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, 2023

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.)

50 Hudson Yards, New York, NY 10001
(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, 2023, there were 149,302,633 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, 2023	December 31, 2022
Assets		
Cash and cash equivalents[1]	$ 6,834	$ 7,416
Accounts receivable	3,806	3,264
Investments[1]	9,124	7,466
Separate account assets	55,119	54,066
Separate account collateral held under securities lending agreements	5,811	5,765
Property and equipment (net of accumulated depreciation and amortization of $1,434 and $1,390 at June 30, 2023 and December 31, 2022, respectively)	1,045	1,031
Intangible assets (net of accumulated amortization of $541 and $483 at June 30, 2023 and December 31, 2022, respectively)	18,228	18,302
Goodwill	15,338	15,341
Operating lease right-of-use assets	1,464	1,516
Other assets[1]	5,875	3,461
Total assets	$ 122,644	$ 117,628
Liabilities		
Accrued compensation and benefits	$ 1,374	$ 2,272
Accounts payable and accrued liabilities	1,156	1,294
Borrowings	7,904	6,654
Separate account liabilities	55,119	54,066
Separate account collateral liabilities under securities lending agreements	5,811	5,765
Deferred income tax liabilities	3,439	3,381
Operating lease liabilities	1,814	1,835
Other liabilities[1]	6,131	3,576
Total liabilities	82,748	78,843
Commitments and contingencies (Note 14)		
Temporary equity		
Redeemable noncontrolling interests	1,546	909
Permanent equity		
BlackRock, Inc. stockholders' equity		
Common stock, $0.01 par value; Shares authorized: 500,000,000 at June 30, 2023 and December 31, 2022; Shares issued: 172,075,373 at June 30, 2023 and December 31, 2022; Shares outstanding: 149,373,266 and 149,756,492 at June 30, 2023 and December 31, 2022, respectively	2	2
Additional paid-in capital	19,571	19,772
Retained earnings	30,855	29,876
Accumulated other comprehensive loss	(880)	(1,101)
Treasury stock, common, at cost (22,702,107 and 22,318,881 shares held at June 30, 2023 and December 31, 2022, respectively)	(11,340)	(10,805)
Total BlackRock, Inc. stockholders' equity	38,208	37,744
Nonredeemable noncontrolling interests	142	132
Total permanent equity	38,350	37,876
Total liabilities, temporary equity and permanent equity	$ 122,644	$ 117,628

[1] At June 30, 2023, cash and cash equivalents, investments, other assets and other liabilities include $208 million, $4.7 billion, $68 million, and $2.0 billion, respectively, related to consolidated variable interest entities ("VIEs"). At December 31, 2022, cash and cash equivalents, investments, other assets and other liabilities include $234 million, $3.9 billion, $68 million, and $1.9 billion, respectively, related to consolidated VIEs.

See accompanying notes to condensed consolidated financial statements.

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

(in millions, except per share data)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenue				
Investment advisory, administration fees and securities lending revenue:				
Related parties	$ 2,689	$ 2,769	$ 5,300	$ 5,652
Other third parties	922	919	1,813	1,869
Total investment advisory, administration fees and securities lending revenue	3,611	3,688	7,113	7,521
Investment advisory performance fees	118	106	173	204
Technology services revenue	359	332	699	673
Distribution fees	319	361	638	742
Advisory and other revenue	56	39	83	85
Total revenue	4,463	4,526	8,706	9,225
Expense				
Employee compensation and benefits	1,429	1,414	2,856	2,912
Distribution and servicing costs	518	572	1,023	1,146
Direct fund expense	344	304	659	633
General and administration expense	520	530	1,041	1,026
Amortization of intangible assets	37	38	74	76
Total expense	2,848	2,858	5,653	5,793
Operating income	1,615	1,668	3,053	3,432
Nonoperating income (expense)				
Net gain (loss) on investments	231	(314)	320	(416)
Interest and dividend income	89	21	175	39
Interest expense	(69)	(54)	(128)	(108)
Total nonoperating income (expense)	251	(347)	367	(485)
Income before income taxes	1,866	1,321	3,420	2,947
Income tax expense	443	358	828	621
Net income	1,423	963	2,592	2,326
Less:				
Net income (loss) attributable to noncontrolling interests	57	(114)	69	(187)
Net income attributable to BlackRock, Inc.	$ 1,366	$ 1,077	$ 2,523	$ 2,513
Earnings per share attributable to BlackRock, Inc. common stockholders:				
Basic	$ 9.13	$ 7.12	$ 16.85	$ 16.59
Diluted	$ 9.06	$ 7.06	$ 16.70	$ 16.43
Weighted-average common shares outstanding:				
Basic	149.6	151.3	149.8	151.5
Diluted	150.7	152.5	151.0	153.0

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,	
	2023	**2022**	**2023**	**2022**
Net income	$ 1,423	$ 963	$ 2,592	$ 2,326
Other comprehensive income (loss):				
Foreign currency translation adjustments[(1)]	95	(416)	221	(541)
Comprehensive income (loss)	1,518	547	2,813	1,785
Less: Comprehensive income (loss) attributable to noncontrolling interests	57	(114)	69	(187)
Comprehensive income attributable to BlackRock, Inc.	$ 1,461	$ 661	$ 2,744	$ 1,972

(1) Amounts for the three months ended June 30, 2023 and 2022 includes a loss from a net investment hedge of $2 million (net of tax benefit of $1 million) and a gain from a net investment hedge of $36 million (net of tax expense of $11 million), respectively. Amounts for the six months ended June 30, 2023 and 2022 includes a loss from a net investment hedge of $13 million (net of tax benefit of $4 million) and a gain from net investment hedge of $49 million (net of tax expense of $15 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, 2023

(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, 2022	$ 19,774	$ 29,876	$ (1,101)	$ (10,805)	$ 37,744	$ 132	$ 37,876	$ 909
Net income	—	2,523	—	—	2,523	20	2,543	49
Dividends declared ($10.00 per share)	—	(1,544)	—	—	(1,544)	—	(1,544)	—
Stock-based compensation	323	—	—	—	323	—	323	—
Issuance of common shares related to employee stock transactions	(524)	—	—	571	47	—	47	—
Employee tax withholdings related to employee stock transactions	—	—	—	(354)	(354)	—	(354)	—
Shares repurchased	—	—	—	(752)	(752)	—	(752)	—
Subscriptions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	(10)	(10)	650
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	—	—	(62)
Other comprehensive income (loss)	—	—	221	—	221	—	221	—
June 30, 2023	**$ 19,573**	**$ 30,855**	**$ (880)**	**$ (11,340)**	**$ 38,208**	**$ 142**	**$ 38,350**	**$ 1,546**

(1) Amounts include $2 million of common stock at both June 30, 2023 and December 31, 2022.

For the Three Months Ended June 30, 2023

(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, 2023	$ 19,429	$ 30,237	$ (975)	$ (10,979)	$ 37,712	$ 118	$ 37,830	$ 1,235
Net income	—	1,366	—	—	1,366	25	1,391	32
Dividends declared ($5.00 per share)	—	(748)	—	—	(748)	—	(748)	—
Stock-based compensation	158	—	—	—	158	—	158	—
Issuance of common shares related to employee stock transactions	(14)	—	—	24	10	—	10	—
Employee tax withholdings related to employee stock transactions	—	—	—	(8)	(8)	—	(8)	—
Shares repurchased	—	—	—	(377)	(377)	—	(377)	—
Subscriptions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	(1)	(1)	336
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	—	—	(57)
Other comprehensive income (loss)	—	—	95	—	95	—	95	—
June 30, 2023	**$ 19,573**	**$ 30,855**	**$ (880)**	**$ (11,340)**	**$ 38,208**	**$ 142**	**$ 38,350**	**$ 1,546**

(1) Amounts include $2 million of common stock at both June 30, 2023 and March 31, 2023.

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 ($9.76 per share)	—	(1,523)	—	—	(1,523)	—	(1,523)	—
Stock-based compensation	376	—	—	—	376	—	376	—
Issuance of common shares related to employee stock transactions	(547)	—	—	561	14	—	14	—
Employee tax withholdings related to employee stock transactions	—	—	—	(443)	(443)	—	(443)	—
Shares repurchased	—	—	—	(1,000)	(1,000)	—	(1,000)	—
Subscriptions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	2	2	425
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	—	—	(224)
Other comprehensive income (loss)	—	—	(541)	—	(541)	—	(541)	—
June 30, 2022	**$ 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 ($4.88 per share)	—	(737)	—	—	(737)	—	(737)	—
Stock-based compensation	175	—	—	—	175	—	175	—
Issuance of common shares related to employee stock transactions	(8)	—	—	16	8	—	8	—
Employee tax withholdings related to employee stock transactions	—	—	—	(7)	(7)	—	(7)	—
Shares repurchased	—	—	—	(500)	(500)	—	(500)	—
Subscriptions (redemptions/distributions) — noncontrolling interest holders	—	—	—	—	—	8	8	53
Net consolidations (deconsolidations) of sponsored investment funds	—	—	—	—	—	—	—	(101)
Other comprehensive income (loss)	—	—	(416)	—	(416)	—	(416)	—
June 30, 2022	**$ 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 Cash Flows
(unaudited)

