

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 14, 2021

BLACKROCK, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

001-33099
(Commission
File Number)

32-0174431
(IRS Employer
Identification No.)

55 East 52nd Street, New York, New York
(Address of principal executive offices)

10055
(Zip Code)

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

(Former name or former address, 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 |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition

On January 14, 2021, BlackRock, Inc. (the "Company") reported results of operations for the three months and year ended December 31, 2020. A copy of the earnings release issued by the Company is attached as Exhibit 99.1 to this Form 8-K.

Item 7.01. Regulation FD Disclosure

On January 14, 2021, the Company will hold an investor conference call and webcast to discuss the Company's earnings results for the three months and year ended December 31, 2020. A copy of supplemental materials used during the earnings call is furnished as Exhibit 99.2 to this Form 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- | | |
|------|---|
| 99.1 | Earnings release dated January 14, 2021 issued by the Company |
| 99.2 | Fourth Quarter 2020 Earnings – Earnings Release Supplement |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |
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EXHIBIT INDEX

| | |
|------|---|
| 99.1 | Earnings release dated January 14, 2021 issued by the Company |
| 99.2 | Fourth Quarter 2020 Earnings – Earnings Release Supplement |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

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 hereunto duly authorized.

BlackRock, Inc.
(Registrant)

Date: January 14, 2021

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



INVESTOR RELATIONS:
Samantha Tortora 212.810.5397

MEDIA RELATIONS:
Brian Beades 212.810.5596

BlackRock Reports Full Year 2020 Diluted EPS of \$31.85, or \$33.82 as adjusted Fourth Quarter 2020 Diluted EPS of \$10.02, or \$10.18 as adjusted

New York, January 14, 2021 – BlackRock, Inc. (NYSE: BLK) today reported financial results for the three months and year ended December 31, 2020.

\$391 billion of full year total net inflows, reflects 5% organic asset growth and 7% organic base fee growth, led by record flows in cash, active equity and alternatives and continued momentum in fixed income

\$127 billion of quarterly total net inflows, positive across investment style, product type and region, driven by strength in *iShares*® and active strategies

11% increase in full year revenue reflects strong organic growth, record performance fees and 17% growth in technology services revenue

Increases in full year GAAP operating income and diluted EPS impacted by previously announced \$589 million pre-tax charitable contribution, which has been excluded from as adjusted results

3% growth in full year operating income (13% as adjusted)

12% increase in full year diluted EPS (19% as adjusted) also reflects higher nonoperating income and a lower diluted share count in the current year

\$3.8 billion returned to shareholders in 2020, including \$1.5 billion of share repurchases

Laurence D. Fink, Chairman and CEO:

“The world faced unprecedented challenges in 2020 - many of which continue today. Through it all, BlackRock remained steadfast in meeting the needs of all our stakeholders. We stayed true to our purpose and used our voice and values to advocate on behalf of the institutions and individuals we help to meet their investment and savings goals, and to be a positive force in the communities where we operate.

“For decades, we’ve built our platform, strategy and culture around staying in front of clients’ needs, and this approach was proven out during 2020. BlackRock generated \$391 billion of total net inflows and we ended the year with strong momentum, evidenced by a record 13% annualized organic base fee growth in the fourth quarter. In addition, our ability to deliver global insights, strategic advice and comprehensive solutions to clients, no matter the market environment, drove positive flows across every asset class, investment style and region.

“Our strategic areas of investment flourished in 2020 as we saw record client demand for active equity, sustainable, cash and alternative investment strategies, generated \$185 billion of net inflows into *iShares* ETFs and surpassed \$1 billion in technology services revenue. BlackRock’s continued investment in building a multi-faceted investment platform with integrated technology, data and risk management, scale, global reach and interconnectivity enables us to deliver strong and consistent investment performance and more stable outcomes for our clients.

“We begin 2021 well-positioned and intend to keep investing in our business to drive long-term growth and to lead the evolution of the asset management industry. In doing so, we remain committed to help millions of people build savings throughout their lives, make investing easier and more affordable, advance sustainable investing, and contribute to a more resilient economy that benefits more people.”

FINANCIAL RESULTS

| (in millions, except per share data) | Q4 | | Full Year | |
|---|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| AUM | \$ 8,676,680 | \$ 7,429,633 | \$ 8,676,680 | \$ 7,429,633 |
| % change | 17% | | 17% | |
| Average AUM | \$ 8,154,225 | \$ 7,191,159 | \$ 7,549,103 | \$ 6,750,119 |
| % change | 13% | | 12% | |
| Total net flows | \$ 126,933 | \$ 128,839 | \$ 390,838 | \$ 428,736 |
| GAAP basis: | | | | |
| Revenue | \$ 4,478 | \$ 3,977 | \$ 16,205 | \$ 14,539 |
| % change | 13% | | 11% | |
| Operating income | \$ 1,848 | \$ 1,538 | \$ 5,695 | \$ 5,551 |
| % change | 20% | | 3% | |
| Operating margin | 41.3% | 38.7% | 35.1% | 38.2% |
| Net income ⁽¹⁾ | \$ 1,548 | \$ 1,301 | \$ 4,932 | \$ 4,476 |
| % change | 19% | | 10% | |
| Diluted EPS | \$ 10.02 | \$ 8.29 | \$ 31.85 | \$ 28.43 |
| % change | 21% | | 12% | |
| Weighted-average diluted shares | 154.5 | 156.9 | 154.8 | 157.5 |
| % change | (2)% | | (2)% | |
| As Adjusted: | | | | |
| Operating income ⁽²⁾ | \$ 1,848 | \$ 1,538 | \$ 6,284 | \$ 5,551 |
| % change | 20% | | 13% | |
| Operating margin ⁽²⁾ | 46.6% | 43.5% | 44.9% | 43.7% |
| Net income ⁽¹⁾⁽²⁾ | \$ 1,573 | \$ 1,309 | \$ 5,237 | \$ 4,484 |
| % change | 20% | | 17% | |
| Diluted EPS ⁽²⁾ | \$ 10.18 | \$ 8.34 | \$ 33.82 | \$ 28.48 |
| % change | 22% | | 19% | |

(1) Net income represents net income attributable to BlackRock, Inc.

(2) See notes (1) through (4) to the condensed consolidated statements of income and supplemental information on pages 10 and 11 for more information on as adjusted items and the reconciliation to GAAP.

NET FLOW HIGHLIGHTS

| (in billions) | Q4 2020 | | Full Year 2020 | |
|---------------------------|---------|-----|----------------|------|
| Long-term net flows: | \$ | 116 | \$ | 257 |
| By region: | | | | |
| Americas | \$ | 38 | \$ | 95 |
| EMEA | | 53 | | 97 |
| APAC | | 25 | | 65 |
| By client type: | | | | |
| Retail: | \$ | 35 | \$ | 70 |
| US | | 10 | | 25 |
| International | | 25 | | 45 |
| iShares: | \$ | 79 | \$ | 185 |
| Core | | 23 | | 45 |
| Non-Core | | 56 | | 140 |
| Institutional: | \$ | 2 | \$ | 3 |
| Active | | 1 | | 32 |
| Index | | 1 | | (29) |
| Cash management net flows | \$ | 9 | \$ | 113 |
| Advisory net flows | \$ | 2 | \$ | 20 |
| Total net flows | \$ | 127 | \$ | 391 |

BUSINESS RESULTS

| <i>(in millions), (unaudited)</i> | Q4 2020 Net flows | December 31, 2020 AUM | Q4 2020 Base fees(1) | December 31, 2020 AUM % of Total | Q4 2020 Base fees(1) % of Total |
|------------------------------------|----------------------|--------------------------|-------------------------|--|---------------------------------------|
| RESULTS BY CLIENT TYPE | | | | | |
| Retail | \$ 35,320 | \$ 845,917 | \$ 1,016 | 10% | 30% |
| <i>iShares</i> ETFs | 78,753 | 2,669,007 | 1,301 | 31% | 38% |
| Institutional: | | | | | |
| Active | 1,354 | 1,524,462 | 628 | 18% | 19% |
| Index | 770 | 2,948,683 | 251 | 33% | 7% |
| Total institutional | 2,124 | 4,473,145 | 879 | 51% | 26% |
| Long-term | 116,197 | 7,988,069 | 3,196 | 92% | 94% |
| Cash management | 8,944 | 666,252 | 197 | 8% | 6% |
| Advisory(2) | 1,792 | 22,359 | - | - | - |
| Total | \$ 126,933 | \$ 8,676,680 | \$ 3,393 | 100% | 100% |
| RESULTS BY INVESTMENT STYLE | | | | | |
| Active | \$ 31,061 | \$ 2,250,887 | \$ 1,622 | 26% | 48% |
| Index and <i>iShares</i> ETFs | 85,136 | 5,737,182 | 1,574 | 66% | 46% |
| Long-term | 116,197 | 7,988,069 | 3,196 | 92% | 94% |
| Cash management | 8,944 | 666,252 | 197 | 8% | 6% |
| Advisory(2) | 1,792 | 22,359 | - | - | - |
| Total | \$ 126,933 | \$ 8,676,680 | \$ 3,393 | 100% | 100% |
| RESULTS BY PRODUCT TYPE | | | | | |
| Equity | \$ 48,077 | \$ 4,419,806 | \$ 1,608 | 51% | 48% |
| Fixed income | 62,705 | 2,674,488 | 925 | 30% | 27% |
| Multi-asset | (402) | 658,733 | 311 | 8% | 9% |
| Alternatives | 5,817 | 235,042 | 352 | 3% | 10% |
| Long-term | 116,197 | 7,988,069 | 3,196 | 92% | 94% |
| Cash management | 8,944 | 666,252 | 197 | 8% | 6% |
| Advisory(2) | 1,792 | 22,359 | - | - | - |
| Total | \$ 126,933 | \$ 8,676,680 | \$ 3,393 | 100% | 100% |

(1) Base fees include investment advisory, administration fees and securities lending revenue.

