027)	663,295	751,743
Alternatives	181,069	23,458	627	(4,806)	200,348	193,189
Active subtotal	2,446,632	154,734	(319,601)	(71,117)	2,210,648	2,461,493
Index and ETFs:						
ETFs:						
Equity	2,257,828	169,555	(392,003)	(25,037)	2,010,343	2,279,120
Fixed income	700,009	94,433	(87,618)	(10,936)	695,888	714,420
Multi-asset	7,663	1,551	(1,265)	(81)	7,868	8,312
Alternatives	66,005	4,670	(311)	(167)	70,197	69,079
ETFs subtotal	3,031,505	270,209	(481,197)	(36,221)	2,784,296	3,070,931
Non-ETF Index:						
Equity	2,297,323	(10,359)	(257,327)	(87,908)	1,941,729	2,251,620
Fixed income	957,639	35,916	(114,490)	(89,066)	789,999	925,576
Multi-asset	9,301	(582)	(927)	(490)	7,302	9,081
Alternatives	5,710	(1,036)	908	(370)	5,212	5,605
Non-ETF Index subtotal	3,269,973	23,939	(371,836)	(177,834)	2,744,242	3,191,882
Index & ETFs subtotal	6,301,478	294,148	(853,033)	(214,055)	5,528,538	6,262,813
Long-term	**8,748,110**	**448,882**	**(1,172,634)**	**(285,172)**	**7,739,186**	**8,724,306**
Cash management	727,603	25,638	(1,687)	(12,097)	739,457	729,454
Advisory(3)	20,280	(11,530)	18	(1)	8,767	10,566
Total	**$ 9,495,993**	**$ 462,990**	**$ (1,174,303)**	**$ (297,270)**	**$ 8,487,410**	**$ 9,464,326**

The following table presents the component changes in AUM by product type for the twelve months ended June 30, 2022.

(in millions)	June 30, 2021	Net inflows (outflows)	Market change	FX impact(1)	June 30, 2022	Average AUM(2)
Equity	$ 5,034,391	$ 182,940	$ (743,848)	$ (128,363)	$ 4,345,120	$ 4,999,693
Fixed income	2,712,165	171,856	(322,309)	(121,868)	2,439,844	2,687,604
Multi-asset	748,770	66,994	(107,701)	(29,598)	678,465	769,136
Alternatives:						
Illiquid alternatives	95,961	15,835	3,322	(3,079)	112,039	103,771
Liquid alternatives	81,560	6,629	(2,983)	(1,436)	83,770	85,311
Currency and commodities(4)	75,263	4,628	885	(828)	79,948	78,791
Alternatives subtotal	252,784	27,092	1,224	(5,343)	275,757	267,873
Long-term	**8,748,110**	**448,882**	**(1,172,634)**	**(285,172)**	**7,739,186**	**8,724,306**
Cash management	727,603	25,638	(1,687)	(12,097)	739,457	729,454
Advisory(3)	20,280	(11,530)	18	(1)	8,767	10,566
Total	**$ 9,495,993**	**$ 462,990**	**$ (1,174,303)**	**$ (297,270)**	**$ 8,487,410**	**$ 9,464,326**

(1) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into US dollars for reporting purposes.
(2) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing thirteen months.
(3) Advisory AUM represents mandates linked to purchases and disposition of assets and portfolios on behalf of official institutions and long-term portfolio liquidation assignments.
(4) Amounts include commodity ETFs.

AUM decreased $1 trillion to $8.49 trillion at June 30, 2022, driven by net market depreciation and the negative impact of foreign exchange movements, partially offset by net inflows.

Long-term net inflows of $449 billion were comprised of net inflows of $270 billion, $135 billion and $44 billion from ETFs, institutional, and retail respectively. Net flows in long-term products are described below.

- ETFs net inflows of $270 billion reflected positive flows across core equity, strategic and precision ETFs, and across asset classes. Equity net inflows of $170 billion were driven by both US and international equity market exposures. Fixed income net inflows of $94 billion were led by flows into treasuries, inflation-protected, municipal and core bond ETFs.
- Institutional active net inflows of $131 billion included the previously disclosed impact of a significant active fixed income mandate from an insurance client in the fourth quarter of 2021 and an OCIO mandate from an Asia-Pacific client in the third quarter of 2021. Net inflows also reflected continued growth in LifePath target-date funds, illiquid alternatives and systematic active equity strategies.
- Institutional index net inflows of $4 billion reflected $30 billion of fixed income net inflows, including $70 billion from two large clients in the first quarter of 2022, partially offset by equity net outflows of $25 billion.
- Retail net inflows of $44 billion included net inflows of $27 billion and $17 billion in the US and internationally, respectively. Retail net inflows reflected strength in thematic and global equity and US growth equity funds, natural resources, unconstrained, municipal and total return fixed income funds, multi-asset and alternatives funds.

Cash management AUM increased to $739 billion, driven by net inflows of $26 billion partially offset by the negative impact of foreign exchange movements.

Net market depreciation of $1.2 trillion was driven by global equity and fixed income market depreciation.

AUM decreased $297 billion due to the negative impact of foreign exchange movements, primarily resulting from the strengthening of the US dollar, largely against the British pound, Euro and Japanese yen.

DISCUSSION OF FINANCIAL RESULTS

The Company's results of operations for the three and six months ended June 30, 2022 and 2021 are discussed below. For a further description of the Company's revenue and expense, see the Company's Annual Report on Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K").