(in millions)	Six Months Ended June 30, 2023	2022
Operating activities		
Net income	$ 2,592	$ 2,326
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	208	199
Noncash lease expense	77	82
Stock-based compensation	323	376
Deferred income tax expense (benefit)	58	12
Net (gains) losses within CIPs	(167)	388
Net (purchases) proceeds within CIPs	(947)	(590)
(Earnings) losses from equity method investees	(191)	57
Distributions of earnings from equity method investees	18	32
Changes in operating assets and liabilities:		
Accounts receivable	(472)	216
Investments, trading	12	115
Other assets	(2,337)	(1,224)
Accrued compensation and benefits	(875)	(1,582)
Accounts payable and accrued liabilities	(110)	(118)
Other liabilities	2,402	934
Net cash provided by/(used in) operating activities	591	1,223
Investing activities		
Purchases of investments	(584)	(383)
Proceeds from sales and maturities of investments	179	117
Distributions of capital from equity method investees	17	34
Net consolidations (deconsolidations) of sponsored investment funds	27	(5)
Purchases of property and equipment	(142)	(263)
Net cash provided by/(used in) investing activities	(503)	(500)
Financing activities		
Repayments of long-term borrowings	—	(750)
Proceeds from long-term borrowings	1,238	—
Cash dividends paid	(1,544)	(1,523)
Proceeds from stock options exercised	27	—
Repurchases of common stock	(1,104)	(1,443)
Net proceeds from (repayments of) borrowings by CIPs	(23)	—
Net subscriptions received/(redemptions/distributions paid) from noncontrolling interest holders	640	427
Other financing activities	12	17
Net cash provided by/(used in) financing activities	(754)	(3,272)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	84	(293)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(582)	(2,842)
Cash, cash equivalents and restricted cash, beginning of period	7,433	9,340
Cash, cash equivalents and restricted cash, end of period	$ 6,851	$ 6,498
Supplemental schedule of noncash investing and financing transactions:		
Issuance of common stock	$ 524	$ 547
Increase (decrease) in noncontrolling interests due to net consolidation (deconsolidation) of sponsored investment funds	$ (62)	$ (224)

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 offer choice and tailor investment 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, 2022, which was filed with the Securities and Exchange Commission ("SEC") on February 24, 2023 ("2022 Form 10-K").

The interim financial information at June 30, 2023 and for the three and six months ended June 30, 2023 and 2022 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.

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, commodities 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, bank loans held within consolidated collateralized loan obligations ("CLOs"), short-term floating-rate notes, asset-backed securities, as well as over-the-counter derivatives, including interest 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, including those held within CIPs, investments in CLOs, and bank loans held within consolidated CLOs and CIPs.
- 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, and bank loans held within CLOs and CIPs are 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 price and interest rate exposures with respect to its total portfolio of seed investments in sponsored investment products. Certain CIPs also utilize derivatives as a part of their investment strategy.

In addition, during 2023, the Company acquired both investments and derivatives to economically hedge market valuation changes on certain deferred cash compensation plans, for which the final value of the deferred amount distributed to employees in cash upon vesting is determined based on the returns on specified investment funds. The Company recognizes compensation expense for the appreciation (depreciation) of the deferred cash compensation liability in proportion to the vested amount of the award during a respective period, while the gain (loss) to economically hedge these plans is immediately recognized in nonoperating income (expense). See Note 4, *Investments*, and Note 8, *Derivatives and Hedging*, for further information on the Company's investments and derivatives, respectively, used to economically hedge certain deferred cash compensation plans.

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 United States ("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 (1) the legal title, or (2) 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, 2023 and December 31, 2022, the fair value of loaned securities held by separate accounts was approximately $9.9 billion and $10.2 billion, respectively, and the fair value of the collateral under these securities lending agreements was approximately $10.9 billion and $11.0 billion, respectively, of which approximately $5.8 billion as of June 30, 2023 and $5.8 billion as of December 31, 2022 was recognized on the condensed consolidated statements of financial condition. During the six months ended June 30, 2023 and 2022, 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.

Property and Equipment. Property and equipment are recorded at cost less accumulated depreciation. Depreciation is generally determined by cost less any estimated residual value using the straight-line method over the estimated useful lives of the various classes of property and equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life or the remaining lease term. During the six months ended June 30, 2023, BlackRock reclassed approximately $400 million from construction in progress to leasehold improvements primarily related to its new headquarters located at 50 Hudson Yards in New York.

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”). There were no Yield Support waivers during the three and six months ended June 30, 2023 and during the three months ended June 30, 2022. During the six months ended June 30, 2022 Yield Support waivers resulted in a reduction of management fees of approximately $72 million. The reduction in management fees 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. 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, 2023	December 31, 2022
Cash and cash equivalents	$ 6,834	$ 7,416
Restricted cash included in other assets	17	17
Total cash, cash equivalents and restricted cash	$ 6,851	$ 7,433

4. Investments

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

(in millions)	June 30, 2023	December 31, 2022
Debt securities:		
Trading securities (including $1,759 and $1,279 held by CIPs at June 30, 2023 and December 31, 2022, respectively)	$ 1,800	$ 1,331
Held-to-maturity investments	618	544
Total debt securities	2,418	1,875
Equity securities at FVTNI (including $1,386 and $1,089 held by CIPs at June 30, 2023 and December 31, 2022, respectively)[1]	1,526	1,211
Equity method investments:		
Equity method investments[2]	2,091	1,895
Deferred cash compensation plan - equity method investments[1]	249	—
Total equity method investments	2,340	1,895
Bank loans held by CIPs	370	354
Federal Reserve Bank stock[3]	91	91
Carried interest[4]	1,699	1,550
Other investments[1][5]	680	490
Total investments	$ 9,124	$ 7,466

(1) Amounts include investments held to economically hedge the impact of market valuation changes on certain deferred cash compensation plans of $249 million, $14 million, and $12 million included within equity method investments, equity securities at fair value recorded through net income ("FVTNI") and other investments, respectively, as of June 30, 2023.
(2) Equity method investments primarily include BlackRock's direct investments in certain BlackRock sponsored investment funds.
(3) Federal Reserve Bank stock is held for regulatory purposes and is restricted from sale.
(4) 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.
(5) Other investments include BlackRock's investments in nonmarketable equity securities, which are measured at cost, adjusted for observable price changes, and private equity, real asset, and commodity investments held by CIPs, which are measured at fair value.

Held-to-Maturity Investments

Held-to-maturity investments included certain investments in BlackRock sponsored CLOs. The amortized cost (carrying value) of these investments approximated fair value (primarily a Level 2 input). At June 30, 2023, $33 million of these investments mature between one to five years, $284 million of these investments mature between five to ten years and $301 million of these investments mature after ten 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 FVTNI is as follows:

(in millions)	June 30, 2023 Cost	June 30, 2023 Carrying Value	December 31, 2022 Cost	December 31, 2022 Carrying Value
Trading debt securities:				
Corporate debt	$ 1,195	$ 1,132	$ 823	$ 795
Government debt	526	489	420	400
Asset/mortgage-backed debt	197	179	154	136
Total trading debt securities	$ 1,918	$ 1,800	$ 1,397	$ 1,331
Equity securities at FVTNI:				
Equity securities/mutual funds	$ 1,415	$ 1,526	$ 1,216	$ 1,211

5. 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 or loan arrangements 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 economic interest 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:

(in millions)	June 30, 2023 VIEs	June 30, 2023 VREs	June 30, 2023 Total	December 31, 2022 VIEs	December 31, 2022 VREs	December 31, 2022 Total
Cash and cash equivalents[1]	$ 208	$ 48	$ 256	$ 234	$ 31	$ 265
Investments:						
Trading debt securities	1,283	476	1,759	949	330	1,279
Equity securities at FVTNI	968	418	1,386	821	268	1,089
Bank loans	218	152	370	234	120	354
Other investments	543	98	641	373	77	450
Carried interest	1,649	—	1,649	1,497	—	1,497
Total investments	4,661	1,144	5,805	3,874	795	4,669
Other assets	68	36	104	68	29	97
Other liabilities[2]	(1,993)	(78)	(2,071)	(1,876)	(48)	(1,924)
Noncontrolling interest - CIPs	(1,372)	(264)	(1,636)	(857)	(125)	(982)
BlackRock's net interest in CIPs	$ 1,572	$ 886	$ 2,458	$ 1,443	$ 682	$ 2,125

(1) The Company generally cannot readily access cash and cash equivalents held by CIPs to use in its operating activities.
(2) At both June 30, 2023 and December 31, 2022, 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.

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)	**2023**	**2022**	**2023**	**2022**
Nonoperating net gain (loss) on consolidated VIEs	$ 80	$ (183)	$ 139	$ (316)
Net income (loss) attributable to NCI on consolidated VIEs	$ 61	$ (108)	$ 73	$ (183)

6. Variable Interest Entities

Nonconsolidated VIEs. At June 30, 2023 and December 31, 2022, 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, was as follows:

(in millions)	Investments	Advisory Fee Receivables	Other Net Assets (Liabilities)	Maximum Risk of Loss[(1)]
June 30, 2023				
Sponsored investment products	$ 1,205	$ 117	$ (11)	$ 1,339
December 31, 2022				
Sponsored investment products	$ 1,060	$ 95	$ (12)	$ 1,172

(1) At both June 30, 2023 and December 31, 2022, 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 $23 billion and $19 billion at June 30, 2023 and December 31, 2022, respectively.