(2) Approximately \$4.3 billion of *iShares* ETFs AUM held in advisory accounts associated with the Federal Reserve Bank of New York ("FRBNY") assignment as of December 31, 2020 (disclosed via FRBNY reporting as of January 11, 2021) are included within *iShares* ETFs AUM or Fixed Income AUM above. These holdings are excluded from Advisory AUM.

INVESTMENT PERFORMANCE AT DECEMBER 31, 2020(1)

| | One-year period | Three-year period | Five-year period |
|--|-----------------|-------------------|------------------|
| Fixed income: | | | |
| <i>Actively managed AUM above benchmark or peer median</i> | | | |
| Taxable | 86% | 87% | 88% |
| Tax-exempt | 36% | 56% | 78% |
| <i>Index AUM within or above applicable tolerance</i> | 87% | 96% | 95% |
| Equity: | | | |
| <i>Actively managed AUM above benchmark or peer median</i> | | | |
| Fundamental | 78% | 85% | 85% |
| Systematic | 61% | 46% | 88% |
| <i>Index AUM within or above applicable tolerance</i> | 92% | 98% | 99% |

(1) Past performance is not indicative of future results. The performance information shown is based on preliminary available data. Please refer to page 12 for performance disclosure detail.

CAPITAL MANAGEMENT

Subject to market conditions, we expect to seek Board approval later in January for an increase to our first quarter 2021 dividend.

TELECONFERENCE, WEBCAST AND PRESENTATION INFORMATION

Chairman and Chief Executive Officer, Laurence D. Fink, President, Robert S. Kapito, and Chief Financial Officer, Gary S. Shedlin, will host a teleconference call for investors and analysts on Thursday, January 14, 2021 at 8:30 a.m. (Eastern Time). Members of the public who are interested in participating in the teleconference should dial, from the United States, (800) 374-0176, or from outside the United States, (706) 679-8281, shortly before 8:30 a.m. and reference the BlackRock Conference Call (ID Number 8192056). A live, listen-only webcast will also be available via the investor relations section of www.blackrock.com.

Both the teleconference and webcast will be available for replay by 11:30 a.m. (Eastern Time) on Thursday, January 14, 2021 and ending at midnight on Thursday, January 28, 2021. To access the replay of the teleconference, callers from the United States should dial (855) 859-2056 and callers from outside the United States should dial (404) 537-3406 and enter the Conference ID Number 8192056. To access the webcast, please visit the investor relations section of www.blackrock.com.

ABOUT BLACKROCK

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, our clients turn to us for the solutions they need when planning for their most important goals. As of December 31, 2020, the firm managed approximately \$8.68 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit www.blackrock.com | Twitter: [@blackrock](https://twitter.com/blackrock) | LinkedIn: www.linkedin.com/company/blackrock.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION

(in millions, except shares and per share data), (unaudited)

| | Three Months | | | Three Months | | |
|--|-----------------|-----------------|---------------|-----------------|---------------|--------|
| | Ended | | | Ended | | |
| | December 31, | | | September 30, | | |
| | 2020 | 2019 | Change | 2020 | 2019 | Change |
| Revenue | | | | | | |
| Investment advisory, administration fees and securities lending revenue | \$ 3,393 | \$ 3,089 | \$ 304 | \$ 3,225 | \$ 168 | |
| Investment advisory performance fees | 419 | 239 | 180 | 532 | (113) | |
| Technology services revenue | 305 | 274 | 31 | 282 | 23 | |
| Distribution fees | 314 | 270 | 44 | 288 | 26 | |
| Advisory and other revenue | 47 | 105 | (58) | 42 | 5 | |
| Total revenue | <u>4,478</u> | <u>3,977</u> | <u>501</u> | <u>4,369</u> | <u>109</u> | |
| Expense | | | | | | |
| Employee compensation and benefits | 1,341 | 1,212 | 129 | 1,411 | (70) | |
| Distribution and servicing costs | 505 | 438 | 67 | 456 | 49 | |
| Direct fund expense | 283 | 245 | 38 | 257 | 26 | |
| General and administration | 474 | 515 | (41) | 461 | 13 | |
| Amortization of intangible assets | 27 | 29 | (2) | 27 | - | |
| Total expense | <u>2,630</u> | <u>2,439</u> | <u>191</u> | <u>2,612</u> | <u>18</u> | |
| Operating income | 1,848 | 1,538 | 310 | 1,757 | 91 | |
| Nonoperating income (expense) | | | | | | |
| Net gain (loss) on investments | 345 | 118 | 227 | 269 | 76 | |
| Interest and dividend income | 28 | 29 | (1) | 9 | 19 | |
| Interest expense | (54) | (51) | (3) | (54) | - | |
| Total nonoperating income (expense) | <u>319</u> | <u>96</u> | <u>223</u> | <u>224</u> | <u>95</u> | |
| Income before income taxes | 2,167 | 1,634 | 533 | 1,981 | 186 | |
| Income tax expense | 427 | 300 | 127 | 464 | (37) | |
| Net income | <u>1,740</u> | <u>1,334</u> | <u>406</u> | <u>1,517</u> | <u>223</u> | |
| Less: | | | | | | |
| Net income (loss) attributable to noncontrolling interests | 192 | 33 | 159 | 153 | 39 | |
| Net income attributable to BlackRock, Inc. | <u>\$ 1,548</u> | <u>\$ 1,301</u> | <u>\$ 247</u> | <u>\$ 1,364</u> | <u>\$ 184</u> | |
| Weighted-average common shares outstanding | | | | | | |
| Basic | 152,515,168 | 155,195,733 | (2,680,565) | 152,488,073 | 27,095 | |
| Diluted | 154,512,860 | 156,894,201 | (2,381,341) | 153,742,264 | 770,596 | |
| Earnings per share attributable to BlackRock, Inc. common stockholders (4) | | | | | | |
| Basic | \$ 10.15 | \$ 8.38 | \$ 1.77 | \$ 8.94 | \$ 1.21 | |
| Diluted | \$ 10.02 | \$ 8.29 | \$ 1.73 | \$ 8.87 | \$ 1.15 | |
| Cash dividends declared and paid per share | \$ 3.63 | \$ 3.30 | \$ 0.33 | \$ 3.63 | \$ - | |
| Supplemental information: | | | | | | |
| AUM (end of period) | \$ 8,676,680 | \$ 7,429,633 | \$ 1,247,047 | \$ 7,808,497 | \$ 868,183 | |
| Shares outstanding (end of period) | 152,532,885 | 155,198,968 | (2,666,083) | 152,496,403 | 36,482 | |
| GAAP: | | | | | | |
| Operating margin | 41.3% | 38.7% | 260bps | 40.2% | 110 bps | |
| Effective tax rate | 21.6% | 18.8% | 280bps | 25.4% | (380) bps | |
| As adjusted: | | | | | | |
| Operating income (1) | \$ 1,848 | \$ 1,538 | \$ 310 | \$ 1,757 | \$ 91 | |
| Operating margin (1) | 46.6% | 43.5% | 310bps | 47.0% | (40) bps | |
| Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests (2) | \$ 127 | \$ 63 | \$ 64 | \$ 71 | \$ 56 | |
| Net income attributable to BlackRock, Inc. (3) | \$ 1,573 | \$ 1,309 | \$ 264 | \$ 1,418 | \$ 155 | |
| Diluted earnings attributable to BlackRock, Inc. common stockholders per share (3) (4) | \$ 10.18 | \$ 8.34 | \$ 1.84 | \$ 9.22 | \$ 0.96 | |
| Effective tax rate | 20.3% | 18.3% | 200bps | 22.5% | (220) bps | |

See pages 10-11 for the reconciliation to GAAP and notes (1) through (4) for more information on as adjusted items.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION

(in millions, except shares and per share data), (unaudited)

| | Year Ended | | Change |
|--|-----------------|-----------------|----------------|
| | 2020 | 2019 | |
| Revenue | | | |
| Investment advisory, administration fees and securities lending revenue | \$ 12,639 | \$ 11,777 | \$ 862 |
| Investment advisory performance fees | 1,104 | 450 | 654 |
| Technology services revenue | 1,139 | 974 | 165 |
| Distribution fees | 1,131 | 1,069 | 62 |
| Advisory and other revenue | 192 | 269 | (77) |
| Total revenue | 16,205 | 14,539 | 1,666 |
| Expense | | | |
| Employee compensation and benefits | 5,041 | 4,470 | 571 |
| Distribution and servicing costs | 1,835 | 1,685 | 150 |
| Direct fund expense | 1,063 | 978 | 85 |
| General and administration | 2,465 | 1,758 | 707 |
| Amortization of intangible assets | 106 | 97 | 9 |
| Total expense | 10,510 | 8,988 | 1,522 |
| Operating income | 5,695 | 5,551 | 144 |
| Nonoperating income (expense) | | | |
| Net gain (loss) on investments | 972 | 342 | 630 |
| Interest and dividend income | 62 | 97 | (35) |
| Interest expense | (205) | (203) | (2) |
| Total nonoperating income (expense) | 829 | 236 | 593 |
| Income before income taxes | 6,524 | 5,787 | 737 |
| Income tax expense | 1,238 | 1,261 | (23) |
| Net income | 5,286 | 4,526 | 760 |
| Less: | | | |
| Net income (loss) attributable to noncontrolling interests | 354 | 50 | 304 |
| Net income attributable to BlackRock, Inc. | \$ 4,932 | \$ 4,476 | \$ 456 |
| Weighted-average common shares outstanding | | | |
| Basic | 153,489,422 | 156,014,343 | (2,524,921) |
| Diluted | 154,840,582 | 157,459,546 | (2,618,964) |
| Earnings per share attributable to BlackRock, Inc. common stockholders (4) | | | |
| Basic | \$ 32.13 | \$ 28.69 | \$ 3.44 |
| Diluted | \$ 31.85 | \$ 28.43 | \$ 3.42 |
| Cash dividends declared and paid per share | \$ 14.52 | \$ 13.20 | \$ 1.32 |
| Supplemental information: | | | |
| AUM (end of period) | \$ 8,676,680 | \$ 7,429,633 | \$ 1,247,047 |
| Shares outstanding (end of period) | 152,532,885 | 155,198,968 | (2,666,083) |
| GAAP: | | | |
| Operating margin | 35.1% | 38.2% | (310) bps |
| Effective tax rate | 20.1% | 22.0% | (190) bps |
| As adjusted: | | | |
| Operating income (1) | \$ 6,284 | \$ 5,551 | \$ 733 |
| Operating margin (1) | 44.9% | 43.7% | 120 bps |
| Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests (2) | \$ 353 | \$ 186 | \$ 167 |
| Net income attributable to BlackRock, Inc. (3) | \$ 5,237 | \$ 4,484 | \$ 753 |
| Diluted earnings attributable to BlackRock, Inc. common stockholders per share (3) (4) | \$ 33.82 | \$ 28.48 | \$ 5.34 |
| Effective tax rate | 21.1% | 21.9% | (80) bps |