Revenue

The table below presents detail of revenue for the three and six months ended June 30, 2022 and 2021 and includes the product type mix of base fees and securities lending revenue and performance fees.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Investment advisory, administration fees and securities lending revenue:				
Equity:				
Active	$ 550	$ 641	$ 1,166	$ 1,217
ETFs	1,103	1,156	2,261	2,224
Non-ETF Index	186	198	373	374
Equity subtotal	1,839	1,995	3,800	3,815
Fixed income:				
Active	503	545	1,037	1,070
ETFs	274	294	563	589
Non-ETF Index	102	116	220	229
Fixed income subtotal	879	955	1,820	1,888
Multi-asset	331	344	690	672
Alternatives:				
Illiquid alternatives	184	167	363	335
Liquid alternatives	161	150	328	297
Currency and commodities(1)	62	55	118	108
Alternatives subtotal	407	372	809	740
Long-term	**3,456**	**3,666**	**7,119**	**7,115**
Cash management	232	91	402	234
Total investment advisory, administration fees and securities lending revenue	**3,688**	**3,757**	**7,521**	**7,349**
Investment advisory performance fees:				
Equity	3	36	15	62
Fixed income	13	15	22	29
Multi-asset	7	9	12	17
Alternatives:				
Illiquid alternatives	65	90	102	97
Liquid alternatives	18	190	53	264
Alternatives subtotal	83	280	155	361
Total performance fees	**106**	**340**	**204**	**469**
Technology services revenue	**332**	**316**	**673**	**622**
Distribution fees:				
Retrocessions	269	264	548	502
12b-1 fees (US mutual fund distribution fees)	80	87	168	172
Other	12	18	26	35
Total distribution fees	**361**	**369**	**742**	**709**
Advisory and other revenue:				
Advisory	15	9	31	24
Other	24	29	54	45
Total advisory and other revenue	**39**	**38**	**85**	**69**
Total revenue	**$ 4,526**	**$ 4,820**	**$ 9,225**	**$ 9,218**

(1) Amounts include commodity ETFs.

The table below lists a percentage breakdown of base fees and securities lending revenue and average AUM by product type:

	Three Months Ended June 30,				Six Months Ended June 30,			
	Percentage of Base Fees and Securities Lending Revenue		Percentage of Average AUM by Product Type[1]		Percentage of Base Fees and Securities Lending Revenue		Percentage of Average AUM by Product Type[2]	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity:								
Active	15%	18%	5%	5%	15%	19%	5%	5%
ETFs	30%	31%	24%	24%	30%	30%	23%	23%
Non-ETF Index	5%	5%	24%	23%	5%	5%	24%	24%
Equity subtotal	50%	54%	53%	52%	50%	54%	52%	52%
Fixed income:								
Active	14%	14%	11%	12%	14%	14%	11%	11%
ETFs	7%	8%	8%	7%	7%	8%	8%	8%
Non-ETF Index	3%	3%	9%	10%	3%	3%	10%	10%
Fixed income subtotal	24%	25%	28%	29%	24%	25%	29%	29%
Multi-asset	9%	9%	8%	8%	9%	9%	8%	8%
Alternatives:								
Illiquid alternatives	5%	5%	1%	1%	5%	5%	1%	1%
Liquid alternatives	4%	4%	1%	1%	4%	4%	1%	1%
Currency and commodities[3]	2%	1%	1%	1%	3%	1%	1%	1%
Alternatives subtotal	11%	10%	3%	3%	12%	10%	3%	3%
Long-term	**94%**	**98%**	**92%**	**92%**	**95%**	**98%**	**92%**	**92%**
Cash management	6%	2%	8%	8%	5%	2%	8%	8%
Total excluding Advisory AUM	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing four months.
(2) Average AUM is calculated as the average of the month-end spot AUM amounts for the trailing seven months.
(3) Amounts include commodity ETFs.

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Revenue decreased $294 million, or 6%, from the three months ended June 30, 2021, primarily driven by the impact of significantly lower markets and US dollar appreciation on average AUM and lower performance fees.

Investment advisory, administration fees and securities lending revenue of $3,688 million decreased $69 million from $3,757 million for the three months ended June 30, 2021, primarily driven by the negative impact of market beta and foreign exchange movements on average AUM, partially offset by organic base fee growth, the elimination of yield-related fee waivers on money market funds, and higher securities lending revenue. Securities lending revenue of $160 million increased from $140 million for the three months ended June 30, 2021, primarily reflecting higher spreads.

Investment advisory performance fees of $106 million decreased $234 million from $340 million for the three months ended June 30, 2021, primarily reflecting lower revenue from alternative and long-only products.

Technology services revenue of $332 million increased $16 million from $316 million for the three months ended June 30, 2021, reflecting continued strong client demand for Aladdin, despite the negative impact of foreign exchange movements.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Revenue increased $7 million from the six months ended June 30, 2021, reflecting higher base fees, technology services revenue and securities lending revenue, largely offset by lower performance fees.

Investment advisory, administration fees and securities lending revenue of $7,521 million increased $172 million from $7,349 million for the six months ended June 30, 2021, primarily driven by strong organic base fee growth, the elimination of yield-related fee waivers on money market funds, and higher securities lending revenue, partially offset by the negative impact of market beta and foreign exchange movements on average AUM. Securities lending revenue of $298 million increased $31 million from $267 million for the six months ended June 30, 2021, primarily reflecting higher spreads.

Investment advisory performance fees of $204 million decreased $265 million from $469 million for the six months ended June 30, 2021, primarily reflecting lower revenue from liquid alternative and long-only products.

Technology services revenue of $673 million increased $51 million from $622 million for the six months ended June 30, 2021, primarily reflecting higher revenue from Aladdin, despite the negative impact of foreign exchange movements.

Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Expense:				
Employee compensation and benefits	$ 1,414	$ 1,548	$ 2,912	$ 2,957
Distribution and servicing costs:				
Retrocessions	269	264	548	502
12b-1 costs	78	85	164	168
Other	225	174	434	358
Total distribution and servicing costs	572	523	1,146	1,028
Direct fund expense	304	320	633	640
General and administration expense:				
Marketing and promotional	76	53	136	88
Occupancy and office related	106	80	205	159
Portfolio services	67	64	136	129
Sub-advisory	20	23	42	45
Technology	148	129	293	233
Professional services	42	41	82	80
Communications	10	11	21	22
Foreign exchange remeasurement	2	(2)	(1)	2
Contingent consideration fair value adjustments	—	1	1	4
Product launch costs	—	—	—	178
Other general and administration	59	61	111	106
Total general and administration expense	530	461	1,026	1,046
Amortization of intangible assets	38	37	76	71
Total expense	**$ 2,858**	**$ 2,889**	**$ 5,793**	**$ 5,742**

Three Months Ended June 30, 2022 Compared with Three Months Ended June 30, 2021

Expense decreased $31 million from the three months ended June 30, 2021, largely driven by lower employee compensation and benefits expense, partially offset by higher general and administration expense.

Employee compensation and benefits expense decreased $134 million from the three months ended June 30, 2021, reflecting lower incentive compensation, due to lower operating income and performance fees, and lower deferred compensation driven in part by the lower mark-to-market impact of certain deferred cash compensation programs, partially offset by higher base compensation.

General and administration expense increased $69 million from the three months ended June 30, 2021, primarily driven by higher marketing and promotional expense, resulting from higher travel and entertainment expense, and higher technology expense. The increase also reflected higher occupancy and office related expense, including $15 million of noncash occupancy expense related to the lease of office space for the Company's future headquarters located at 50 Hudson Yards in New York ("Lease cost – Hudson Yards"), which it expects to begin to occupy in late 2022 (and begin lease payments in May 2023). Lease cost – Hudson Yards has been excluded from our "as adjusted" financial results. See *Non-GAAP Financial Measures* for further information on as adjusted items.

Six Months Ended June 30, 2022 Compared with Six Months Ended June 30, 2021

Expense increased $51 million from the six months ended June 30, 2021, largely driven by higher volume-related expense, partially offset by lower employee compensation and benefits expense and lower general and administration expense, including the impact of product launch costs incurred during the six months ended June 30, 2021.

Employee compensation and benefits expense decreased $45 million from the six months ended June 30, 2021, reflecting lower incentive compensation due to lower operating income and performance fees, and lower deferred compensation driven in part by the lower mark-to-market impact of certain deferred cash compensation programs, partially offset by higher base compensation.

General and administration expense decreased $20 million from the six months ended June 30, 2021, primarily driven by $178 million of product launch costs incurred during the six months ended June 30, 2021, partially offset by higher technology expense and higher marketing and promotional expense, resulting from higher travel and entertainment expense. General and administration expense also reflected higher occupancy and office related expense, including $27 million of Lease cost – Hudson Yards described above.

Nonoperating Results

The summary of nonoperating income (expense), less net income (loss) attributable to NCI for the three and six months ended June 30, 2022 and 2021 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Nonoperating income (expense), GAAP basis	$ (347)	$ 270	$ (485)	$ 316
Less: Net income (loss) attributable to NCI	(114)	169	(187)	243
Nonoperating income (expense), net of NCI[1][2]	$ (233)	$ 101	$ (298)	$ 73

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2022**	**2021**	**2022**	**2021**
Net gain (loss) on investments[1][2]				
Private equity	$ (8)	$ 66	$ 2	$ 88
Real assets	1	3	14	6
Other alternatives[3]	(5)	17	(1)	30
Other investments[4]	(112)	48	(187)	45
Subtotal	(124)	134	(172)	169
Other gains (losses)[5]	(76)	11	(57)	(16)
Total net gain (loss) on investments[1][2]	(200)	145	(229)	153
Interest and dividend income	21	8	39	27
Interest expense	(54)	(52)	(108)	(107)
Net interest expense	(33)	(44)	(69)	(80)
Nonoperating income (expense)[1]	$ (233)	$ 101	$ (298)	$ 73

(1) Net of net income (loss) attributable to NCI.

(2) Management believes nonoperating income (expense), less net income (loss) attributable to NCI, is an effective measure for reviewing BlackRock's nonoperating results, which ultimately impacts BlackRock's book value. See *Non-GAAP Financial Measures* for further information on other non-GAAP financial measures for the three and six months ended June 30, 2022 and 2021.

(3) Amounts primarily include net gains (losses) related to credit funds, direct hedge fund strategies and hedge fund solutions.

(4) Amounts primarily include mark-to-market net gains (losses) related to unhedged equity, fixed income and multi-asset seed investments.

(5) Amounts primarily include noncash pre-tax gains (losses) related to the revaluation of certain minority investments.

Income Tax Expense

	GAAP				As Adjusted			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2022	2021	2022	2021	2022	2021	2022	2021
Operating income[1]	$ 1,668	$ 1,931	$ 3,432	$ 3,476	$ 1,727	$ 2,016	$ 3,549	$ 3,615
Total nonoperating income (expense)[1][2]	$ (233)	$ 101	$ (298)	$ 73	$ (233)	$ 101	$ (298)	$ 73
Income before income taxes	$ 1,435	$ 2,032	$ 3,134	$ 3,549	$ 1,494	$ 2,117	$ 3,251	$ 3,688
Income tax expense	$ 358	$ 654	$ 621	$ 972	$ 372	$ 503	$ 667	$ 834
Effective tax rate	*24.9%*	*32.2%*	*19.8%*	*27.4%*	*24.9%*	*23.8%*	*20.5%*	*22.6%*

(1) As adjusted items are described in more detail in *Non-GAAP Financial Measures.* Beginning in the first quarter of 2022, BlackRock updated the definitions of operating income, as adjusted, operating margin, as adjusted, and net income attributable to BlackRock, Inc., as adjusted, to include new adjustments. Such measures have been recast for 2021 to reflect the inclusion of such new adjustments. For further information, refer to the Current Report on Form 8-K furnished on April 13, 2022.
(2) Net of net income (loss) attributable to NCI.