7. Fair Value Disclosures

Fair Value Hierarchy

Assets and liabilities measured at fair value on a recurring basis

June 30, 2023 *(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, 2023
Assets:						
Investments						
Debt securities:						
Trading securities	$ —	$ 1,759	$ 41	$ —	$ —	$ 1,800
Held-to-maturity investments	—	—	—	—	618	618
Total debt securities	—	1,759	41	—	618	2,418
Equity securities at FVTNI:						
Equity securities/mutual funds	1,526	—	—	—	—	1,526
Equity method:						
Equity, fixed income, and multi-asset mutual funds	149	—	—	—	—	149
Hedge funds/funds of hedge funds/other	—	—	—	462	—	462
Private equity funds	—	—	—	1,119	—	1,119
Real assets funds	—	—	—	361	—	361
Deferred cash compensation plan equity method investments	—	—	—	249	—	249
Total equity method	149	—	—	2,191	—	2,340
Bank loans	—	104	266	—	—	370
Federal Reserve Bank Stock	—	—	—	—	91	91
Carried interest	—	—	—	—	1,699	1,699
Other investments	55	—	—	475	150	680
Total investments	1,730	1,863	307	2,666	2,558	9,124
Other assets[3]	140	2	109	—	—	251
Separate account assets	35,290	19,242	—	—	587	55,119
Separate account collateral held under securities lending agreements:						
Equity securities	3,043	—	—	—	—	3,043
Debt securities	—	2,768	—	—	—	2,768
Total separate account collateral held under securities lending agreements	3,043	2,768	—	—	—	5,811
Total	$ 40,203	$ 23,875	$ 416	$ 2,666	$ 3,145	$ 70,305
Liabilities:						
Separate account collateral liabilities under securities lending agreements	$ 3,043	$ 2,768	$ —	$ —	$ —	$ 5,811
Other liabilities[4]	—	15	254	—	—	269
Total	$ 3,043	$ 2,783	$ 254	$ —	$ —	$ 6,080

(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, certain equity method investments 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 1 amount includes a minority investment in a publicly traded company. Level 3 amount includes a strategic private debt investment with changes in fair value recorded in AOCI, net of tax.

(4) Level 2 amount primarily includes fair value of derivatives (See Note 8, *Derivatives and Hedging*, for more information). Level 3 amount primarily includes borrowings of a consolidated CLO classified based on the significance of unobservable inputs used for calculating the fair value of consolidated CLO assets, and a contingent liability related to a prior acquisition (see Note 14, *Commitments and Contingencies*, for more information).

December 31, 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]	December 31, 2022
Assets:						
Investments						
Debt securities:						
Trading securities	$ —	$ 1,279	$ 52	$ —	$ —	$ 1,331
Held-to-maturity investments	—	—	—	—	544	544
Total debt securities	—	1,279	52	—	544	1,875
Equity securities at FVTNI:						
Equity securities/mutual funds	1,211	—	—	—	—	1,211
Equity method:						
Equity, fixed income, and multi-asset mutual funds	181	—	—	—	—	181
Hedge funds/funds of hedge funds/other	—	—	—	525	—	525
Private equity funds	—	—	—	885	—	885
Real assets funds	—	—	—	304	—	304
Total equity method	181	—	—	1,714	—	1,895
Bank loans	—	106	248	—	—	354
Federal Reserve Bank Stock	—	—	—	—	91	91
Carried interest	—	—	—	—	1,550	1,550
Other investments	28	—	—	316	146	490
Total investments	1,420	1,385	300	2,030	2,331	7,466
Other assets[3]	145	1	—	—	—	146
Separate account assets	34,823	18,544	—	—	699	54,066
Separate account collateral held under securities lending agreements:						
Equity securities	2,163	—	—	—	—	2,163
Debt securities	—	3,602	—	—	—	3,602
Total separate account collateral held under securities lending agreements	2,163	3,602	—	—	—	5,765
Total	$ 38,551	$ 23,532	$ 300	$ 2,030	$ 3,030	$ 67,443
Liabilities:						
Separate account collateral liabilities under securities lending agreements	$ 2,163	$ 3,602	$ —	$ —	$ —	$ 5,765
Other liabilities[4]	—	31	280	—	—	311
Total	$ 2,163	$ 3,633	$ 280	$ —	$ —	$ 6,076

(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 1 amount includes a minority investment in a publicly traded company. Level 2 amount primarily includes fair value of derivatives (See Note 8, *Derivatives and Hedging*, for more information).

(4) Level 2 amount primarily includes fair value of derivatives (See Note 8, *Derivatives and Hedging*, for more information). Level 3 amount primarily includes 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 prior acquisitions (see Note 14, *Commitments and Contingencies*, for more information).

Level 3 Assets. Level 3 assets predominantly include investments in CLOs, bank loans of consolidated CIPs, and a strategic private debt investment. Investments in CLOs and bank loans were valued based on single-broker nonbinding quotes or quotes from pricing services which use significant unobservable inputs. BlackRock's strategic private debt investment was valued using the income approach by discounting the expected cash flows to a single present value. For investments utilizing a discounted cashflow valuation technique, an increase (decrease) in the discount rate or risk premium in isolation could have resulted in a significantly lower (higher) fair value measurement as of June 30, 2023.

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, as well as 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, 2023

(in millions)	March 31, 2023	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, 2023	Total Net Unrealized Gains (Losses) Included in Earnings[2]
Assets:									
Investments:									
Debt securities:									
Trading	$ 55	$ (1)	$ 4	$ (17)	$ —	$ —	$ —	$ 41	$ (1)
Total debt securities	55	(1)	4	(17)	—	—	—	41	(1)
Bank loans	247	17	—	(1)	—	5	(2)	266	17
Total investments	302	16	4	(18)	—	5	(2)	307	16
Other assets	—	—	109	—	—	—	—	109	—
Total assets	$ 302	$ 16	$ 113	$ (18)	$ —	$ 5	$ (2)	$ 416	$ 16
Liabilities:									
Other liabilities	$ 257	$ —	$ —	$ —	$ (3)	$ —	$ —	$ 254	$ —

(1) Amounts include repayments of borrowings of a consolidated CLO.
(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, 2023

(in millions)	December 31, 2022	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, 2023	Total Net Unrealized Gains (Losses) Included in Earnings[2]
Assets:									
Investments:									
Debt securities:									
Trading	$ 52	$ —	$ 6	$ (17)	$ —	$ —	$ —	$ 41	$ —
Total debt securities	52	—	6	(17)	—	—	—	41	—
Bank loans	248	23	12	(21)	—	10	(6)	266	23
Total investments	300	23	18	(38)	—	10	(6)	307	23
Other assets	—	—	109	—	—	—	—	109	—
Total assets	$ 300	$ 23	$ 127	$ (38)	$ —	$ 10	$ (6)	$ 416	$ 23
Liabilities:									
Other liabilities	$ 280	$ 4	$ —	$ —	$ (22)	$ —	$ —	$ 254	$ 4

(1) Amounts include repayments of borrowings of a consolidated CLO.
(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, 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)
Liabilities:									
Other 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)
Liabilities:									
Other liabilities	$ 342	$ (1)	$ —	$ —	$ (29)	$ —	$ —	$ 314	$ (1)

(1) Amounts include proceeds from borrowings of a consolidated CLO and a 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.

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.

Disclosures of Fair Value for Financial Instruments Not Held at Fair Value. At June 30, 2023 and December 31, 2022, the fair value of the Company's financial instruments not held at fair value are categorized in the table below:

(in millions)	June 30, 2023 Carrying Amount	June 30, 2023 Estimated Fair Value	December 31, 2022 Carrying Amount	December 31, 2022 Estimated Fair Value	Fair Value Hierarchy
Financial Assets[1]:					
Cash and cash equivalents	$ 6,834	$ 6,834	$ 7,416	$ 7,416	Level 1 [2][3]
Other assets	$ 89	$ 89	$ 86	$ 86	Level 1 [2][4]
Financial Liabilities:					
Long-term borrowings	$ 7,904	$ 7,211	$ 6,654	$ 5,949	Level 2 [5]

(1) See Note 4, *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, 2023 and December 31, 2022, approximately $2.1 billion and $2.2 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) At June 30, 2023 and December 31, 2022, other assets included cash collateral of approximately $72 million and $69 million, respectively. See Note 8, *Derivatives and Hedging* for further information on derivatives held by the Company. In addition, other assets included $17 million of restricted cash at both June 30, 2023 and December 31, 2022.
(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 2023 and December 2022, respectively. See Note 13, *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, 2023

(in millions)	Ref	Fair Value	Total Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity method[(1)]:					
Hedge funds/funds of hedge funds/other	(a)	$ 462	$ 147	Daily/Monthly (17%) Quarterly (9%) N/R (74%)	1 – 90 days
Private equity funds	(b)	1,119	182	N/R	N/R
Real assets funds	(c)	361	258	Quarterly (13%) N/R (87%)	60 days
Deferred cash compensation plan equity method investments	(e)	249	—	Monthly	1 – 90 days
Consolidated sponsored investment products:					
Real assets funds	(c)	151	71	N/R	N/R
Private equity funds	(d)	210	62	N/R	N/R
Hedge funds/other	(a)	114	31	Quarterly	90 days
Total		$ 2,666	$ 751		

December 31, 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)	$ 525	$ 149	Daily/Monthly (23%) Quarterly (13%) N/R (64%)	1 – 90 days
Private equity funds	(b)	885	174	N/R	N/R
Real assets funds	(c)	304	304	Quarterly (17%) N/R (83%)	60 days
Consolidated sponsored investment products:					
Real assets funds	(c)	116	94	N/R	N/R
Private equity funds	(d)	183	37	N/R	N/R
Other funds		17	31	Quarterly	90 days
Total		$ 2,030	$ 789		

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, funds of hedge funds, and other 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, 2023 and December 31, 2022.