See pages 10-11 for the reconciliation to GAAP and notes (1) through (4) for more information on as adjusted items.

ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

Current Quarter Component Changes by Client Type and Product Type

| | September 30, 2020 | Net inflows (outflows) | Market change | FX impact (1) | December 31, 2020 | Average AUM (2) |
|-------------------------------|-----------------------|------------------------------|-------------------|-------------------|----------------------|---------------------|
| Retail: | | | | | | |
| Equity | \$ 279,427 | \$ 16,096 | \$ 38,507 | \$ 4,404 | \$ 338,434 | \$ 301,962 |
| Fixed income | 316,008 | 14,221 | 6,516 | 3,723 | 340,468 | 327,194 |
| Multi-asset | 119,708 | 2,646 | 9,692 | 578 | 132,624 | 124,807 |
| Alternatives | 31,121 | 2,357 | 613 | 300 | 34,391 | 32,753 |
| Retail subtotal | 746,264 | 35,320 | 55,328 | 9,005 | 845,917 | 786,716 |
| iShares ETFs: | | | | | | |
| Equity | 1,586,849 | 65,257 | 244,237 | 8,758 | 1,905,101 | 1,711,641 |
| Fixed income | 662,999 | 13,535 | 8,763 | 4,736 | 690,033 | 675,835 |
| Multi-asset | 5,430 | 416 | 386 | 36 | 6,268 | 5,781 |
| Alternatives | 66,057 | (455) | 1,902 | 101 | 67,605 | 65,503 |
| iShares ETFs subtotal | 2,321,335 | 78,753 | 255,288 | 13,631 | 2,669,007 | 2,458,760 |
| Institutional: | | | | | | |
| Active: | | | | | | |
| Equity | 149,260 | (2,818) | 20,676 | 2,404 | 169,522 | 157,372 |
| Fixed income | 693,061 | 3,516 | 12,855 | 6,837 | 716,269 | 701,282 |
| Multi-asset | 464,242 | (2,572) | 40,628 | 8,944 | 511,242 | 481,142 |
| Alternatives | 120,559 | 3,228 | 1,872 | 1,770 | 127,429 | 122,911 |
| Active subtotal | 1,427,122 | 1,354 | 76,031 | 19,955 | 1,524,462 | 1,462,707 |
| Index: | | | | | | |
| Equity | 1,768,582 | (30,458) | 243,847 | 24,778 | 2,006,749 | 1,858,494 |
| Fixed income | 859,397 | 31,433 | 8,842 | 28,046 | 927,718 | 887,849 |
| Multi-asset | 8,866 | (892) | 513 | 112 | 8,599 | 8,466 |
| Alternatives | 4,563 | 687 | 280 | 87 | 5,617 | 5,117 |
| Index subtotal | 2,641,408 | 770 | 253,482 | 53,023 | 2,948,683 | 2,759,926 |
| Institutional subtotal | 4,068,530 | 2,124 | 329,513 | 72,978 | 4,473,145 | 4,222,633 |
| Long-term | 7,136,129 | 116,197 | 640,129 | 95,614 | 7,988,069 | 7,468,109 |
| Cash management | 652,002 | 8,944 | (219) | 5,525 | 666,252 | 664,706 |
| Advisory (3) | 20,366 | 1,792 | 178 | 23 | 22,359 | 21,410 |
| Total | \$ 7,808,497 | \$ 126,933 | \$ 640,088 | \$ 101,162 | \$ 8,676,680 | \$ 8,154,225 |

Current Quarter Component Changes by Investment Style and Product Type (Long-Term)

| | September 30, 2020 | Net inflows (outflows) | Market change | FX impact (1) | December 31, 2020 | Average AUM (2) |
|--|-----------------------|------------------------------|-------------------|------------------|----------------------|---------------------|
| Active: | | | | | | |
| Equity | \$ 347,631 | \$ 8,623 | \$ 49,392 | \$ 4,543 | \$ 410,189 | \$ 371,384 |
| Fixed income | 989,412 | 16,784 | 19,092 | 9,727 | 1,035,015 | 1,007,904 |
| Multi-asset | 583,952 | 69 | 50,321 | 9,522 | 643,864 | 605,948 |
| Alternatives | 151,678 | 5,585 | 2,486 | 2,070 | 161,819 | 155,664 |
| Active subtotal | 2,072,673 | 31,061 | 121,291 | 25,862 | 2,250,887 | 2,140,900 |
| Index and iShares ETFs: | | | | | | |
| iShares ETFs: | | | | | | |
| Equity | 1,586,849 | 65,257 | 244,237 | 8,758 | 1,905,101 | 1,711,641 |
| Fixed income | 662,999 | 13,535 | 8,763 | 4,736 | 690,033 | 675,835 |
| Multi-asset | 5,430 | 416 | 386 | 36 | 6,268 | 5,781 |
| Alternatives | 66,057 | (455) | 1,902 | 101 | 67,605 | 65,503 |
| iShares ETFs subtotal | 2,321,335 | 78,753 | 255,288 | 13,631 | 2,669,007 | 2,458,760 |
| Non-ETF Index: | | | | | | |
| Equity | 1,849,638 | (25,803) | 253,638 | 27,043 | 2,104,516 | 1,946,444 |
| Fixed income | 879,054 | 32,386 | 9,121 | 28,879 | 949,440 | 908,421 |
| Multi-asset | 8,864 | (887) | 512 | 112 | 8,601 | 8,467 |
| Alternatives | 4,565 | 687 | 279 | 87 | 5,618 | 5,117 |
| Non-ETF Index subtotal | 2,742,121 | 6,383 | 263,550 | 56,121 | 3,068,175 | 2,868,449 |
| Index and iShares ETFs subtotal | 5,063,456 | 85,136 | 518,838 | 69,752 | 5,737,182 | 5,327,209 |
| Long-Term | \$ 7,136,129 | \$ 116,197 | \$ 640,129 | \$ 95,614 | \$ 7,988,069 | \$ 7,468,109 |

Current Quarter Component Changes by Product Type (Long-Term)

| | September 30, 2020 | Net inflows (outflows) | Market change | FX impact (1) | December 31, 2020 | Average AUM (2) |
|------------------------------|-----------------------|------------------------------|-------------------|------------------|----------------------|---------------------|
| Equity | \$ 3,784,118 | \$ 48,077 | \$ 547,267 | \$ 40,344 | \$ 4,419,806 | \$ 4,029,469 |
| Fixed income | 2,531,465 | 62,705 | 36,976 | 43,342 | 2,674,488 | 2,592,160 |
| Multi-asset | 598,246 | (402) | 51,219 | 9,670 | 658,733 | 620,196 |
| Alternatives: | | | | | | |
| Illiquid alternatives | 79,723 | 4,529 | 512 | 1,006 | 85,770 | 82,222 |
| Liquid alternatives | 69,255 | 1,036 | 1,910 | 1,017 | 73,218 | 70,693 |
| Currency and commodities(4) | 73,322 | 252 | 2,245 | 235 | 76,054 | 73,369 |
| Alternatives subtotal | 222,300 | 5,817 | 4,667 | 2,258 | 235,042 | 226,284 |
| Long-Term | \$ 7,136,129 | \$ 116,197 | \$ 640,129 | \$ 95,614 | \$ 7,988,069 | \$ 7,468,109 |

(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. Approximately \$4.3 billion of iShares ETFs AUM held in advisory accounts associated with the FRBNY assignment as of December 31, 2020 (disclosed via FRBNY reporting as of January 11, 2021) are included within Fixed Income iShares ETFs AUM or Fixed Income AUM above. These holdings are excluded from Advisory AUM in the first table above.

(4) Amounts include commodity iShares ETFs.