2022. Income tax expense for the six months ended June 30, 2022 included $133 million of discrete tax benefits related to stock-based compensation awards that vested in the first quarter and the resolution of certain outstanding tax matters. In addition, GAAP income tax expense for the six months ended June 30, 2022 included $18 million of net noncash tax benefit related to the revaluation of certain deferred income tax liabilities, which was excluded from our as adjusted results, as it will not have a cash flow impact and to ensure comparability among periods presented.

2021. Income tax expense for the three and six months ended June 30, 2021 included $171 million of noncash net expense related to the revaluation of certain deferred tax assets and liabilities as a result of legislation enacted in the United Kingdom increasing its corporate tax rate, which was excluded from our as adjusted results, as it will not have a cash flow impact and to ensure comparability among periods presented. Income tax expense for the six months ended June 30, 2021 also reflected $39 million of discrete tax benefits related to stock-based compensation awards that vested in the first quarter of 2021.

STATEMENT OF FINANCIAL CONDITION OVERVIEW

As Adjusted Statement of Financial Condition

The following table presents a reconciliation of the condensed consolidated statement of financial condition presented on a GAAP basis to the condensed consolidated statement of financial condition, excluding the impact of separate account assets and separate account collateral held under securities lending agreements (directly related to lending separate account securities) and separate account liabilities and separate account collateral liabilities under securities lending agreements and consolidated sponsored investment products.

The Company presents the as adjusted statement of financial condition as additional information to enable investors to exclude certain assets that have equal and offsetting liabilities or NCI that ultimately do not have an impact on stockholders' equity or cash flows. Management views the as adjusted statement of financial condition, which contains non-GAAP financial measures, as an economic presentation of the Company's total assets and liabilities; however, it 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.

Separate Account Assets and Liabilities and Separate Account Collateral Held under Securities Lending Agreements

Separate account assets are maintained by BlackRock Life Limited, a wholly owned subsidiary of the Company that is a registered life insurance company in the UK, and represent segregated assets held for purposes of funding individual and group pension contracts. The Company records equal and offsetting separate account liabilities. The separate account assets are not available to creditors of the Company and the holders of the pension contracts have no recourse to the Company's assets. The net investment income attributable to separate account assets accrues directly to the contract owners and is not reported on the condensed consolidated statements of income. While BlackRock has no economic interest in these assets or liabilities, BlackRock earns an investment advisory fee for the service of managing these assets on behalf of its clients.

In addition, the Company records on its condensed consolidated statements of financial condition the separate account collateral obtained under BlackRock Life Limited securities lending arrangements for which it has legal title as its own asset in addition to an equal and offsetting separate account collateral liability for the obligation to return the collateral. The collateral is not available to creditors of the Company, and the borrowers under the securities lending arrangements have no recourse to the Company's assets.

Consolidated Sponsored Investment Products

The Company consolidates certain sponsored investment products accounted for as variable interest entities ("VIEs") and voting rights entities ("VREs") (collectively, "CIPs"). See Note 2, *Significant Accounting Policies*, in the notes to the consolidated financial statements contained in the 2021 Form 10-K for more information on the Company's consolidation policy.

The Company cannot readily access cash and cash equivalents or other assets held by CIPs to use in its operating activities. In addition, the Company cannot readily sell investments held by CIPs in order to obtain cash for use in the Company's operations.

	June 30, 2022			
(in millions)	GAAP Basis	Separate Account Assets/ Collateral[1]	CIPs[2]	As Adjusted
Assets				
Cash and cash equivalents	$ 6,481	$ —	$ 318	$ 6,163
Accounts receivable	3,471	—	—	3,471
Investments	7,302	—	1,252	6,050
Separate account assets and collateral held under securities lending agreements	68,548	68,548	—	—
Operating lease right-of-use assets	1,543	—	—	1,543
Other assets[3]	4,898	—	86	4,812
Subtotal	92,243	68,548	1,656	22,039
Goodwill and intangible assets, net	33,723	—	—	33,723
Total assets	$ 125,966	$ 68,548	$ 1,656	$ 55,762
Liabilities				
Accrued compensation and benefits	$ 1,408	$ —	$ —	$ 1,408
Accounts payable and accrued liabilities	1,324	—	—	1,324
Borrowings	6,635	—	—	6,635
Separate account liabilities and collateral liabilities under securities lending agreements	68,548	68,548	—	—
Deferred income tax liabilities[4]	2,801	—	—	2,801
Operating lease liabilities	1,815	—	—	1,815
Other liabilities	5,130	—	507	4,623
Total liabilities	87,661	68,548	507	18,606
Equity				
Total BlackRock, Inc. stockholders' equity	37,089	—	—	37,089
Noncontrolling interests	1,216	—	1,149	67
Total equity	38,305	—	1,149	37,156
Total liabilities and equity	$ 125,966	$ 68,548	$ 1,656	$ 55,762

(1) Amounts represent segregated client assets and related liabilities, in which BlackRock has no economic interest. BlackRock earns an investment advisory fee for the service of managing these assets on behalf of its clients.
(2) Amounts represent the impact of consolidating CIPs.
(3) Amount includes property and equipment and other assets.
(4) Amount includes approximately $4.4 billion of deferred income tax liabilities related to goodwill and intangibles.

The following discussion summarizes the significant changes in assets and liabilities on a GAAP basis. Please see the condensed consolidated statements of financial condition as of June 30, 2022 and December 31, 2021 contained in Part I, Item 1 of this filing. The discussion does not include changes related to assets and liabilities that are equal and offsetting and have no impact on BlackRock's stockholders' equity.