(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, 2023 and December 31, 2022.

(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, 2023 and December 31, 2022. The total remaining unfunded commitments were $329 million and $398 million at June 30, 2023 and December 31, 2022, respectively. The Company's portion of the total remaining unfunded commitments was $301 million and $364 million at June 30, 2023 and December 31, 2022, 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.

(e) This category includes hedge funds and funds of hedge funds that invest primarily in equities, fixed income securities, 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 investments in hedge funds will be redeemed upon settlement of certain deferred cash compensation liabilities.

Fair Value Option

At June 30, 2023 and December 31, 2022, the Company elected the fair value option for certain investments in CLOs of approximately $41 million and $52 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, 2023 and December 31, 2022:

(in millions)	June 30, 2023	December 31, 2022
CLO Bank loans:		
Aggregate principal amounts outstanding	$ 227	$ 238
Fair value	218	234
Aggregate unpaid principal balance in excess of (less than) fair value	$ 9	$ 4
CLO Borrowings:		
Aggregate principal amounts outstanding	$ 224	$ 245
Fair value	$ 217	$ 245

At June 30, 2023, the principal amounts outstanding of the borrowings issued by the CLO mature in 2030 and may be repaid prior to maturity at any time.

During the three and six months ended June 30, 2023 and 2022, 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.

8. Derivatives and Hedging

The Company maintains a program to enter into exchange traded futures as a macro hedging strategy to hedge market price and interest rate exposures with respect to its total portfolio of seed investments in sponsored investment products. At June 30, 2023 and December 31, 2022, the Company had outstanding exchange traded futures related to this macro hedging strategy with aggregate notional values of approximately $1.6 billion and $1.5 billion, with expiration dates during the third and first quarter of 2023, respectively.

In addition, beginning in the first quarter of 2023, the Company entered into futures to economically hedge the exposure to market movements on certain deferred cash compensation plans. At June 30, 2023, the Company had outstanding exchange traded futures with aggregate notional values related to its deferred cash compensation hedging program of approximately $186 million, with expiration dates during the third quarter of 2023.

Changes in the value of the futures contracts are recognized as gains or losses within nonoperating income (expense). Variation margin payments, which represent settlements of profit/loss, are generally received or made daily, and are reflected in other assets and other liabilities on the condensed consolidated statements of financial condition. These amounts were not material as of June 30, 2023 and December 31, 2022.

The Company executes forward foreign currency exchange contracts to mitigate the risk of certain foreign exchange movements. At June 30, 2023 and December 31, 2022, the Company had outstanding forward foreign currency exchange contracts with aggregate notional values of approximately $2.5 billion and $2.2 billion, with expiration dates in July 2023 and January 2023, respectively.

At both June 30, 2023 and December 31, 2022, 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, 2023 and December 31, 2022:

	Assets			Liabilities		
(in millions)	Statement of Financial Condition Classification	June 30, 2023	December 31, 2022	Statement of Financial Condition Classification	June 30, 2023	December 31, 2022
Derivative Instruments						
Forward foreign currency exchange contracts	Other assets	$ 2	$ 1	Other liabilities	$ 4	$ 19

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,	
	Statement of Income	2023	2022	2023	2022
(in millions)	Classification	Gains (Losses)		Gains (Losses)	
Derivative Instruments					
Exchange traded futures[1]	Nonoperating income (expense)	$ (13)	$ —	$ (58)	$ —
Forward foreign currency exchange contracts	General and administration expense	55	(129)	95	(171)
Total return swaps	Nonoperating income (expense)	—	62	—	103
Total gain (loss) from derivative instruments		$ 42	$ (67)	$ 37	$ (68)

[1] Amounts include $21 million and $76 million losses on futures used as a macro hedging strategy of seed investments and $8 million and $17 million gains on futures used to economically hedge certain deferred cash compensation plans for the three and six months ended June 30, 2023, respectively.

The Company's CIPs 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, 2023 and 2022.

See Note 15, *Borrowings*, in the 2022 Form 10-K for more information on the Company's net investment hedge.

9. Goodwill

Goodwill activity during the six months ended June 30, 2023 was as follows:

(in millions)	
December 31, 2022	$ 15,341
Other[1]	(3)
June 30, 2023	$ 15,338

[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.

10. Intangible Assets

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

(in millions)	Indefinite-lived	Finite-lived	Total
December 31, 2022	$ 17,578	$ 724	$ 18,302
Amortization expense	—	(74)	(74)
June 30, 2023	$ 17,578	$ 650	$ 18,228

11. 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)	2023	2022	2023	2022
Lease cost:				
Operating lease cost[1]	$ 46	$ 54	$ 101	$ 105
Variable lease cost[2]	9	11	20	22
Total lease cost	$ 55	$ 65	$ 121	$ 127

[1] Amounts include short-term leases, which are immaterial for the three and six months ended June 30, 2023 and 2022.
[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)	2023	2022
Supplemental cash flow information:		
Operating cash flows from operating leases included in the measurement of operating lease liabilities	$ 69	$ 82
Supplemental noncash information:		
ROU assets in exchange for operating lease liabilities	$ 15	$ 37

	June 30, 2023	December 31, 2022
Lease term and discount rate:		
Weighted-average remaining lease term	15 years	16 years
Weighted-average discount rate	3 %	3 %

12. Other Assets

At June 30, 2023 and December 31, 2022, the Company had $787 million and $809 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, 2023 and December 31, 2022, the Company had $479 million and $375 million, respectively, of other nonequity method corporate minority investments 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. These investments included equity securities, generally measured at fair value or under the measurement alternative to fair value for nonmarketable securities, and a strategic private debt investment measured at fair value. Changes in value of the equity securities are recorded in nonoperating income (expense) and changes in value of the debt security is recorded in AOCI, net of tax. See Note 2, *Significant Accounting Policies*, in the notes to the consolidated financial statements contained in the 2022 Form 10-K for further information.

13. Borrowings

Short-Term Borrowings

2023 Revolving Credit Facility. The Company maintains an unsecured revolving credit facility which is available for working capital and general corporate purposes (the "2023 credit facility"). In March 2023, the 2023 credit facility was amended to, among other things, (1) increase the aggregate commitment amount by $300 million to $5 billion, (2) extend the maturity date to March 2028 and (3) change the secured overnight financing rate ("SOFR") adjustment to 10 bps per annum for all SOFR-based borrowings. The 2023 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 2023 credit facility to an aggregate principal amount of up to $6 billion. The 2023 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, 2023. At June 30, 2023, the Company had no amount outstanding under the 2023 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 2023 credit facility. At June 30, 2023, BlackRock had no CP Notes outstanding.

Long-Term Borrowings

2033 Notes. In May 2023, the Company issued $1.25 billion in aggregate principal amount of 4.75% senior unsecured notes maturing on May 25, 2033 (the "2033 Notes"). The net proceeds of the 2033 Notes are being used for general corporate purposes, which may include the future repayment of all or a portion of the $1.0 billion 3.50% Notes due March 2024. Interest of approximately $59 million per year is payable semi-annually on May 25 and November 25 of each year, commencing on November 25, 2023. The 2033 Notes may be redeemed at the option of the Company, in whole or in part, at any time prior to February 25, 2033 at a "make-whole" redemption price, or thereafter at 100% of the principal amount of the 2033 Notes, in each case plus accrued but unpaid interest. The unamortized discount and debt issuance costs are being amortized over the remaining term of the 2033 Notes.

The carrying value and fair value of long-term borrowings determined using market prices and EUR/USD foreign exchange rate at the end of June 2023 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	$ —	$ 1,000	$ 983
1.25% Notes due 2025	764	(1)	763	726
3.20% Notes due 2027	700	(3)	697	663
3.25% Notes due 2029	1,000	(9)	991	926
2.40% Notes due 2030	1,000	(5)	995	863
1.90% Notes due 2031	1,250	(9)	1,241	1,022
2.10% Notes due 2032	1,000	(13)	987	804
4.75% Notes due 2033	1,250	(20)	1,230	1,224
Total long-term borrowings	$ 7,964	$ (60)	$ 7,904	$ 7,211

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

Long-term borrowings at December 31, 2022 had a carrying value of $6.7 billion and a fair value of $5.9 billion, determined using market prices at the end of December 2022.

See Note 15, *Borrowings*, in the 2022 Form 10-K for more information regarding the Company's borrowings.

14. Commitments and Contingencies

Investment Commitments. At June 30, 2023, the Company had $797 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. BlackRock is currently responding to requests from the SEC in connection with a publicly reported, industry-wide investigation of investment advisers' compliance with record retention requirements relating to certain types of electronic communications. BlackRock is cooperating with the SEC's investigation.

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, 2023 and subject to this type of indemnification was approximately $247 billion. In the Company's capacity as lending agent, cash and securities totaling approximately $265 billion were held as collateral for indemnified securities on loan at June 30, 2023. The fair value of these indemnifications was not material at June 30, 2023.

15. Revenue

The table below presents detail of revenue for the three and six months ended June 30, 2023 and 2022 and includes the product mix of investment advisory, administration fees and securities lending revenue, and performance fees.