ASSETS UNDER MANAGEMENT

(in millions), (unaudited)

Year-over-Year Component Changes by Client Type and Product Type

| | December 31, 2019 | Net inflows (outflows) | Market change | FX impact (1) | December 31, 2020 | Average AUM (2) |
|-------------------------------|----------------------|------------------------------|-------------------|-------------------|----------------------|---------------------|
| Retail: | | | | | | |
| Equity | \$ 252,413 | \$ 39,341 | \$ 42,545 | \$ 4,135 | \$ 338,434 | \$ 265,433 |
| Fixed income | 305,265 | 22,784 | 9,725 | 2,694 | 340,468 | 309,723 |
| Multi-asset | 120,439 | (481) | 12,262 | 404 | 132,624 | 117,195 |
| Alternatives | 25,180 | 7,912 | 929 | 370 | 34,391 | 28,839 |
| Retail subtotal | 703,297 | 69,556 | 65,461 | 7,603 | 845,917 | 721,190 |
| iShares ETFs: | | | | | | |
| Equity | 1,632,972 | 76,307 | 186,918 | 8,904 | 1,905,101 | 1,561,970 |
| Fixed income | 565,790 | 88,894 | 28,009 | 7,340 | 690,033 | 627,039 |
| Multi-asset | 5,210 | 646 | 388 | 24 | 6,268 | 5,287 |
| Alternatives | 36,093 | 19,038 | 12,331 | 143 | 67,605 | 53,845 |
| iShares ETFs subtotal | 2,240,065 | 184,885 | 227,646 | 16,411 | 2,669,007 | 2,248,141 |
| Institutional: | | | | | | |
| Active: | | | | | | |
| Equity | 141,118 | 1,890 | 24,045 | 2,469 | 169,522 | 141,059 |
| Fixed income | 651,368 | 6,598 | 49,712 | 8,591 | 716,269 | 673,043 |
| Multi-asset | 434,233 | 13,639 | 52,365 | 11,005 | 511,242 | 443,913 |
| Alternatives | 111,951 | 9,497 | 3,861 | 2,120 | 127,429 | 116,557 |
| Active subtotal | 1,338,670 | 31,624 | 129,983 | 24,185 | 1,524,462 | 1,374,572 |
| Index: | | | | | | |
| Equity | 1,793,826 | (68,543) | 254,475 | 26,991 | 2,006,749 | 1,723,674 |
| Fixed income | 792,969 | 39,685 | 67,623 | 27,441 | 927,718 | 837,469 |
| Multi-asset | 8,239 | (591) | 749 | 202 | 8,599 | 8,157 |
| Alternatives | 4,848 | 732 | (50) | 87 | 5,617 | 4,675 |
| Index subtotal | 2,599,882 | (28,717) | 322,797 | 54,721 | 2,948,683 | 2,573,975 |
| Institutional subtotal | 3,938,552 | 2,907 | 452,780 | 78,906 | 4,473,145 | 3,948,547 |
| Long-term | 6,881,914 | 257,348 | 745,887 | 102,920 | 7,988,069 | 6,917,878 |
| Cash management | 545,949 | 113,349 | (63) | 7,017 | 666,252 | 617,989 |
| Advisory (3) | 1,770 | 20,141 | 445 | 3 | 22,359 | 13,236 |
| Total | \$ 7,429,633 | \$ 390,838 | \$ 746,269 | \$ 109,940 | \$ 8,676,680 | \$ 7,549,103 |

Year-over-Year Component Changes by Investment Style and Product Type (Long-Term)

| | December 31, 2019 | Net inflows (outflows) | Market change | FX impact (1) | December 31, 2020 | Average AUM (2) |
|--|----------------------|------------------------------|-------------------|-------------------|----------------------|---------------------|
| Active: | | | | | | |
| Equity | \$ 316,145 | \$ 30,241 | \$ 58,922 | \$ 4,881 | \$ 410,189 | \$ 327,403 |
| Fixed income | 939,275 | 26,934 | 58,153 | 10,653 | 1,035,015 | 964,153 |
| Multi-asset | 554,672 | 13,154 | 64,629 | 11,409 | 643,864 | 561,107 |
| Alternatives | 137,130 | 17,408 | 4,791 | 2,490 | 161,819 | 145,395 |
| Active subtotal | 1,947,222 | 87,737 | 186,495 | 29,433 | 2,250,887 | 1,998,058 |
| Index and iShares ETFs: | | | | | | |
| iShares ETFs: | | | | | | |
| Equity | 1,632,972 | 76,307 | 186,918 | 8,904 | 1,905,101 | 1,561,970 |
| Fixed income | 565,790 | 88,894 | 28,009 | 7,340 | 690,033 | 627,039 |
| Multi-asset | 5,210 | 646 | 388 | 24 | 6,268 | 5,287 |
| Alternatives | 36,093 | 19,038 | 12,331 | 143 | 67,605 | 53,845 |
| iShares ETFs subtotal | 2,240,065 | 184,885 | 227,646 | 16,411 | 2,669,007 | 2,248,141 |
| Non-ETF Index: | | | | | | |
| Equity | 1,871,212 | (57,553) | 262,143 | 28,714 | 2,104,516 | 1,802,763 |
| Fixed income | 810,327 | 42,133 | 68,907 | 28,073 | 949,440 | 856,082 |
| Multi-asset | 8,239 | (587) | 747 | 202 | 8,601 | 8,158 |
| Alternatives | 4,849 | 733 | (51) | 87 | 5,618 | 4,676 |
| Non-ETF Index subtotal | 2,694,627 | (15,274) | 331,746 | 57,076 | 3,068,175 | 2,671,679 |
| Index and iShares ETFs subtotal | 4,934,692 | 169,611 | 559,392 | 73,487 | 5,737,182 | 4,919,820 |
| Long-term | \$ 6,881,914 | \$ 257,348 | \$ 745,887 | \$ 102,920 | \$ 7,988,069 | \$ 6,917,878 |

Year-over-Year Component Changes by Product Type (Long-Term)

| | December 31, 2019 | Net inflows (outflows) | Market change | FX impact (1) | December 31, 2020 | Average AUM (2) |
|------------------------------|----------------------|------------------------------|-------------------|-------------------|----------------------|---------------------|
| Equity | \$ 3,820,329 | \$ 48,995 | \$ 507,983 | \$ 42,499 | \$ 4,419,806 | \$ 3,692,136 |
| Fixed income | 2,315,392 | 157,961 | 155,069 | 46,066 | 2,674,488 | 2,447,274 |
| Multi-asset | 568,121 | 13,213 | 65,764 | 11,635 | 658,733 | 574,552 |
| Alternatives: | | | | | | |
| Illiquid alternatives | 75,349 | 10,883 | (1,512) | 1,050 | 85,770 | 78,166 |
| Liquid alternatives | 59,048 | 6,545 | 6,295 | 1,330 | 73,218 | 64,522 |
| Currency and commodities(4) | 43,675 | 19,751 | 12,288 | 340 | 76,054 | 61,228 |
| Alternatives subtotal | 178,072 | 37,179 | 17,071 | 2,720 | 235,042 | 203,916 |
| Long-term | \$ 6,881,914 | \$ 257,348 | \$ 745,887 | \$ 102,920 | \$ 7,988,069 | \$ 6,917,878 |

(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. Approximately \$4.3 billion of iShares ETFs AUM held in advisory accounts associated with the FRBNY assignment as of December 31, 2020 (disclosed via FRBNY reporting as of January 11, 2021) are included within Fixed Income iShares ETFs AUM or Fixed Income AUM above. These holdings are excluded from Advisory AUM in the first table above.

(4) Amounts include commodity iShares ETFs.

SUMMARY OF REVENUE

| (in millions), (unaudited) | Three Months Ended December 31, | | | Three Months Ended September 30, | | | Year Ended December 31, | | |
|--|------------------------------------|-----------------|---------------|-------------------------------------|---------------|------------------|----------------------------|-----------------|--|
| | 2020 | 2019 | Change | 2020 | Change | 2020 | 2019 | Change | |
| Investment advisory, administration fees and securities lending revenue: | | | | | | | | | |
| Equity: | | | | | | | | | |
| Active | \$ 501 | \$ 403 | \$ 98 | \$ 457 | \$ 44 | \$ 1,737 | \$ 1,554 | \$ 183 | |
| iShares ETFs | 948 | 906 | 42 | 880 | 68 | 3,499 | 3,495 | 4 | |
| Non-ETF Index | 159 | 172 | (13) | 164 | (5) | 664 | 667 | (3) | |
| Equity subtotal | 1,608 | 1,481 | 127 | 1,501 | 107 | 5,900 | 5,716 | 184 | |
| Fixed income: | | | | | | | | | |
| Active | 514 | 491 | 23 | 498 | 16 | 1,957 | 1,918 | 39 | |
| iShares ETFs | 302 | 258 | 44 | 297 | 5 | 1,119 | 963 | 156 | |
| Non-ETF Index | 109 | 112 | (3) | 113 | (4) | 463 | 405 | 58 | |
| Fixed income subtotal | 925 | 861 | 64 | 908 | 17 | 3,539 | 3,286 | 253 | |
| Multi-asset | 311 | 296 | 15 | 289 | 22 | 1,163 | 1,148 | 15 | |
| Alternatives: | | | | | | | | | |
| Illiquid alternatives | 161 | 138 | 23 | 140 | 21 | 577 | 488 | 89 | |
| Liquid alternatives | 141 | 112 | 29 | 132 | 9 | 502 | 413 | 89 | |
| Currency and commodities | 50 | 30 | 20 | 51 | (1) | 168 | 108 | 60 | |
| Alternatives subtotal | 352 | 280 | 72 | 323 | 29 | 1,247 | 1,009 | 238 | |
| Long-term | 3,196 | 2,918 | 278 | 3,021 | 175 | 11,849 | 11,159 | 690 | |
| Cash management | 197 | 171 | 26 | 204 | (7) | 790 | 618 | 172 | |
| Total investment advisory, administration fees and securities lending revenue | 3,393 | 3,089 | 304 | 3,225 | 168 | 12,639 | 11,777 | 862 | |
| Investment advisory performance fees: | | | | | | | | | |
| Equity | 62 | 31 | 31 | 4 | 58 | 91 | 36 | 55 | |
| Fixed income | 22 | 8 | 14 | 9 | 13 | 35 | 10 | 25 | |
| Multi-asset | 22 | 12 | 10 | 10 | 12 | 35 | 19 | 16 | |
| Alternatives: | | | | | | | | | |
| Illiquid alternatives | 28 | 96 | (68) | 6 | 22 | 83 | 136 | (53) | |
| Liquid alternatives | 285 | 92 | 193 | 503 | (218) | 860 | 249 | 611 | |
| Alternatives subtotal | 313 | 188 | 125 | 509 | (196) | 943 | 385 | 558 | |
| Total performance fees | 419 | 239 | 180 | 532 | (113) | 1,104 | 450 | 654 | |
| Technology services revenue | 305 | 274 | 31 | 282 | 23 | 1,139 | 974 | 165 | |
| Distribution fees: | | | | | | | | | |
| Retrocessions | 217 | 167 | 50 | 188 | 29 | 736 | 658 | 78 | |
| 12b-1 fees (US mutual fund distribution fees) | 83 | 91 | (8) | 85 | (2) | 337 | 358 | (21) | |
| Other | 14 | 12 | 2 | 15 | (1) | 58 | 53 | 5 | |
| Total distribution fees | 314 | 270 | 44 | 288 | 26 | 1,131 | 1,069 | 62 | |
| Advisory and other revenue: | | | | | | | | | |
| Advisory | 20 | 37 | (17) | 14 | 6 | 68 | 99 | (31) | |
| Other | 27 | 68 | (41) | 28 | (1) | 124 | 170 | (46) | |
| Total advisory and other revenue | 47 | 105 | (58) | 42 | 5 | 192 | 269 | (77) | |
| Total revenue | \$ 4,478 | \$ 3,977 | \$ 501 | \$ 4,369 | \$ 109 | \$ 16,205 | \$ 14,539 | \$ 1,666 | |