Assets. Cash and cash equivalents at June 30, 2022 and December 31, 2021 included $318 million and $308 million, respectively, of cash held by CIPs (see *Liquidity and Capital Resources* for details on the change in cash and cash equivalents during the six months ended June 30, 2022).

Accounts receivable at June 30, 2022 decreased $318 million from December 31, 2021, primarily due to lower base and performance fee receivables, partially offset by an increase in technology services receivables. Investments, including the impact held by CIPs, increased $40 million from December 31, 2021 (for more information see *Investments* herein). Goodwill and intangible assets decreased $81 million from December 31, 2021, primarily due to amortization of intangible assets. Other assets increased $1.4 billion from December 31, 2021, primarily related to an increase in unit trust receivables (substantially offset by an increase in unit trust payables recorded within other liabilities).

Liabilities. Accrued compensation and benefits at June 30, 2022 decreased $1.5 billion from December 31, 2021, primarily due to 2021 incentive compensation cash payments in the first quarter of 2022, partially offset by 2022 incentive compensation accruals. Accounts payable and accrued liabilities at June 30, 2022 decreased $73 million from December 31, 2021. Borrowings at June 30, 2022 decreased $811 million from December 31, 2021, primarily due to repayments of borrowings of $750 million. Other liabilities increased $1.1 billion from December 31, 2021, primarily due to higher unit trust payables (substantially offset by an increase in unit trust receivables recorded within other assets), and higher other liabilities held by CIPs, including deferred carried interest liabilities. Net deferred income tax liabilities at June 30, 2022 increased $43 million from December 31, 2021, primarily due to the effects of temporary differences associated with stock-based compensation partially offset by unrealized investment losses.

Investments

The Company's investments were $7.3 billion at both June 30, 2022 and December 31, 2021. Investments include CIPs accounted for as VIEs and VREs. Management reviews BlackRock's investments on an "economic" basis, which eliminates the portion of investments that does not impact BlackRock's book value or net income attributable to BlackRock. 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.

The Company presents investments, as adjusted, to enable investors to understand the portion of investments that is owned by the Company, net of NCI, as a gauge to measure the impact of changes in net nonoperating income (expense) on investments to net income (loss) attributable to BlackRock.

The Company further presents net "economic" investment exposure, net of hedged investments, to reflect another helpful measure for investors. The impact of certain investments is substantially mitigated by swap hedges. Carried interest capital allocations are excluded as there is no impact to BlackRock's stockholders' equity until such amounts are realized as performance fees. Finally, the Company's regulatory investment in Federal Reserve Bank stock, which is not subject to market or interest rate risk, is excluded from the Company's net economic investment exposure.

(in millions)	June 30, 2022	December 31, 2021
Investments, GAAP	**$ 7,302**	**$ 7,262**
Investments held by CIPs	(4,554)	(4,623)
Net interest in CIPs(1)	3,302	3,391
Investments, as adjusted	**6,050**	**6,030**
Federal Reserve Bank stock	(90)	(96)
Hedged investments	(651)	(720)
Carried interest	(1,644)	(1,555)
Total "economic" investment exposure(2)	**$ 3,665**	**$ 3,659**

(1) Amounts included $1.6 billion and $1.5 billion of carried interest (VIEs) as of June 30, 2022 and December 31, 2021, respectively, which has no impact on the Company's "economic" investment exposure.
(2) Amounts exclude investments in strategic minority investments included in other assets on the condensed consolidated statements of financial condition.

The following table represents the carrying value of the Company's economic investment exposure, by asset type, at June 30, 2022 and December 31, 2021:

(in millions)	June 30, 2022	December 31, 2021
Equity[1]	$ 1,252	$ 1,352
Fixed income[2]	602	600
Multi-asset[3]	107	125
Alternatives:		
Private equity	980	960
Real assets	312	279
Other alternatives[4]	412	343
Alternatives subtotal	1,704	1,582
Total "economic" investment exposure	**$ 3,665**	**$ 3,659**

(1) Equity includes unhedged seed investments in equity mutual funds/strategies and equity securities.
(2) Fixed income includes unhedged seed investments in fixed income mutual funds/strategies, bank loans and UK government securities, primarily held for regulatory purposes.
(3) Multi-asset includes unhedged seed investments in multi-asset mutual funds/strategies.
(4) Other alternatives primarily include co-investments in direct hedge fund strategies and hedge fund solutions.

As adjusted investment activity for the six months ended June 30, 2022 was as follows:

(in millions)	Six Months Ended June 30, 2022
Investments, as adjusted, beginning balance	**$ 6,030**
Purchases/capital contributions	702
Sales/maturities	(320)
Distributions[1]	(78)
Market appreciation(depreciation)/earnings from equity method investments	(291)
Carried interest capital allocations/(distributions)	89
Other[2]	(82)
Investments, as adjusted, ending balance	**$ 6,050**

(1) Amount includes distributions representing return of capital and return on investments.
(2) Amount includes the impact of foreign exchange movements.

LIQUIDITY AND CAPITAL RESOURCES

BlackRock Cash Flows Excluding the Impact of CIPs

The condensed consolidated statements of cash flows include the cash flows of the CIPs. The Company uses an adjusted cash flow statement, which excludes the impact of CIPs, as a supplemental non-GAAP measure to assess liquidity and capital requirements. The Company believes that its cash flows, excluding the impact of the CIPs, provide investors with useful information on the cash flows of BlackRock relating to its 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 flows presented in accordance with GAAP.