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenue				
Investment advisory, administration fees and securities lending revenue:				
Equity:				
Active	$ 506	$ 550	$ 1,006	$ 1,166
ETFs	1,102	1,103	2,180	2,261
Non-ETF index	197	186	374	373
Equity subtotal	1,805	1,839	3,560	3,800
Fixed income:				
Active	482	503	950	1,037
ETFs	309	274	604	563
Non-ETF index	88	102	175	220
Fixed income subtotal	879	879	1,729	1,820
Multi-asset	300	331	596	690
Alternatives:				
Illiquid alternatives	206	184	407	363
Liquid alternatives	146	161	291	328
Currency and commodities[1]	49	62	95	118
Alternatives subtotal	401	407	793	809
Long-term	**3,385**	**3,456**	**6,678**	**7,119**
Cash management	226	232	435	402
Total investment advisory, administration fees and securities lending revenue	**3,611**	**3,688**	**7,113**	**7,521**
Investment advisory performance fees:				
Equity	15	3	21	15
Fixed income	—	13	1	22
Multi-asset	3	7	18	12
Alternatives:				
Illiquid alternatives	79	65	100	102
Liquid alternatives	21	18	33	53
Alternatives subtotal	100	83	133	155
Total investment advisory performance fees	**118**	**106**	**173**	**204**
Technology services revenue	**359**	**332**	**699**	**673**
Distribution fees	**319**	**361**	**638**	**742**
Advisory and other revenue:				
Advisory	31	15	45	31
Other	25	24	38	54
Total advisory and other revenue	**56**	**39**	**83**	**85**
Total revenue	**$ 4,463**	**$ 4,526**	**$ 8,706**	**$ 9,225**

(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, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
By client type:				
Retail	$ 1,044	$ 1,139	$ 2,076	$ 2,363
ETFs	1,460	1,436	2,878	2,937
Institutional:				
Active	640	636	1,262	1,311
Index	241	245	462	508
Total institutional	881	881	1,724	1,819
Long-term	**3,385**	**3,456**	**6,678**	**7,119**
Cash management	226	232	435	402
Total	**$ 3,611**	**$ 3,688**	**$ 7,113**	**$ 7,521**
By investment style:				
Active	$ 1,635	$ 1,727	$ 3,241	$ 3,578
Index and ETFs	1,750	1,729	3,437	3,541
Long-term	**3,385**	**3,456**	**6,678**	**7,119**
Cash management	226	232	435	402
Total	**$ 3,611**	**$ 3,688**	**$ 7,113**	**$ 7,521**

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, 2023 and 2022:

June 30, 2023

(in millions)	Remainder of 2023	2024	2025	2026	Thereafter	Total
Investment advisory and administration fees:						
Alternatives[1][2]	$ 87	$ 131	$ 100	$ 84	$ 62	$ 464

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

(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, 2023 and 2022. 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 (a) performance obligations with an original duration of one year or less, and (b) 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, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Beginning balance	$ 1,458	$ 1,699	$ 1,420	$ 1,508
Net increase (decrease) in unrealized allocations	265	(46)	319	177
Performance fee revenue recognized	(72)	(61)	(88)	(93)
Ending balance	$ 1,651	$ 1,592	$ 1,651	$ 1,592

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, 2023 and 2022:

June 30, 2023

(in millions)	Remainder of 2023	2024	2025	2026	Thereafter	Total
Technology services revenue[1][2]	$ 69	$ 73	$ 46	$ 33	$ 25	$ 246

June 30, 2022

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

(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 (a) performance obligations with an original duration of one year or less, and (b) 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, 2023, the estimated fixed minimum fees for the remainder of the year approximated $490 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, 2023 and 2022, 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)	2023	2022	2023	2022
Beginning balance	$ 120	$ 113	$ 125	$ 122
Additions[1]	27	27	48	49
Revenue recognized that was included in the beginning balance	(25)	(32)	(51)	(63)
Ending balance	$ 122	$ 108	$ 122	$ 108

(1) Amounts are net of revenue recognized.

16. Stock-Based Compensation

Restricted Stock Units ("RSUs")

RSU activity for the six months ended June 30, 2023 is summarized below.

Outstanding at	RSUs	Weighted-Average Grant Date Fair Value
December 31, 2022	2,009,207	$ 710.67
Granted	705,866	$ 734.63
Converted	(829,369)	$ 635.84
Forfeited	(32,402)	$ 759.65
June 30, 2023	**1,853,302**	**$ 752.43**

In January 2023, pursuant to the BlackRock, Inc. Second Amended and Restated 1999 Stock Award and Incentive Plan (the "Award Plan"), the Company granted as part of the 2022 annual incentive compensation 342,706 RSUs to employees that vest ratably over three years from the grant date and 259,465 RSUs to employees that cliff vest 100% on January 31, 2026. On May 30, 2023, pursuant to the Award Plan, the Company granted 71,267 RSUs that cliff vest 100% on May 30, 2027. The Company values RSUs at their grant-date fair value as measured by BlackRock's common stock price. The total fair market value of RSUs granted to employees during the six months ended June 30, 2023 was $519 million.

At June 30, 2023, the intrinsic value of outstanding RSUs was $1.3 billion, reflecting a closing stock price of $691.14.

At June 30, 2023, total unrecognized stock-based compensation expense related to unvested RSUs was $666 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 1.5 years.

Performance-Based RSUs.

Performance-based RSU activity for the six months ended June 30, 2023 is summarized below.

Outstanding at	Performance-Based RSUs	Weighted-Average Grant Date Fair Value
December 31, 2022	531,054	$ 672.47
Granted	169,938	$ 743.60
Additional shares granted due to attainment of performance measures	29,194	$ 532.15
Converted	(262,797)	$ 534.00
Forfeited	(11,005)	$ 756.51
June 30, 2023	**456,384**	**$ 767.69**

In January 2023, pursuant to the Award Plan, the Company granted 169,938 performance-based RSUs that cliff vest 100% on January 31, 2026. 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 2023, the Company granted 29,194 additional RSUs 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, 2023 was $142 million.

At June 30, 2023, the intrinsic value of outstanding performance-based RSUs was $315 million, reflecting a closing stock price of $691.14.

At June 30, 2023, total unrecognized stock-based compensation expense related to unvested performance-based awards was $136 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 1.6 years.

See Note 18, *Stock-Based Compensation,* in the 2022 Form 10-K for more information on performance-based RSUs.

Stock Options

Stock option activity and ending balance for the six months ended June 30, 2023 is summarized below.

	2017 Performance-based Options		2023 Performance-based Options		2023 Time-based Options	
	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price
Outstanding at December 31, 2022	1,735,898	$ 513.50	—	$ —	—	$ —
Granted	—	$ —	814,482	$ 673.58	326,391	$ 673.58
Exercised	(54,072)	$ 513.50	—	$ —	—	$ —
Forfeited	(2,577)	$ 513.50	(6,787)	$ 673.58	—	$ —
Outstanding at June 30, 2023	**1,679,249**	**$ 513.50**	**807,695**	**$ 673.58**	**326,391**	**$ 673.58**

	Options Outstanding				Options Exercisable			
Option Type	Exercise Prices	Options Outstanding[1]	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (in millions)	Exercise Prices	Options Exercisable	Weighted Average Remaining Life (years)	Aggregate Intrinsic Value (in millions)
2017 Performance-based	$ 513.50	1,679,249	3.4	$ 298	$ 513.50	540,583	3.4	$ 96
2023 Performance-based	$ 673.58	807,695	8.9	14		—	—	—
2023 Time-based	$ 673.58	326,391	8.9	6		—	—	—
		2,813,335	5.7	$ 318		540,583	3.4	$ 96

(1) At June 30, 2023, 1.1 million 2017 performance-based options, 0.8 million 2023 performance-based options and 0.3 million 2023 time-based options were expected to vest.

At June 30, 2023, total unrecognized stock-based compensation expense related to unvested performance-based stock options and time-based stock options was $184 million. The unrecognized compensation cost is expected to be recognized over the remaining weighted-average period of 3 years.

Performance-based stock options

In 2017, pursuant to the Award Plan, the Company awarded performance-based stock option grants to certain employees ("2017 Performance-based Options"). Vesting of 2017 Performance-based Options was 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. Both hurdles have been achieved, and the first tranche of the awards vested at the end of 2022 with two subsequent equal installments vesting at the end of 2023 and 2024, respectively. The aggregate intrinsic value of 2017 Performance-based Options exercised during the six months ended June 30, 2023 was $12 million. See Note 18, *Stock-Based Compensation,* in the 2022 Form 10-K for more information on 2017 Performance-based Options.

On May 30, 2023, pursuant to the Award Plan, the Company awarded performance-based options to purchase 814,482 shares of BlackRock common stock to certain employees as long-term incentive compensation ("2023 Performance-based Options"). Vesting of 2023 Performance-based Options is contingent upon the achievement of obtaining 130% of grant-date stock price over 60 calendar days within four years from the grant date and attainment of Company performance measures during the three-year performance period. If both hurdles are achieved, the award will vest in three tranches of 25%, 25% and 50% in May of 2027, 2028 and 2029, respectively. Vested options are exercisable for up to nine years following the grant date, and the awards are forfeited if the employee resigns before the respective vesting date. The expense for each tranche is amortized over the respective requisite service period.

The 2023 Performance-based Options have a strike price of $673.58 which was the closing price of the shares on the grant date. The grant-date fair value of the 2023 Performance-based Options was $120 million and was estimated using a Monte Carlo simulation with an embedded lattice model using the assumptions included in the following table:

Grant Year	Expected Term (Years)[1]	Expected Stock Volatility[2]	Expected Dividend Yield[3]	Risk-Free Interest Rate[4]
2023	6.02	27.73 %	3.02 %	3.61 %

(1) The expected term was derived using a Monte Carlo simulation with the embedded lattice model and represents the period of time that options granted are expected to be outstanding.
(2) The expected stock volatility was based upon an average of historical stock price fluctuations of BlackRock's common stock and an implied volatility at the grant date.
(3) The expected dividend yield was calculated as the most recent quarterly dividend divided by the average three-month stock price as of the grant date.
(4) The risk-free interest rate is based on the US Treasury Constant Maturities yield curve at grant date.