Highlights

- Investment advisory, administration fees and securities lending revenue increased \$304 million from the fourth quarter of 2019 and \$168 million from the third quarter of 2020, primarily driven by organic growth and the positive impact of market beta and foreign exchange movements on average AUM, partially offset by the impact of fee reductions on certain products and lower securities lending revenue. Securities lending revenue of \$131 million in the current quarter decreased from \$169 million in the fourth quarter of 2019 and from \$153 million in the third quarter of 2020, primarily reflecting lower lending spreads, partially offset by higher average balances of securities on loan.
- Performance fees increased \$180 million from the fourth quarter of 2019, primarily reflecting higher revenue from liquid alternative and long-only products. Performance fees decreased \$113 million from the third quarter of 2020, primarily reflecting strong performance from a single hedge fund with an annual performance measurement period that ends in the third quarter.
- Technology services revenue increased \$31 million from the fourth quarter of 2019 and \$23 million from the third quarter of 2020, primarily reflecting higher revenue from *Aladdin*[®].
- Advisory and other revenue decreased \$58 million from the fourth quarter of 2019, primarily reflecting the impact of the previously announced charitable contribution of BlackRock's remaining 20% stake in PennyMac Financial Services, Inc. (the "Charitable Contribution") in 2020 and lower advisory and transition management assignments in the current quarter.

SUMMARY OF OPERATING EXPENSE

| <i>(in millions), (unaudited)</i> | Three Months Ended | | | Three Months Ended | | | Year Ended | | |
|---|--------------------|-----------------|---------------|--------------------|--------------|------------------|-----------------|-----------------|--------|
| | December 31, | | Change | September 30, | | Change | December 31, | | Change |
| 2020 | 2019 | 2020 | | 2020 | 2019 | | 2020 | 2019 | |
| Operating expense | | | | | | | | | |
| Employee compensation and benefits | \$ 1,341 | \$ 1,212 | \$ 129 | \$ 1,411 | \$ (70) | \$ 5,041 | \$ 4,470 | \$ 571 | |
| Distribution and servicing costs: | | | | | | | | | |
| Retrocessions | 217 | 167 | 50 | 188 | 29 | 736 | 658 | 78 | |
| 12b-1 costs | 81 | 89 | (8) | 83 | (2) | 328 | 354 | (26) | |
| Other | 207 | 182 | 25 | 185 | 22 | 771 | 673 | 98 | |
| Total distribution and servicing costs | 505 | 438 | 67 | 456 | 49 | 1,835 | 1,685 | 150 | |
| Direct fund expense | 283 | 245 | 38 | 257 | 26 | 1,063 | 978 | 85 | |
| General and administration: | | | | | | | | | |
| Marketing and promotional | 73 | 109 | (36) | 48 | 25 | 229 | 350 | (121) | |
| Occupancy and office related | 80 | 83 | (3) | 81 | (1) | 319 | 307 | 12 | |
| Portfolio services | 80 | 70 | 10 | 73 | 7 | 283 | 261 | 22 | |
| Technology | 124 | 83 | 41 | 93 | 31 | 397 | 289 | 108 | |
| Professional services | 49 | 46 | 3 | 36 | 13 | 170 | 161 | 9 | |
| Communications | 14 | 10 | 4 | 14 | - | 54 | 39 | 15 | |
| Foreign exchange remeasurement | (1) | 13 | (14) | 1 | (2) | 6 | 31 | (25) | |
| Contingent consideration fair value adjustments | - | 35 | (35) | - | - | 23 | 53 | (30) | |
| Product launch costs | 2 | - | 2 | 80 | (78) | 166 | 59 | 107 | |
| Charitable Contribution | - | - | - | - | - | 589 | - | 589 | |
| Other general and administration | 53 | 66 | (13) | 35 | 18 | 229 | 208 | 21 | |
| Total general and administration expense | 474 | 515 | (41) | 461 | 13 | 2,465 | 1,758 | 707 | |
| Amortization of intangible assets | 27 | 29 | (2) | 27 | - | 106 | 97 | 9 | |
| Total operating expense | \$ 2,630 | \$ 2,439 | \$ 191 | \$ 2,612 | \$ 18 | \$ 10,510 | \$ 8,988 | \$ 1,522 | |

Highlights

- Employee compensation and benefits expense increased \$129 million from the fourth quarter of 2019, primarily reflecting higher base and incentive compensation driven by higher performance fees.
Employee compensation and benefits expense decreased \$70 million from the third quarter of 2020, driven in part by lower incentive compensation associated with lower performance fees.
- Direct fund expense increased \$38 million from the fourth quarter of 2019 and \$26 million from the third quarter of 2020, primarily reflecting higher average AUM.
- General and administration expense decreased \$41 million from the fourth quarter of 2019, primarily due to lower marketing and promotional expense, contingent consideration fair value adjustments and foreign exchange remeasurement, partially offset by higher technology expense, including certain costs related to COVID-19, and portfolio services expense.
General and administration expense increased \$13 million from the third quarter of 2020, primarily reflecting higher technology expense, seasonally higher marketing and promotional expense and higher professional services expense, partially offset by \$80 million of product launch costs incurred in the third quarter of 2020.

SUMMARY OF NONOPERATING INCOME (EXPENSE), LESS NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS

| <i>(in millions), (unaudited)</i> | Three Months Ended December 31, | | | Three Months Ended September 30, | | Year Ended December 31, | | |
|--|---------------------------------|--------------|--------------|----------------------------------|--------------|-------------------------|---------------|---------------|
| | 2020 | 2019 | Change | 2020 | Change | 2020 | 2019 | Change |
| Nonoperating income (expense), GAAP basis | \$ 319 | \$ 96 | \$ 223 | \$ 224 | \$ 95 | \$ 829 | \$ 236 | \$ 593 |
| Less: Net income (loss) attributable to noncontrolling interests ("NCI") | 192 | 33 | 159 | 153 | 39 | 354 | 50 | 304 |
| Nonoperating income (expense)(1) | <u>\$ 127</u> | <u>\$ 63</u> | <u>\$ 64</u> | <u>\$ 71</u> | <u>\$ 56</u> | <u>\$ 475</u> | <u>\$ 186</u> | <u>\$ 289</u> |

| <i>(in millions), (unaudited)</i> | Three Months Ended December 31, | | | Three Months Ended September 30, | | Year Ended December 31, | | |
|---|---------------------------------|--------------|--------------|----------------------------------|--------------|-------------------------|---------------|---------------|
| | 2020 | 2019 | Change | 2020 | Change | 2020 | 2019 | Change |
| Net gain (loss) on investments(1) | | | | | | | | |
| Private equity | \$ 36 | \$ 9 | \$ 27 | \$ 18 | \$ 18 | \$ 44 | \$ 47 | \$ (3) |
| Real assets | (3) | (1) | (2) | 6 | (9) | 8 | 21 | (13) |
| Other alternatives(2) | 22 | 1 | 21 | 14 | 8 | 32 | 19 | 13 |
| Other investments(3) | 85 | 40 | 45 | 55 | 30 | 120 | 144 | (24) |
| Subtotal | 140 | 49 | 91 | 93 | 47 | 204 | 231 | (27) |
| Gain related to the Charitable Contribution | - | - | - | - | - | 122 | - | 122 |
| Other gains (losses)(4) | 13 | 36 | (23) | 23 | (10) | 292 | 61 | 231 |
| Total net gain (loss) on investments(1) | 153 | 85 | 68 | 116 | 37 | 618 | 292 | 326 |
| Interest and dividend income | 28 | 29 | (1) | 9 | 19 | 62 | 97 | (35) |
| Interest expense | (54) | (51) | (3) | (54) | - | (205) | (203) | (2) |
| Net interest expense | (26) | (22) | (4) | (45) | 19 | (143) | (106) | (37) |
| Nonoperating income (expense)(1) | <u>\$ 127</u> | <u>\$ 63</u> | <u>\$ 64</u> | <u>\$ 71</u> | <u>\$ 56</u> | <u>\$ 475</u> | <u>\$ 186</u> | <u>\$ 289</u> |

- (1) Net of net income (loss) attributable to NCI. Management believes nonoperating income (expense), as adjusted, is an effective measure for reviewing BlackRock's nonoperating results, which ultimately impacts BlackRock's book value. For more information on as adjusted items and the reconciliation to GAAP see note (2) to the condensed consolidated statements of income and supplemental information on pages 10 and 11.
- (2) Amounts primarily include net gains (losses) related to direct hedge fund strategies and hedge fund solutions.
- (3) Amounts primarily include net gains (losses) related to unhedged equity, fixed income and multi-asset investments.
- (4) The amount for the year ended December 31, 2020 includes a nonoperating pre-tax gain of approximately \$240 million in connection with a recapitalization of iCapital Network, Inc. Additional amounts include noncash pre-tax gains (losses) related to the revaluation of corporate minority investments.