The following table presents a reconciliation of the condensed consolidated statements of cash flows presented on a GAAP basis to the condensed consolidated statements of cash flows, excluding the impact of the cash flows of CIPs:

(in millions)	GAAP Basis	Impact on Cash Flows of CIPs	Cash Flows Excluding Impact of CIPs
Cash, cash equivalents and restricted cash, December 31, 2021	**$ 9,340**	**$ 308**	**$ 9,032**
Net cash provided by/(used in) operating activities	1,223	(415)	1,638
Net cash provided by/(used in) investing activities	(500)	(5)	(495)
Net cash provided by/(used in) financing activities	(3,272)	430	(3,702)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(293)	—	(293)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(2,842)	10	(2,852)
Cash, cash equivalents and restricted cash, June 30, 2022	**$ 6,498**	**$ 318**	**$ 6,180**

Sources of BlackRock's operating cash primarily include base fees and securities lending revenue, performance fees, technology services revenue, advisory and other revenue and distribution fees. BlackRock uses its cash to pay all operating expenses, interest and principal on borrowings, income taxes, dividends on BlackRock's capital stock, repurchases of the Company's stock, acquisitions, capital expenditures and purchases of co-investments and seed investments.

For details of the Company's GAAP cash flows from operating, investing and financing activities, see the condensed consolidated statements of cash flows contained in Part I, Item 1 of this filing.

Cash flows provided by/(used in) operating activities, excluding the impact of CIPs, primarily include the receipt of base fees, securities lending revenue, performance fees and technology services revenue, offset by the payment of operating expenses incurred in the normal course of business, including year-end incentive and deferred compensation accrued during prior years, and income tax payments.

Cash flows used in investing activities, excluding the impact of CIPs, for the six months ended June 30, 2022 were $495 million and primarily reflected $266 million of net investment purchases and $263 million of purchases of property and equipment.

Cash flows used in financing activities, excluding the impact of CIPs, for the six months ended June 30, 2022 were $3.7 billion, primarily resulting from $1.5 billion of cash dividend payments, $1.4 billion of share repurchases, including $1 billion in open market transactions and $0.4 billion of employee tax withholdings related to employee stock transactions, and $0.8 billion of repayments of borrowings.

The Company manages its financial condition and funding to maintain appropriate liquidity for the business. Management believes that the Company's liquid assets, continuing cash flows from operations, borrowing capacity under the Company's existing revolving credit facility and uncommitted commercial paper private placement program, provide sufficient resources to meet the Company's short-term and long-term cash needs, including operating, debt and other obligations as they come due and anticipated future capital requirements. Liquidity resources at June 30, 2022 and December 31, 2021 were as follows:

(in millions)	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 6,481	$ 9,323
Cash and cash equivalents held by CIPs(1)	(318)	(308)
Subtotal(2)	6,163	9,015
Credit facility – undrawn	4,700	4,400
Total liquidity resources	$ 10,863	$ 13,415

(1) The Company cannot readily access such cash and cash equivalents to use in its operating activities.

(2) The percentage of cash and cash equivalents held by the Company's US subsidiaries was approximately 45% and 50% at June 30, 2022 and December 31, 2021, respectively. See *Net Capital Requirements* herein for more information on net capital requirements in certain regulated subsidiaries.

Total liquidity resources decreased $2.6 billion during the six months ended June 30, 2022, primarily reflecting cash payments of 2021 year-end incentive awards, cash dividend payments of $1.5 billion, share repurchases of $1.4 billion and $0.8 billion of repayments of borrowings, partially offset by cash flows from other operating activities and a $300 million increase in the aggregate commitment amount under the credit facility.

A significant portion of the Company's $6.1 billion of investments, as adjusted, is illiquid in nature and, as such, cannot be readily convertible to cash.

Share Repurchases. During the six months ended June 30, 2022, the Company repurchased approximately 1.4 million of common shares under the Company's existing share repurchase program for approximately $1 billion. At June 30, 2022, there were approximately 2.2 million shares still authorized to be repurchased under the program.

Net Capital Requirements. The Company is required to maintain net capital in certain regulated subsidiaries within a number of jurisdictions, which is partially maintained by retaining cash and cash equivalent investments in those subsidiaries or jurisdictions. As a result, such subsidiaries of the Company may be restricted in their ability to transfer cash between different jurisdictions and to their parents. Additionally, transfers of cash between international jurisdictions may have adverse tax consequences that could discourage such transfers.

BlackRock Institutional Trust Company, N.A. ("BTC") is chartered as a national bank that does not accept deposits or make commercial loans and whose powers are limited to trust and other fiduciary activities. BTC provides investment management and other fiduciary services, including investment advisory and securities lending agency services, to institutional clients. BTC is subject to regulatory capital and liquid asset requirements administered by the US Office of the Comptroller of the Currency.

At June 30, 2022 and December 31, 2021, the Company was required to maintain approximately $2.2 billion and $2.3 billion in net capital in certain regulated subsidiaries, including BTC, entities regulated by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom, and the Company's broker-dealers. The Company was in compliance with all applicable regulatory net capital requirements.

Borrowings

2022 Revolving Credit Facility. Since 2011, the Company has maintained an unsecured revolving credit facility which is available for working capital and general corporate purposes (the "2022 credit facility"). In March 2022, the 2022 credit facility was amended to, among other things, (i) increase the aggregate commitment amount by $300 million to $4.7 billion, (ii) extend the maturity date to March 2027, (iii) change the rate for borrowings denominated in US dollars from a rate based on the London Interbank Offered Rate ("LIBOR") to a rate based on the secured overnight financing rate ("SOFR") subject to certain adjustments and (iv) raise and/or add certain specified targets for the sustainability-linked pricing mechanics. The 2022 credit facility permits the Company to request up to an additional $1.0 billion of borrowing capacity, subject to lender credit approval, which could increase the overall size of the 2022 credit facility to an aggregate principal amount of up to $5.7 billion. The 2022 credit 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 unrestricted cash) of 3 to 1, which was satisfied with a ratio of less than 1 to 1 at June 30, 2022. At June 30, 2022, the Company had no amount outstanding under the 2022 credit facility.