Time-based stock options

On May 30, 2023, pursuant to the Award Plan, the Company awarded time-based stock options to purchase 326,391 shares of BlackRock common stock to certain employees as long-term incentive compensation ("2023 Time-based Options"). These awards will vest in three tranches of 25%, 25% and 50% in May 2027, 2028 and 2029, respectively. Vested options can be exercised up to nine years following the grant date, and the awards are forfeited if the employee resigns before the respective vesting date.

The 2023 Time-based Options have a strike price of $673.58 which was the closing price of the shares on the grant date. The grant-date fair value of the 2023 Time-based Options was $55 million and was estimated using a Black-Scholes-Merton model using the assumptions included in the following table:

Grant Year	Expected Term (Years)[1]	Expected Stock Volatility[2]	Expected Dividend Yield[3]	Risk-Free Interest Rate[4]
2023	7.13	28.29 %	3.02 %	3.65 %

(1) The expected term represents the period of time that options granted are expected to be outstanding, and was calculated as the midpoint between the weighted average time to vest and expiration.
(2) The expected stock volatility was based upon an average of historical stock price fluctuations of BlackRock's common stock and an implied volatility at the grant date.
(3) The expected dividend yield was calculated as the most recent quarterly dividend divided by the average three-month stock price as of the grant date.
(4) The risk-free interest rate is based on the US Treasury Constant Maturities yield curve at grant date.

17. 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, 2023, the Company was required to maintain approximately $2.3 billion in net capital in certain regulated subsidiaries, including BlackRock Institutional Trust Company, N.A. (a wholly owned subsidiary of the Company chartered as a national bank with powers limited to trust and other fiduciary activities and 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.

18. Accumulated Other Comprehensive Income (Loss)

The following table presents changes in AOCI for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Beginning balance	$ (975)	$ (675)	$ (1,101)	$ (550)
Foreign currency translation adjustments[(1)]	95	(416)	221	(541)
Ending balance	$ (880)	$ (1,091)	$ (880)	$ (1,091)

(1) Amounts for the three months ended June 30, 2023 and 2022 includes a loss from a net investment hedge of $2 million (net of tax benefit of $1 million) and a gain from a net investment hedge of $36 million (net of tax expense of $11 million), respectively. Amounts for the six months ended June 30, 2023 and 2022 includes a loss from a net investment hedge of $13 million (net of tax benefit of $4 million) and a gain from net investment hedge of $49 million (net of tax expense of $15 million), respectively.

19. Capital Stock

Share Repurchases. In January 2023, the Company announced that the Board of Directors authorized the repurchase of an additional seven million shares under the Company's existing share repurchase program for a total of up to approximately 7.9 million shares of BlackRock common stock.

During the six months ended June 30, 2023, the Company repurchased 1.1 million common shares under the Company's existing share repurchase program for approximately $750 million. At June 30, 2023, there were approximately 6.8 million shares still authorized to be repurchased under the program.

20. Restructuring Charge

A restructuring charge of $91 million ($69 million after-tax), comprised of $58 million of severance and $33 million of expense related to the accelerated amortization of previously granted stock-based compensation awards, was recorded in the fourth quarter of 2022 in connection with an initiative to modify the workforce to align more closely with strategic priorities.

The table below presents a rollforward of the Company's restructuring liability for the six months ended June 30, 2023, which is included in other liabilities on the condensed consolidated statements of financial condition.

(in millions)	Six Months Ended June 30, 2023
Liability as of December 31, 2022	$ 58
Cash payments	(53)
Liability as of June 30, 2023	$ 5

21. Income Taxes

Income tax expense for the six months ended June 30, 2023 included $40 million of discrete tax benefits primarily related to stock-based compensation awards that vested in the first quarter of 2023, offset by a $38 million discrete tax expense related to the resolution of certain outstanding tax matters.

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.

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, 2023 and 2022 under the treasury stock method:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except shares and per share data)	2023	2022	2023	2022
Net income attributable to BlackRock, Inc.	$ 1,366	$ 1,077	$ 2,523	$ 2,513
Basic weighted-average shares outstanding	149,604,642	151,292,580	149,756,151	151,511,496
Dilutive effect of:				
Nonparticipating RSUs	764,079	835,374	885,861	1,032,540
Stock options	370,492	324,366	401,751	446,111
Total diluted weighted-average shares outstanding	150,739,213	152,452,320	151,043,763	152,990,147
Basic earnings per share	$ 9.13	$ 7.12	$ 16.85	$ 16.59
Diluted earnings per share	$ 9.06	$ 7.06	$ 16.70	$ 16.43

For the three and six months ended June 30, 2023, 116,559 and 60,850 shares, primarily related to stock options, respectively, were excluded from the calculation of diluted EPS because to include them would have an anti-dilutive effect. 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. Certain performance-based RSUs and stock options were excluded from the diluted EPS calculation because the designated contingencies were not met for the three and six months ended June 30, 2023 and 2022, 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, 2023 and 2022 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2023	2022	2023	2022
Revenue				
Americas	$ 2,982	$ 3,014	$ 5,813	$ 6,103
Europe	1,291	1,307	2,515	2,703
Asia-Pacific	190	205	378	419
Total revenue	$ 4,463	$ 4,526	$ 8,706	$ 9,225

See Note 15, *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, 2023 and December 31, 2022 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, 2023	December 31, 2022
Long-lived Assets		
Americas	$ 14,956	$ 14,945
Europe	1,334	1,329
Asia-Pacific	93	98
Total long-lived assets	$ 16,383	$ 16,372

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

24. Subsequent Events

In July 2023, BlackRock and Jio Financial Services Limited (“JFS”) announced an agreement to form Jio BlackRock, a 50:50 joint venture aimed to deliver tech-enabled access to investment solutions for investors in India. JFS and BlackRock are targeting initial investment of $150 million each in the joint venture, which will launch operations post receipt of regulatory and statutory approvals.

In August 2023, BlackRock completed the acquisition of Kreos Capital, a leading provider of growth and venture debt financing to companies in the technology and healthcare industries. The Company believes this acquisition will add to the Company's position as a leading global credit asset manager and advance its ambitions to provide clients with a diverse range of private market investment products and solutions. The financial impact of the transaction is not expected to be material to the condensed consolidated financial statements.

The Company conducted a review for additional 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) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management ("AUM"); (3) the relative and absolute investment performance of BlackRock's investment products; (4) BlackRock's ability to develop new products and services that address client preferences; (5) the impact of increased competition; (6) the impact of future acquisitions or divestitures; (7) BlackRock's ability to integrate acquired businesses successfully; (8) the unfavorable resolution of legal proceedings; (9) the extent and timing of any share repurchases; (10) the impact, extent and timing of technological changes and the adequacy of intellectual property, data, information and cybersecurity protection; (11) attempts to circumvent BlackRock's operational control environment or the potential for human error in connection with BlackRock's operational systems; (12) the impact of legislative and regulatory actions and reforms, regulatory, supervisory or enforcement actions of government agencies and governmental scrutiny relating to BlackRock; (13) changes in law and policy and uncertainty pending any such changes; (14) any failure to effectively manage conflicts of interest; (15) damage to BlackRock's reputation; (16) geopolitical unrest, terrorist activities, civil or international hostilities, including the war 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; (17) a pandemic or health crisis, and related impact on BlackRock's business, operations and financial condition; (18) climate-related risks to BlackRock's business, products, operations and clients; (19) the ability to attract, train and retain highly qualified and diverse 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 ("ETFs") 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, instability or failure of other financial institutions or the failure or negative performance of products offered by 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 $9.4 trillion of AUM at June 30, 2023. With approximately 19,300 employees in more than 30 countries, BlackRock provides a broad range of investment management and technology services to institutional and retail clients in more than 100 countries across the globe.

BlackRock's diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes enables the Company to offer choice and tailor investment 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 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. The Company is highly regulated and manages its clients' assets as a fiduciary. The Company does not engage in proprietary trading activities that could conflict with the interests of its 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.