INCOME TAX EXPENSE

| <i>(in millions), (unaudited)</i> | Three Months Ended December 31, | | | Three Months Ended September 30, | | Year Ended December 31, | | |
|-----------------------------------|---------------------------------|--------|--------|----------------------------------|-----------|-------------------------|----------|-----------|
| | 2020 | 2019 | Change | 2020 | Change | 2020 | 2019 | Change |
| Income tax expense | \$ 427 | \$ 300 | \$ 127 | \$ 464 | \$ (37) | \$ 1,238 | \$ 1,261 | \$ (23) |
| Effective tax rate | 21.6% | 18.8% | 280bps | 25.4% | (380) bps | 20.1% | 22.0% | (190) bps |

Highlights

- Fourth quarter 2020 income tax expense includes \$61 million of net discrete tax benefits, partially offset by a \$25 million net noncash tax expense related to the revaluation of certain deferred income tax liabilities.
- Third quarter 2020 income tax expense included \$54 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.
- Fourth quarter 2019 income tax expense included \$21 million of discrete tax benefits.

RECONCILIATION OF US GAAP OPERATING INCOME AND OPERATING MARGIN TO OPERATING INCOME AND OPERATING MARGIN, AS ADJUSTED

| <i>(in millions), (unaudited)</i> | Three Months Ended | | | Year Ended | |
|--|--------------------|--------------|---------------|--------------|--------------|
| | December 31, | | September 30, | December 31, | |
| | 2020 | 2019 | 2020 | 2020 | 2019 |
| Operating income, GAAP basis | \$ 1,848 | \$ 1,538 | \$ 1,757 | \$ 5,695 | \$ 5,551 |
| Non-GAAP expense adjustment: | | | | | |
| Charitable Contribution | - | - | - | 589 | - |
| Operating income, as adjusted (1) | 1,848 | 1,538 | 1,757 | 6,284 | 5,551 |
| Product launch costs and commissions | 2 | - | 83 | 172 | 61 |
| Operating income used for operating margin measurement | \$ 1,850 | \$ 1,538 | \$ 1,840 | \$ 6,456 | \$ 5,612 |
| Revenue, GAAP basis | \$ 4,478 | \$ 3,977 | \$ 4,369 | \$ 16,205 | \$ 14,539 |
| Non-GAAP adjustments: | | | | | |
| Distribution fees | (314) | (270) | (288) | (1,131) | (1,069) |
| Investment advisory fees | (191) | (168) | (168) | (704) | (616) |
| Revenue used for operating margin measurement | \$ 3,973 | \$ 3,539 | \$ 3,913 | \$ 14,370 | \$ 12,854 |
| Operating margin, GAAP basis | 41.3% | 38.7% | 40.2% | 35.1% | 38.2% |
| Operating margin, as adjusted (1) | 46.6% | 43.5% | 47.0% | 44.9% | 43.7% |

See note (1) to the condensed consolidated statements of income and supplemental information on page 11 for more information on as adjusted items and the reconciliation to GAAP.

RECONCILIATION OF US GAAP NONOPERATING INCOME (EXPENSE) TO NONOPERATING INCOME (EXPENSE), LESS NET INCOME (LOSS) ATTRIBUTABLE TO NCI, AS ADJUSTED

| <i>(in millions), (unaudited)</i> | Three Months Ended | | | Year Ended | |
|---|--------------------|--------------|---------------|---------------|---------------|
| | December 31, | | September 30, | December 31, | |
| | 2020 | 2019 | 2020 | 2020 | 2019 |
| Nonoperating income (expense), GAAP basis | \$ 319 | \$ 96 | \$ 224 | \$ 829 | \$ 236 |
| Less: Net income (loss) attributable to NCI | 192 | 33 | 153 | 354 | 50 |
| Nonoperating income (expense), net of NCI | 127 | 63 | 71 | 475 | 186 |
| Less: Gain related to the Charitable Contribution | - | - | - | 122 | - |
| Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted (2) | \$ 127 | \$ 63 | \$ 71 | \$ 353 | \$ 186 |

See note (2) to the condensed consolidated statements of income and supplemental information on page 11 for more information on as adjusted items and the reconciliation to GAAP.

RECONCILIATION OF US GAAP NET INCOME ATTRIBUTABLE TO BLACKROCK TO NET INCOME ATTRIBUTABLE TO BLACKROCK, AS ADJUSTED

| <i>(in millions, except per share data), (unaudited)</i> | Three Months Ended | | | Year Ended | |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|
| | December 31, | | September 30, | December 31, | |
| | 2020 | 2019 | 2020 | 2020 | 2019 |
| Net income attributable to BlackRock, Inc., GAAP basis | \$ 1,548 | \$ 1,301 | \$ 1,364 | \$ 4,932 | \$ 4,476 |
| Non-GAAP adjustments: | | | | | |
| Charitable Contribution, net of tax | - | - | - | 226 | - |
| Income tax matters | 25 | 8 | 54 | 79 | 8 |
| Net income attributable to BlackRock, Inc., as adjusted (3) | \$ 1,573 | \$ 1,309 | \$ 1,418 | \$ 5,237 | \$ 4,484 |
| Diluted weighted-average common shares outstanding (4) | 154.5 | 156.9 | 153.7 | 154.8 | 157.5 |
| Diluted earnings per common share, GAAP basis (4) | \$ 10.02 | \$ 8.29 | \$ 8.87 | \$ 31.85 | \$ 28.43 |
| Diluted earnings per common share, as adjusted (3) (4) | \$ 10.18 | \$ 8.34 | \$ 9.22 | \$ 33.82 | \$ 28.48 |

See notes (3) and (4) to the condensed consolidated statements of income and supplemental information on page 11 for more information on as adjusted items and the reconciliation to GAAP.

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND SUPPLEMENTAL INFORMATION *(unaudited)*

BlackRock reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”); however, management believes evaluating the Company’s ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Management reviews non-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 the comparability of this information 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.

Management uses both GAAP and non-GAAP financial measures in evaluating BlackRock's financial performance. 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.

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: 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 and to determine the long-term and annual compensation of the Company's senior-level employees. Furthermore, this metric is used to evaluate the Company's relative performance against industry peers, as it 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. In 2020, the Charitable Contribution expense of \$589 million has been excluded from operating income, as adjusted, due to its nonrecurring nature.
- 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) Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted: Management believes nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, is an effective measure for reviewing BlackRock's nonoperating contribution to its results and provides comparability of this information among reporting periods. Management believes nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, provides a useful measure, for both management and investors, of BlackRock's nonoperating results, which ultimately impact BlackRock's book value. In 2020, the noncash, nonoperating pre-tax gain of \$122 million related to the Charitable Contribution has been excluded from nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, due to its nonrecurring nature.

(3) Net income attributable to BlackRock, Inc., as adjusted: 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 aforementioned discussion regarding operating income, as adjusted, operating margin, as adjusted, and nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, for information on the Charitable Contribution.

In 2020, a discrete tax benefit of \$241 million was recognized in connection with the Charitable Contribution. The discrete tax benefit has been excluded from as adjusted results due to the non-recurring nature of the Charitable Contribution. Amounts for income tax matters represent net noncash (benefits) expense primarily associated with the revaluation of certain deferred tax liabilities related to intangible assets and goodwill as a result of tax rate changes. These amounts have been excluded from the as adjusted results as these items will not have a cash flow impact and to ensure comparability among periods presented.

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

(4) Nonvoting participating preferred stock is considered to be a common stock equivalent for purposes of determining basic and diluted earnings per share calculations. As of December 31, 2020, there were no shares of preferred stock outstanding.

FORWARD-LOOKING STATEMENTS

This earnings release, 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 ("SEC") reports. These risk factors and those identified elsewhere in this earnings release, 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, information and cyber security 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) terrorist activities, civil unrest, international hostilities and natural disasters, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (16) the ability to attract and retain highly talented professionals; (17) fluctuations in the carrying value of BlackRock's economic investments; (18) 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; (19) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (20) the failure by a key vendor of BlackRock to fulfill its obligations to the Company; (21) any disruption to the operations of third parties whose functions are integral to BlackRock's exchange-traded funds ("ETF") platform; (22) 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 (23) the impact of problems at other financial institutions or the failure or negative performance of products at other financial institutions.

BlackRock's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and BlackRock's subsequent filings with the SEC, accessible on the SEC's website at www.sec.gov and on BlackRock's website at www.blackrock.com, discuss these factors in more detail and identify additional factors that can affect forward-looking statements. The information contained on the Company's website is not a part of this earnings release.