Commercial Paper Program. The Company can issue unsecured commercial paper notes (the "CP Notes") on a private-placement basis up to a maximum aggregate amount outstanding at any time of $4 billion. The commercial paper program is currently supported by the 2022 credit facility. At June 30, 2022, BlackRock had no CP Notes outstanding.

Long-term Notes. At June 30, 2022, the principal amount of long-term notes outstanding was $6.7 billion. See Note 15, *Borrowings*, in the 2021 Form 10-K for more information on overall borrowings outstanding as of December 31, 2021.

In June 2022, the Company fully repaid $750 million of 3.375% notes at maturity.

During the six months ended June 30, 2022, the Company paid approximately $95 million of interest on long-term notes. Future principal repayments and interest requirements at June 30, 2022 were as follows:

(in millions)

Year	Principal	Interest	Total Payments
Remainder of 2022	$ —	$ 79	$ 79
2023	—	168	168
2024	1,000	151	1,151
2025[1]	732	133	865
2026	—	124	124
2027	700	113	813
Thereafter	4,250	286	4,536
Total	$ 6,682	$ 1,054	$ 7,736

(1) The carrying value of the 2025 Notes is calculated using the EUR/USD foreign exchange rate as of June 30, 2022.

Commitments and Contingencies

Investment Commitments. At June 30, 2022, the Company had $806 million of various capital commitments to fund sponsored investment products, including CIPs. These products include various illiquid alternative products, including private equity funds and real assets funds and opportunistic funds. This amount excludes additional commitments made by consolidated funds of funds to underlying third-party funds as third-party noncontrolling interest holders have the legal obligation to fund the respective commitments of such funds of funds. Generally, the timing of the funding of these commitments is unknown and the commitments are callable on demand at any time prior to the expiration of the commitment. These unfunded commitments are not recorded on the condensed consolidated statements of financial condition. These commitments do not include potential future commitments approved by the Company that are not yet legally binding. The Company intends to make additional capital commitments from time to time to fund additional investment products for, and with, its clients.

Critical Accounting Policies And Estimates

The preparation of 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 revenue and expense during the reporting periods. Actual results could differ significantly from those estimates. These estimates, judgments and assumptions are affected by the Company's application of accounting policies. Management considers the following accounting policies and estimates critical to understanding the condensed consolidated financial statements. These policies and estimates are considered critical because they had a material impact, or are reasonably likely to have a material impact on the Company's condensed consolidated financial statements and because they require management to make significant judgments, assumptions or estimates. For a summary of these and additional accounting policies, see Note 2, *Significant Accounting Policies*, in the notes to the condensed consolidated financial statements. In addition, see *Critical Accounting Policies and Estimates* in Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 2, *Significant Accounting Policies*, in the 2021 Form 10-K for further information.

Consolidation. The Company consolidates entities in which the Company has a controlling financial interest. The company has a controlling financial interest when it owns a majority of the VRE or is a primary beneficiary ("PB") of a VIE. Assessing whether an entity is a VIE or a VRE involves judgment and analysis on a structure-by-structure basis. Factors considered in this assessment include the entity's legal organization, the entity's capital structure and equity ownership, the rights of equity investment holders, the Company's contractual involvement with and economic interest in the entity and any related party or de facto agent implications of the Company's involvement with the entity. Entities that are determined to be VREs are consolidated if the Company can exert control over the financial and operating policies of the investee, which generally exists if there is greater than 50% voting interest. Entities that are determined to be VIEs are consolidated if the Company is the PB of the entity. BlackRock is deemed to be the PB of a VIE if it a) has the power to direct the activities that most significantly impact the entity's economic performance and b) has the obligation to absorb losses or the right to receive benefits that potentially could be significant to the VIE. There is judgment involved in assessing whether the Company is the PB of a VIE. In addition, the Company's ownership interest in VIEs is subject to variability and is impacted by actions of other investors such as on-going redemptions and contributions. The Company generally consolidates VIEs in which it holds an economic interest of 10% or greater and deconsolidates such VIEs once equity ownership falls below 10%. As of June 30, 2022, the Company was deemed to be the PB of 80 VIEs. See Note 6, *Consolidated Sponsored Investment Products*, in the notes to the condensed consolidated financial statements for more information.

Fair Value Measurements. The Company's assessment of the significance of a particular input to the fair value measurement according to the fair value hierarchy (i.e., Level 1, 2 and 3 inputs, as defined) in its entirety requires judgment and considers factors specific to the financial instrument. See Note 2, *Significant Accounting Policies*, and Note 8, *Fair Value Disclosures*, in the notes to the condensed consolidated financial statements for more information on fair value measurements.

Investment Advisory Performance Fees / Carried Interest. The Company receives investment advisory performance fees, including incentive allocations (carried interest) from certain actively managed investment funds and certain SMAs. These performance fees are dependent upon exceeding specified relative or absolute investment return thresholds, which vary by product or account, and include monthly, quarterly, annual or longer measurement periods.

Performance fees, including carried interest, are recognized when it is determined that they are no longer probable of significant reversal (such as upon the sale of a fund's investment or when the investment performance exceeds a contractual threshold at the end of a specified measurement period). Given the unique nature of each fee arrangement, contracts with customers are evaluated on an individual basis to determine the timing of revenue recognition. Significant judgment is involved in making such determination. Performance fees typically arise from investment management services that began in prior reporting periods. Consequently, a portion of the fees the Company recognizes may be partially related to the services performed in prior periods that meet the recognition criteria in the current period. At each reporting date, the Company considers various factors in estimating performance fees to be recognized, including carried interest. These factors include but are not limited to whether: (1) the amounts are dependent on the financial markets and, thus, are highly susceptible to factors outside the Company's influence; (2) the ultimate payments have a large number and a broad range of possible amounts; and (3) the funds or SMAs have the ability to a) invest or reinvest their sales proceeds or b) distribute their sales proceeds and determine the timing of such distributions.