EXECUTIVE SUMMARY

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
GAAP basis[1]:				
Total revenue	$ 4,463	$ 4,526	$ 8,706	$ 9,225
Total expense	2,848	2,858	5,653	5,793
Operating income	$ 1,615	$ 1,668	$ 3,053	$ 3,432
Operating margin	*36.2%*	*36.9%*	*35.1%*	*37.2%*
Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests	194	(233)	298	(298)
Income tax expense	443	358	828	621
Net income attributable to BlackRock	$ 1,366	$ 1,077	$ 2,523	$ 2,513
Diluted earnings per common share	$ 9.06	$ 7.06	$ 16.70	$ 16.43
Effective tax rate	24.5%	24.9%	24.7%	19.8%
As adjusted[2]:				
Operating income	$ 1,675	$ 1,727	$ 3,186	$ 3,549
Operating margin	*42.5%*	*43.7%*	*41.5%*	*43.9%*
Nonoperating income (expense), less net income (loss) attributable to noncontrolling interests	$ 178	$ (233)	$ 265	$ (298)
Net income attributable to BlackRock	$ 1,399	$ 1,122	$ 2,599	$ 2,584
Diluted earnings per common share	$ 9.28	$ 7.36	$ 17.21	$ 16.89
Effective tax rate	24.5%	24.9%	24.7%	20.5%
Other:				
Assets under management (end of period)	$ 9,425,212	$ 8,487,410	$ 9,425,212	$ 8,487,410
Diluted weighted-average common shares outstanding	150.7	152.5	151.0	153.0
Shares outstanding (end of period)	149.4	151.0	149.4	151.0
Book value per share[3]	$ 255.79	$ 245.68	$ 255.79	$ 245.68
Cash dividends declared and paid per share	$ 5.00	$ 4.88	$ 10.00	$ 9.76

(1) Accounting principles generally accepted in the United States ("GAAP").
(2) As adjusted items are described in more detail in *Non-GAAP Financial Measures*. Beginning in the first quarter of 2023, BlackRock updated the definitions of its non-GAAP financial measures to exclude the impact of market valuation changes on certain deferred cash compensation plans which the Company began economically hedging in 2023.
(3) Total BlackRock stockholders' equity divided by total shares outstanding at June 30 of the respective period-end.

Three Months Ended June 30, 2023 Compared with Three Months Ended June 30, 2022

GAAP. Operating income of $1.6 billion decreased $53 million and operating margin of 36.2% decreased 70 bps from the three months ended June 30, 2022. Decreases in operating income and operating margin reflected lower investment advisory and administration fees (collectively "base fees"), driven by the negative impact of market movements on average AUM over the past twelve months.

Nonoperating income (expense) less net income (loss) attributable to noncontrolling interests ("NCI") increased $427 million from the three months ended June 30, 2022, driven primarily by mark-to-market gains on the Company's private equity co-investment portfolios, mark-to-market revaluation of un-hedged seed capital portfolio and certain minority company investments, and higher interest and dividend income.

Earnings per diluted common share increased $2.00, or 28%, from the three months ended June 30, 2022, primarily driven by higher nonoperating income in the current quarter.

As Adjusted. Operating income of $1.7 billion decreased $52 million and operating margin of 42.5% decreased 120 bps from the three months ended June 30, 2022, while earnings per diluted common share increased $1.92, or 26%, from the three months ended June 30, 2022, primarily reflecting higher nonoperating income.

Six Months Ended June 30, 2023 Compared with Six Months Ended June 30, 2022

GAAP. Operating income of $3.1 billion decreased $379 million and operating margin of 35.1% decreased 210 bps from the six months ended June 30, 2022. Decreases in operating income and operating margin reflected lower base fees, driven by the impact of lower markets, partially offset by lower expense.

Nonoperating income (expense) less net income (loss) attributable to NCI increased $596 million from the six months ended June 30, 2022, driven primarily by higher mark-to-market gains on the Company's private equity co-investment portfolios, mark-to-market revaluation of Company's un-hedged seed capital portfolio and certain minority company investments, and higher interest and dividend income.

Income tax expense for the six months ended June 30, 2023 included $40 million of discrete tax benefits primarily related to stock-based compensation awards that vested in 2023, offset by a $38 million discrete tax expense related to the resolution of certain outstanding tax matters. 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 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. See *Income Tax Expense* within *Discussion of Financial Results* for more information.

Earnings per diluted common share increased $0.27 or 2%, from the six months ended June 30, 2022, primarily reflecting higher nonoperating income, partially offset by lower operating income and a higher effective tax rate.

As Adjusted. Operating income of $3.2 billion decreased $363 million and operating margin of 41.5% decreased 240 bps from the six months ended June 30, 2022.

Earnings per diluted common share increased $0.32, or 2%, from the six months ended June 30, 2022. Income tax expense for the six months ended June 30, 2022 excluded the $18 million net noncash benefit described above.

Beginning in the first quarter of 2023, BlackRock updated its definitions of operating income, as adjusted, operating margin, as adjusted, nonoperating income (expense), as adjusted, and net income attributable to BlackRock, Inc., as adjusted, to exclude the compensation expense related to the market valuation changes on certain deferred cash compensation plans, and the related nonoperating gain (loss) impact of an economic hedge of these deferred cash compensation plans. *See Non-GAAP Financial Measures* for further information on as adjusted items and the reconciliation to GAAP.

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 financial 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 financial measures may not be comparable to other similarly titled measures of other companies.

Beginning in the first quarter of 2023, BlackRock updated its definitions of operating income, as adjusted, operating margin, as adjusted, nonoperating income (expense), as adjusted, and net income attributable to BlackRock, Inc., as adjusted, to exclude the compensation expense related to the market valuation changes on certain deferred cash compensation plans, and the related nonoperating gain (loss) impact of an economic hedge of these deferred cash compensation plans.

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

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

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Operating income, GAAP basis	**$ 1,615**	**$ 1,668**	**$ 3,053**	**$ 3,432**
Non-GAAP expense adjustments:				
Compensation expense related to appreciation (depreciation) on deferred cash compensation plans (a)	12	—	32	—
Amortization of intangible assets (b)	37	38	74	76
Acquisition-related compensation costs (b)	4	6	9	13
Acquisition-related transaction costs (b)[1]	3	—	3	—
Contingent consideration fair value adjustments (b)	1	—	1	1
Lease costs - New York (c)	3	15	14	27
Operating income, as adjusted	**$ 1,675**	**$ 1,727**	**$ 3,186**	**$ 3,549**
Revenue, GAAP basis	$ 4,463	$ 4,526	$ 8,706	$ 9,225
Non-GAAP adjustments:				
Distribution fees	(319)	(361)	(638)	(742)
Investment advisory fees	(199)	(211)	(385)	(404)
Revenue used for operating margin measurement	$ 3,945	$ 3,954	$ 7,683	$ 8,079
Operating margin, GAAP basis	**36.2%**	**36.9%**	**35.1%**	**37.2%**
Operating margin, as adjusted	**42.5%**	**43.7%**	**41.5%**	**43.9%**

(1) Amount included within general and administration expense.

(2) Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted:

(in millions)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Nonoperating income (expense), GAAP basis	**$ 251**	**$ (347)**	**$ 367**	**$ (485)**
Less: Net income (loss) attributable to NCI	57	(114)	69	(187)
Nonoperating income (expense), net of NCI	194	(233)	298	(298)
Less: Hedge gain (loss) on deferred cash compensation plans (a)	16	—	33	—
Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted	**$ 178**	**$ (233)**	**$ 265**	**$ (298)**

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

(in millions, except per share data)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net income attributable to BlackRock, Inc., GAAP basis	**$ 1,366**	**$ 1,077**	**$ 2,523**	**$ 2,513**
Non-GAAP adjustments[1]:				
Net impact of hedged deferred cash compensation plans (a)	(3)	—	(1)	—
Amortization of intangible assets (b)	28	29	56	58
Acquisition-related compensation costs (b)	3	5	7	10
Acquisition-related transaction costs (b)	2	—	2	—
Contingent consideration fair value adjustments (b)	1	—	1	1
Lease costs - New York (c)	2	11	11	20
Income tax matters	—	—	—	(18)
Net income attributable to BlackRock, Inc., as adjusted	**$ 1,399**	**$ 1,122**	**$ 2,599**	**$ 2,584**
Diluted weighted-average common shares outstanding	150.7	152.5	151.0	153.0
Diluted earnings per common share, GAAP basis	**$ 9.06**	**$ 7.06**	**$ 16.70**	**$ 16.43**
Diluted earnings per common share, as adjusted	**$ 9.28**	**$ 7.36**	**$ 17.21**	**$ 16.89**

(1) Non-GAAP adjustments are net of tax excluding income tax matters.

(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, 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 the following non-GAAP expense adjustments:

  (a) *Compensation expense related to appreciation (depreciation) on deferred cash compensation plans.* Beginning in the first quarter of 2023, the Company updated its definition of operating income, as adjusted, to exclude compensation expense related to the market valuation changes on certain deferred cash compensation plans, which the Company began hedging economically in 2023. For these deferred cash compensation plans, the final value of the deferred amount to be distributed to employees in cash upon vesting is determined based on the returns on specified investment funds. The Company recognizes compensation expense for the appreciation (depreciation) of the deferred cash compensation liability in proportion to the vested amount of the award during a respective period, while the gain (loss) to economically hedge these plans is immediately recognized in nonoperating income (expense), which creates a timing difference impacting net income. This timing difference will reverse and offset to zero over the life of the award at the end of the multi-year vesting period. Management believes excluding market valuation changes related to the deferred cash compensation plans in the calculation of operating income, as adjusted, provides useful disclosure to both management and investors of the Company's financial performance over time as these amounts are economically hedged, while also increasing comparability with other companies.

  (b) *Acquisition related costs.* Acquisition related costs 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.

  (c) *Lease costs – New York.* In 2022 and 2023, the Company continued to recognize lease expense within general and administration expense for both its current headquarters located at 50 Hudson Yards in New York and prior headquarters until the Company's lease on its prior headquarters expired in April 2023. The Company began lease payments related to its current headquarters in May 2023, but began recording lease expense in August 2021 when it obtained access to the building to begin its tenant improvements. Prior to the Company's move to its current headquarters in February 2023, the impact of lease costs related to 50 Hudson Yards was excluded from operating income, as adjusted. In February 2023, the Company completed the majority of its move to 50 Hudson Yards and no longer excluded the impact of these lease costs. Subsequently, from February 2023 through April 2023, the Company excluded the impact of lease costs related to the Company's prior headquarters. Management believes excluding the impact of these respective New York lease costs ("Lease costs – New York") when calculating operating income, as adjusted, is useful to assess the Company's financial performance and ongoing operations, and enhances comparability among periods presented.