PERFORMANCE NOTES

Past performance is not indicative of future results. Except as specified, the performance information shown is as of December 31, 2020 and is based on preliminary data available at that time. The performance data shown reflects information for all actively and passively managed equity and fixed income accounts, including US registered investment companies, European-domiciled retail funds and separate accounts for which performance data is available, including performance data for high net worth accounts available as of November 30, 2020. The performance data does not include accounts terminated prior to December 31, 2020 and accounts for which data has not yet been verified. If such accounts had been included, the performance data provided may have substantially differed from that shown.

Performance comparisons shown are gross-of-fees for institutional and high net worth separate accounts, and net-of-fees for retail funds. The performance tracking shown for index accounts is based on gross-of-fees performance and includes all institutional accounts and all *iShares* funds globally using an index strategy. AUM information is based on AUM available as of December 31, 2020 for each account or fund in the asset class shown without adjustment for overlapping management of the same account or fund. Fund performance reflects the reinvestment of dividends and distributions.

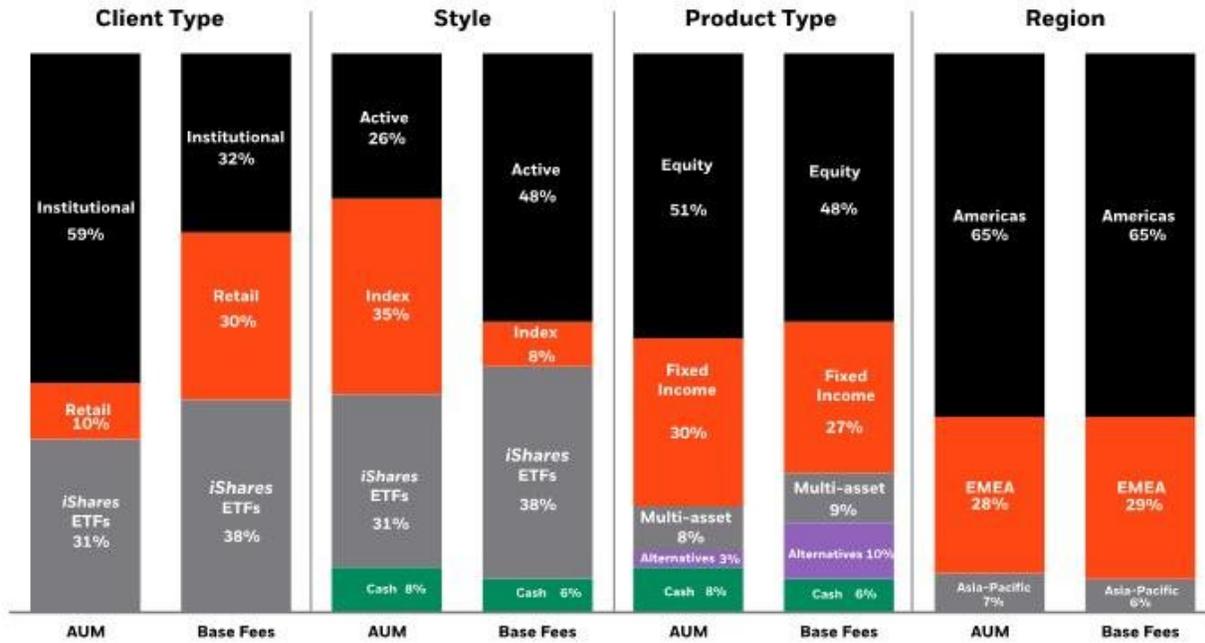
Performance shown is derived from applicable benchmarks or peer median information, as selected by BlackRock, Inc. Peer medians are based in part on data either from Lipper, Inc. or Morningstar, Inc. for each included product.

BlackRock.

**Q4 2020 Earnings
Earnings Release Supplement**

A broadly diversified business across clients, products and geographies

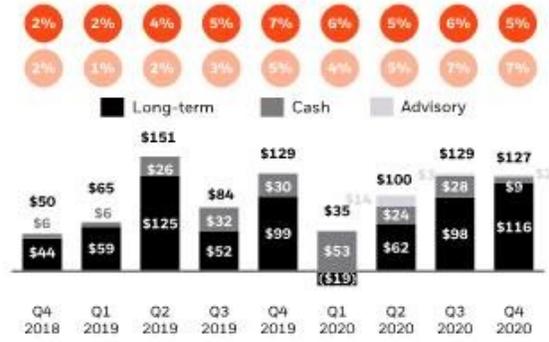
Assets Under Management of \$8.68 trillion at December 31, 2020
Q4 2020 Total Base Fees of \$3.393 billion



Note: Base fees include investment advisory, administration fees and securities lending revenue. Base Fees and AUM by region data is based on client domicile.

Net flows (\$ in billions)

Total BlackRock



Retail Long-term



iShares ETFs



Institutional Long-term



● LTM organic asset growth rate (%)

● LTM organic base fee growth rate (%)

Note: LTM organic asset growth rate measures rolling last twelve months net flows over beginning of period assets. LTM organic base fee (ex. securities lending) growth rate is calculated by dividing net new base fees earned on net asset inflows for the LTM period by the base fee run-rate at the beginning of the period.

Profitability

(\$ in millions, except per share data)

Operating Income and Margin, as adjusted



■ Operating Income, as adjusted — Operating Margin, as adjusted

Net Income and EPS, as adjusted

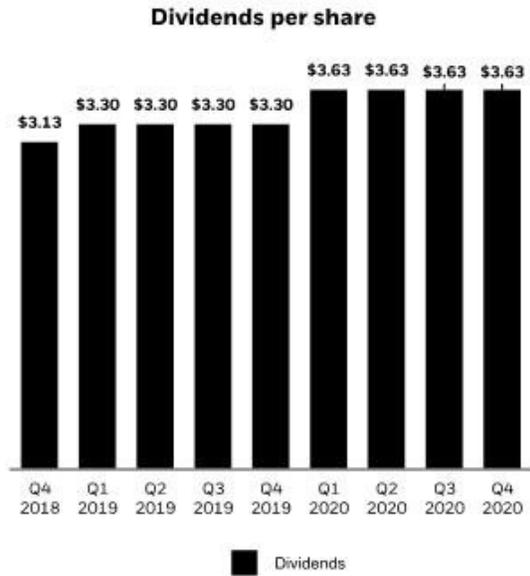


■ Net Income, as adjusted — EPS, as adjusted

For further information and reconciliations between GAAP and as adjusted, see page 12 of this earnings release supplement, notes (1) through (4) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Capital management

(amounts in millions, except per share data)



(1) Amount includes a \$1.3 billion private transaction that closed on March 25, 2019.
 (2) Amount includes a \$1.1 billion repurchase from PNC that closed on May 15, 2020.

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

Major market indices and exchange rates

| | Spot | | | % Change 12/ 31/ 20 vs. | | Average | | | % Change Q4 2020 vs. | |
|-----------------------------------|--------------|-------------|--------------|----------------------------|--------------|---------|---------|---------|-------------------------|---------|
| | 12/ 31/ 2019 | 9/ 30/ 2020 | 12/ 31/ 2020 | 9/ 30/ 2020 | 12/ 31/ 2019 | Q4 2019 | Q3 2020 | Q4 2020 | Q3 2020 | Q4 2019 |
| Equity Indices | | | | | | | | | | |
| Domestic | | | | | | | | | | |
| S&P 500 | 3,231 | 3,363 | 3,756 | 12% | 16% | 3,086 | 3,319 | 3,558 | 7% | 15% |
| Global | | | | | | | | | | |
| MSCI Barra World Index | 2,358 | 2,367 | 2,690 | 14% | 14% | 2,260 | 2,348 | 2,525 | 8% | 12% |
| MSCI Europe Index | 140 | 120 | 132 | 10% | (6)% | 135 | 122 | 126 | 3% | (7)% |
| MSCI AC Asia Pacific Index | 171 | 170 | 200 | 18% | 17% | 164 | 169 | 185 | 9% | 13% |
| MSCI Emerging Markets Index | 1,115 | 1,082 | 1,291 | 19% | 16% | 1,051 | 1,084 | 1,190 | 10% | 13% |
| S&P Global Natural Resources | 3,855 | 3,165 | 3,853 | 22% | -% | 3,645 | 3,265 | 3,497 | 7% | (4)% |
| BLK Equity Index ⁽¹⁾ | | | | 15% | 15% | | | | 8% | 11% |
| Fixed Income Index | | | | | | | | | | |
| Bardays U.S. Aggregate Bond Index | 2,225 | 2,376 | 2,392 | 1% | 8% | 2,221 | 2,362 | 2,378 | -% | 7% |
| Foreign Exchange Rates | | | | | | | | | | |
| GBP to USD | 1.33 | 1.29 | 1.36 | 5% | 2% | 1.29 | 1.29 | 1.32 | 2% | 2% |
| EUR to USD | 1.12 | 1.17 | 1.23 | 5% | 10% | 1.11 | 1.17 | 1.19 | 2% | 7% |

Source: Bloomberg

(1) Revenue weighted composite index calculated by BlackRock to approximate the impact of market fluctuations on BlackRock's equity base fees. The index is derived from publicly available market indices that represent applicable AUM benchmarks for each equity portfolio, as selected by BlackRock. The market impact information for each equity portfolio used to calculate the index may be substantially different from that shown. Index does not include portfolios that do not have an applicable market index. Index does not reflect BlackRock's investment performance, and is not indicative of past or future results.