The Company is allocated/distributed carried interest from certain alternative investment products upon exceeding performance thresholds. The Company may be required to reverse/return all, or part, of such carried interest allocations/distributions depending upon future performance of these products. Carried interest subject to such clawback provisions is recorded in investments or cash and cash equivalents to the extent that it is distributed, on its condensed consolidated statements of financial condition. The Company records a liability for deferred carried interest to the extent it receives cash or capital allocations related to carried interest prior to meeting the revenue recognition criteria. At June 30, 2022 and December 31, 2021, the Company had $1.6 billion and $1.5 billion, respectively, of deferred carried interest recorded in other liabilities on the condensed consolidated statements of financial condition. A portion of the deferred carried interest may also be paid to certain employees. The ultimate timing of the recognition of performance fee revenue and related compensation expense, if any, is unknown. See Note 16*, Revenue,* in the notes to the condensed consolidated financial statements for detailed changes in the deferred carried interest liability balance for the three and six months ended June 30, 2022 and 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

AUM Market Price Risk. BlackRock's investment advisory and administration fees 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 June 30, 2022, the majority of the Company's investment advisory and administration fees were based on average or period end AUM of the applicable investment 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.

Corporate Investments Portfolio Risks. 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 investments be reviewed by certain 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.

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 assets, private equity and hedge funds. Investments generally are made for co-investment purposes, to establish a performance track record or for regulatory purposes. Currently, the Company has a seed capital hedging program in which it enters into swaps to hedge market and interest rate exposure to certain investments. At June 30, 2022, the Company had outstanding total return swaps with an aggregate notional value of approximately $651 million.

At June 30, 2022, approximately $4.6 billion of BlackRock's investments were maintained in consolidated sponsored investment products accounted for as variable interest entities or voting rights entities. Excluding the impact of the Federal Reserve Bank stock, carried interest and certain investments that are hedged via the seed capital hedging program, the Company's economic exposure to its investment portfolio is $3.7 billion. See *Statement of Financial Condition Overview-Investments* in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations for further information on the Company's investments.

Equity Market Price Risk. At June 30, 2022, the Company's net exposure to equity market price risk in its investment portfolio was approximately $1.9 billion of the Company's total economic investment exposure. Investments subject to market price risk include private equity and real assets investments, hedge funds and funds of funds as well as mutual funds. The Company estimates that a hypothetical 10% adverse change in market prices would result in a decrease of approximately $189 million in the carrying value of such investments.

Interest Rate/Credit Spread Risk. At June 30, 2022, the Company was exposed to interest rate risk and credit spread risk as a result of approximately $1.8 billion 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 $34 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 total economic investment exposure denominated in foreign currencies, primarily the British pound and Euro, was $190 million at June 30, 2022. A 10% adverse change in the applicable foreign exchange rates would result in approximately a $79 million decline in the carrying value of such investments.

Other Market Risks. The Company executes forward foreign currency exchange contracts to mitigate the risk of certain foreign exchange risk movements. At June 30, 2022, the Company had outstanding forward foreign currency exchange contracts with an aggregate notional value of approximately $1.7 billion.

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) as of the end of the period covered by this quarterly report on Form 10-Q. Based on this evaluation, BlackRock's Chief Executive Officer and Chief Financial Officer have concluded that BlackRock's disclosure controls and procedures were effective.

Internal Control over Financial Reporting. There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2022 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of the Company's legal proceedings, see Note 15, *Commitments and Contingencies*, in the notes to the condensed consolidated financial statements of this Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this report, the risks discussed in BlackRock's Annual Report on Form 10-K for the year ended December 31, 2021 could materially affect our business, financial condition, operating results and nonoperating results.

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

During the three months ended June 30, 2022, the Company made the following purchases of its common stock, which is registered pursuant to Section 12(b) of the Exchange Act.

	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2022 through April 30, 2022	244,499	$ 673.67	240,693	2,751,725
May 1, 2022 through May 31, 2022	501,929	$ 618.71	499,140	2,252,585
June 1, 2022 through June 30, 2022	47,502	$ 675.22	43,940	2,208,645
Total	793,930	$ 639.02	783,773	

(1) Consists of purchases made by the Company primarily to satisfy income tax withholding obligations of employees and members of the Company's Board of Directors related to the vesting of certain restricted stock or restricted stock unit awards and purchases made by the Company as part of the publicly announced share repurchase program.

Item 6. Exhibits

Exhibit No.	Description
10.1(1)	Amendment No. 12, dated as of March 31, 2022, by and among BlackRock, Inc., certain of its subsidiaries, Wells Fargo Bank, National Association, as administrative agent, a swingline lender, an issuing lender, L/C agent and a lender, and the banks and other financial institutions referred to therein.
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
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Incorporated by reference to BlackRock's Current Report on Form 8-K filed on April 1, 2022.

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)

By: /s/ Gary S. Shedlin
Gary S. Shedlin
Senior Managing Director &
Chief Financial Officer
(Principal Financial Officer)

Date: August 5, 2022

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 June 30, 2022 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 functions):
   (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: August 5, 2022

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

Exhibit 31.2

CFO CERTIFICATION

I, Gary S. Shedlin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, for the period ended June 30, 2022 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 functions):
   (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: August 5, 2022

By: /s/ Gary S. Shedlin
Gary S. Shedlin
Senior Managing Director & Chief Financial Officer

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 June 30, 2022 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 Gary S. Shedlin, 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: Chairman & Chief Executive Officer
Date: August 5, 2022

/s/ Gary S. Shedlin
Name: Gary S. Shedlin
Title: Senior Managing Director & Chief Financial Officer
Date: August 5, 2022