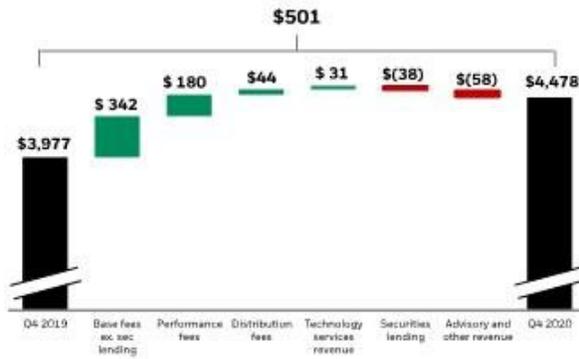
Quarterly revenue

(\$ in millions)

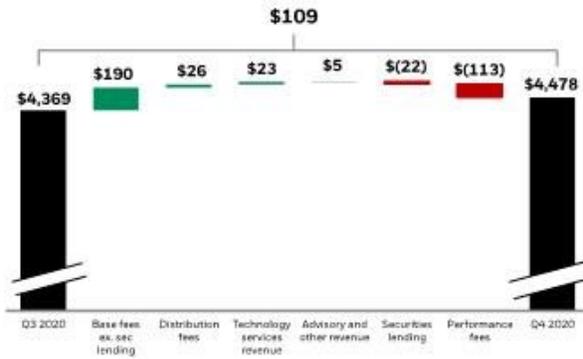


| Percentage Change | Year-over-Year | Sequential |
|----------------------------------|----------------|------------|
| Base fees ex. securities lending | 12% | 6% |
| Securities lending | (22)% | (14)% |
| Performance fees | 75% | (21)% |
| Technology services revenue | 11% | 8% |
| Distribution fees | 16% | 9% |
| Advisory and other revenue | (55)% | 12% |
| Total | 13% | 2% |

Q4 2020 compared to Q4 2019

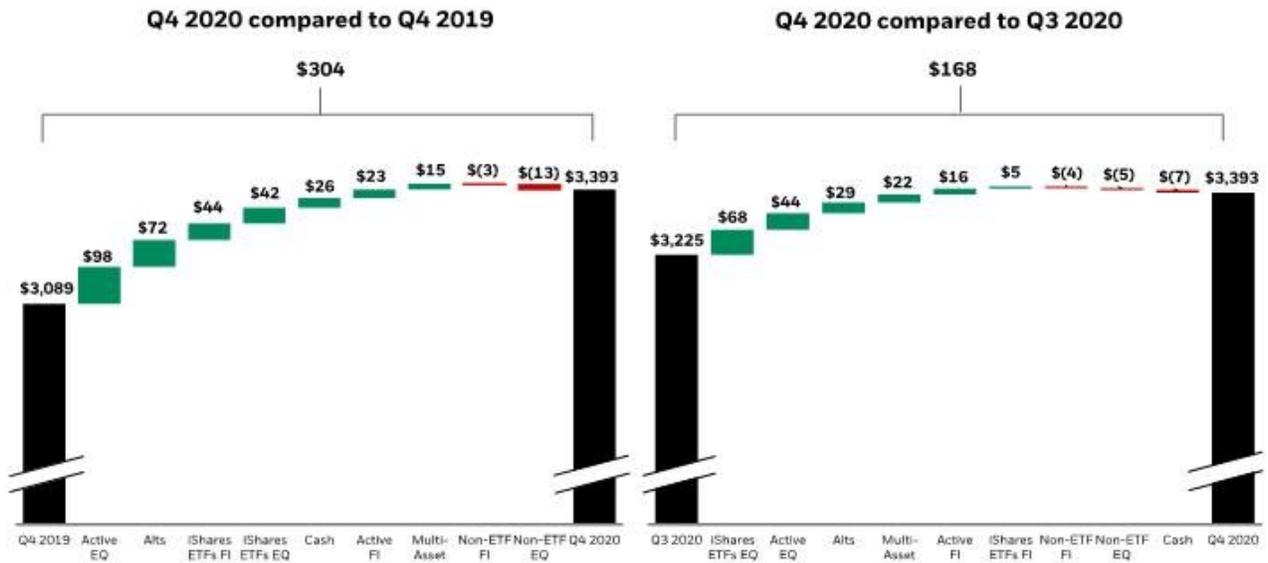


Q4 2020 compared to Q3 2020



Quarterly investment advisory, administration fees and securities lending revenue

(\$ in millions)

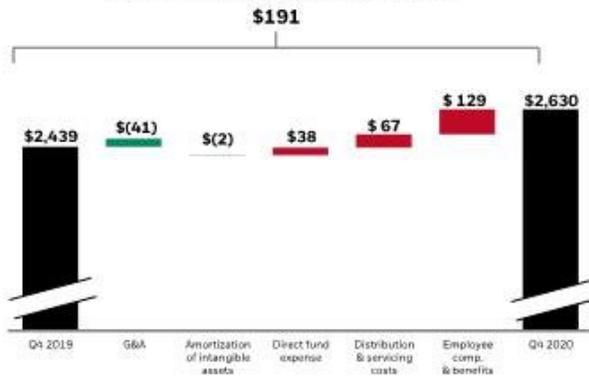


Quarterly expense, as adjusted (\$ in millions)



| Percentage Change | Year-over-Year | Sequential |
|-----------------------------------|----------------|------------|
| Employee comp. & benefits | 11% | (5)% |
| Distribution & servicing costs | 15% | 11% |
| Direct fund expense | 16% | 10% |
| General & administration | (8)% | 3% |
| Amortization of intangible assets | (7)% | -% |
| Total | 8% | 1% |

Q4 2020 compared to Q4 2019

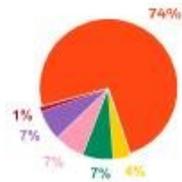


Q4 2020 compared to Q3 2020



(1) Amounts exclude product launch costs and commissions incurred in Q3 2020, which are presented separately.

Full year revenue (\$ in millions)



- Base fees ex. securities lending
- Securities lending
- Performance fees
- Technology services revenue
- Distribution fees
- Advisory and other revenue

| Percentage Change | Year-over-Year |
|----------------------------------|----------------|
| Base fees ex. securities lending | 7% |
| Securities lending | 6% |
| Performance fees | 145% |
| Technology services revenue | 17% |
| Distribution fees | 6% |
| Advisory and other revenue | (29)% |
| Total | 11% |

2020 compared to 2019



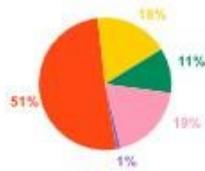
Full year investment advisory, administration fees and securities lending revenue

(\$ in millions)

2020 compared to 2019



Full year expense, as adjusted (\$ in millions)



- Employee comp. & benefits
- Distribution & servicing costs
- Direct fund expense
- General & administration
- Amortization of intangible assets

| Percentage Change | Year-over-Year |
|-----------------------------------|----------------|
| Employee comp. & benefits | 13% |
| Distribution & servicing costs | 9% |
| Direct fund expense | 9% |
| General & administration | 7% |
| Amortization of intangible assets | 9% |
| Total | 10% |

2020 compared to 2019

\$933



(1) Amounts exclude product launch costs and commissions incurred in 2020 and 2019, which are presented separately above.

2020 expense, as adjusted, excludes a \$589 million expense in connection with the charitable contribution of BlackRock's remaining 20% stake in PennyMac Financial Services, Inc. (the Charitable Contribution*). For further information, see the item included under Non-GAAP expense adjustments on page 12 of this earnings release supplement and note (1) in the current earnings release.

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

| | 2018 | 2019 | | | | 2020 | | | |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Operating Income | | | | | | | | | |
| GAAP | \$ 1,246 | \$ 1,233 | \$ 1,278 | \$ 1,502 | \$ 1,538 | \$ 684 | \$ 1,406 | \$ 1,757 | \$ 1,848 |
| Non-GAAP expense adjustments | 84 | - | - | - | - | 589 | - | - | - |
| As Adjusted | \$ 1,310 | \$ 1,233 | \$ 1,278 | \$ 1,502 | \$ 1,538 | \$ 1,273 | \$ 1,406 | \$ 1,757 | \$ 1,848 |
| Nonoperating Income (Expense) | | | | | | | | | |
| GAAP | \$ (72) | \$ 125 | \$ 57 | \$ (42) | \$ 96 | \$ (71) | \$ 357 | \$ 224 | \$ 319 |
| Non-GAAP adjustments | - | (7) | (10) | - | (33) | 57 | (188) | (153) | (192) |
| As Adjusted | \$ (72) | \$ 118 | \$ 47 | \$ (42) | \$ 63 | \$ (14) | \$ 169 | \$ 71 | \$ 127 |
| Net Income | | | | | | | | | |
| GAAP | \$ 927 | \$ 1,053 | \$ 1,003 | \$ 1,119 | \$ 1,301 | \$ 806 | \$ 1,214 | \$ 1,364 | \$ 1,548 |
| Non-GAAP adjustments | 48 | - | - | - | 8 | 226 | - | 54 | 25 |
| As Adjusted | \$ 975 | \$ 1,053 | \$ 1,003 | \$ 1,119 | \$ 1,309 | \$ 1,032 | \$ 1,214 | \$ 1,418 | \$ 1,573 |

Non-GAAP adjustments include amounts related to the Charitable Contribution, restructuring charge, PNC LTIP funding obligations and noncash income tax matters, as applicable. For further information and reconciliation between GAAP and as adjusted, see notes (L) through (3) in the current earnings release as well as previously filed Form 10-Ks, 10-Qs and 8-Ks.

Important Notes

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This presentation also includes non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with GAAP and our reconciliations on page 12 of this earnings release supplement, our current earnings release dated January 14, 2021, and BlackRock's other periodic reports, which are available on BlackRock's website at www.blackrock.com.