- 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. Nonoperating income (expense), less net income (loss) attributable to NCI, as adjusted, excludes the gain (loss) on the economic hedge of certain deferred cash compensation plans. As the gain (loss) on investments and derivatives used to hedge these compensation plans over time substantially offsets the compensation expense related to the market valuation changes on these deferred cash compensation plans, which is included in operating income, GAAP basis, management believes excluding the gain (loss) on the economic hedge of the deferred cash compensation plans when calculating 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 that impact book value.

(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 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.

See notes (1) and (2) above regarding operating income, as adjusted, for information on the updated presentation of non-GAAP adjustments. For each period presented, the non-GAAP adjustments were tax effected at the respective blended rates applicable to the adjustments. Amounts for income tax matters represent net noncash (benefit) 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 enhance comparability among periods presented.

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, 2023	March 31, 2023	December 31, 2022	June 30, 2022	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023	Twelve Months Ended June 30, 2023
Retail	$ 903,630	$ 876,979	$ 843,475	$ 863,425	$ 3,789	$ 4,071	$ (15,641)
ETFs	3,215,932	3,074,303	2,909,610	2,784,296	47,993	69,700	181,722
Institutional:							
Active	1,812,719	1,778,340	1,641,591	1,510,862	9,392	80,925	228,077
Index	2,782,790	2,677,711	2,528,615	2,580,603	(4,483)	4,693	(23,876)
Institutional subtotal	4,595,509	4,456,051	4,170,206	4,091,465	4,909	85,618	204,201
Long-term	**8,715,071**	**8,407,333**	**7,923,291**	**7,739,186**	**56,691**	**159,389**	**370,282**
Cash management	710,141	682,938	671,194	739,457	23,471	31,090	(40,407)
Advisory	—	—	—	8,767	—	—	(8,764)
Total	**$ 9,425,212**	**$ 9,090,271**	**$ 8,594,485**	**$ 8,487,410**	**$ 80,162**	**$ 190,479**	**$ 321,111**

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

	AUM				Net inflows (outflows)		
(in millions)	June 30, 2023	March 31, 2023	December 31, 2022	June 30, 2022	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023	Twelve Months Ended June 30, 2023
Active	$ 2,516,396	$ 2,474,034	$ 2,317,560	$ 2,210,648	$ 4,435	$ 72,726	$ 198,154
Index and ETFs	6,198,675	5,933,299	5,605,731	5,528,538	52,256	86,663	172,128
Long-term	**8,715,071**	**8,407,333**	**7,923,291**	**7,739,186**	**56,691**	**159,389**	**370,282**
Cash management	710,141	682,938	671,194	739,457	23,471	31,090	(40,407)
Advisory	—	—	—	8,767	—	—	(8,764)
Total	**$ 9,425,212**	**$ 9,090,271**	**$ 8,594,485**	**$ 8,487,410**	**$ 80,162**	**$ 190,479**	**$ 321,111**

AUM and Net Inflows (Outflows) by Product Type

	AUM				Net inflows (outflows)		
(in millions)	June 30, 2023	March 31, 2023	December 31, 2022	June 30, 2022	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023	Twelve Months Ended June 30, 2023
Equity	$ 4,961,344	$ 4,707,344	$ 4,435,354	$ 4,345,120	$ (4,317)	$ (11,108)	$ (10,671)
Fixed income	2,668,851	2,653,744	2,536,823	2,439,844	43,821	97,697	303,828
Multi-asset	811,927	771,880	684,904	678,465	17,365	71,040	83,210
Alternatives:							
Illiquid alternatives	127,678	123,416	117,751	112,039	3,049	7,481	14,246
Liquid alternatives	78,056	80,151	80,654	83,770	(2,485)	(4,610)	(7,275)
Currency and commodities[1]	67,215	70,798	67,805	79,948	(742)	(1,111)	(13,056)
Alternatives subtotal	272,949	274,365	266,210	275,757	(178)	1,760	(6,085)
Long-term	**8,715,071**	**8,407,333**	**7,923,291**	**7,739,186**	**56,691**	**159,389**	**370,282**
Cash management	710,141	682,938	671,194	739,457	23,471	31,090	(40,407)
Advisory	—	—	—	8,767	—	—	(8,764)
Total	**$ 9,425,212**	**$ 9,090,271**	**$ 8,594,485**	**$ 8,487,410**	**$ 80,162**	**$ 190,479**	**$ 321,111**

(1) Amounts include commodity ETFs.

Component Changes in AUM for the Three Months Ended June 30, 2023

The following table presents the component changes in AUM by client type and product type for the three months ended June 30, 2023.

(in millions)	March 31, 2023	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Retail:						
Equity	$ 394,274	$ 1,997	$ 17,687	$ 1,517	$ 415,475	$ 400,742
Fixed income	305,937	4,361	(2,161)	1,312	309,449	307,599
Multi-asset	128,681	546	4,130	189	133,546	131,273
Alternatives	48,087	(3,115)	84	104	45,160	46,614
Retail subtotal	876,979	3,789	19,740	3,122	903,630	886,228
ETFs:						
Equity	2,191,437	13,889	102,818	910	2,309,054	2,220,744
Fixed income	810,776	34,741	(8,499)	741	837,759	824,579
Multi-asset	7,688	(24)	182	46	7,892	7,715
Alternatives	64,402	(613)	(2,595)	33	61,227	63,996
ETFs subtotal	3,074,303	47,993	91,906	1,730	3,215,932	3,117,034
Institutional:						
Active:						
Equity	176,053	(6,439)	8,011	432	178,057	176,835
Fixed income	814,637	(4,650)	(2,698)	(122)	807,167	811,375
Multi-asset	629,018	16,930	15,544	2,577	664,069	641,330
Alternatives	158,632	3,551	972	271	163,426	160,607
Active subtotal	1,778,340	9,392	21,829	3,158	1,812,719	1,790,147
Index:						
Equity	1,945,580	(13,764)	136,617	(9,675)	2,058,758	1,979,995
Fixed income	722,394	9,369	(10,514)	(6,773)	714,476	716,052
Multi-asset	6,493	(87)	112	(98)	6,420	6,387
Alternatives	3,244	(1)	(84)	(23)	3,136	3,159
Index subtotal	2,677,711	(4,483)	126,131	(16,569)	2,782,790	2,705,593
Institutional subtotal	4,456,051	4,909	147,960	(13,411)	4,595,509	4,495,740
Long-term	**8,407,333**	**56,691**	**259,606**	**(8,559)**	**8,715,071**	**8,499,002**
Cash management	682,938	23,471	1,886	1,846	710,141	688,238
Total	**$ 9,090,271**	**$ 80,162**	**$ 261,492**	**$ (6,713)**	**$ 9,425,212**	**$ 9,187,240**

(1) Foreign exchange reflects the impact of translating non-US dollar denominated AUM into United States ('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.

The following table presents the component changes in AUM by investment style and product type for the three months ended June 30, 2023.

(in millions)	March 31, 2023	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Active:						
Equity	$ 410,889	$ (9,729)	$ 16,548	$ 955	$ 418,663	$ 412,335
Fixed income	1,098,737	(3,747)	(4,249)	803	1,091,544	1,095,152
Multi-asset	757,692	17,475	19,672	2,766	797,605	772,595
Alternatives	206,716	436	1,057	375	208,584	207,220
Active subtotal	2,474,034	4,435	33,028	4,899	2,516,396	2,487,302
Index and ETFs:						
ETFs:						
Equity	2,191,437	13,889	102,818	910	2,309,054	2,220,744
Fixed income	810,776	34,741	(8,499)	741	837,759	824,579
Multi-asset	7,688	(24)	182	46	7,892	7,715
Alternatives	64,402	(613)	(2,595)	33	61,227	63,996
ETFs subtotal	3,074,303	47,993	91,906	1,730	3,215,932	3,117,034
Non-ETF Index:						
Equity	2,105,018	(8,477)	145,767	(8,681)	2,233,627	2,145,237
Fixed income	744,231	12,827	(11,124)	(6,386)	739,548	739,874
Multi-asset	6,500	(86)	114	(98)	6,430	6,395
Alternatives	3,247	(1)	(85)	(23)	3,138	3,160
Non-ETF Index subtotal	2,858,996	4,263	134,672	(15,188)	2,982,743	2,894,666
Index & ETFs subtotal	5,933,299	52,256	226,578	(13,458)	6,198,675	6,011,700
Long-term	**8,407,333**	**56,691**	**259,606**	**(8,559)**	**8,715,071**	**8,499,002**
Cash management	682,938	23,471	1,886	1,846	710,141	688,238
Total	**$ 9,090,271**	**$ 80,162**	**$ 261,492**	**$ (6,713)**	**$ 9,425,212**	**$ 9,187,240**

The following table presents the component changes in AUM by product type for the three months ended June 30, 2023.

(in millions)	March 31, 2023	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Equity	$ 4,707,344	$ (4,317)	$ 265,133	$ (6,816)	$ 4,961,344	$ 4,778,316
Fixed income	2,653,744	43,821	(23,872)	(4,842)	2,668,851	2,659,605
Multi-asset	771,880	17,365	19,968	2,714	811,927	786,705
Alternatives:						
Illiquid alternatives	123,416	3,049	856	357	127,678	125,350
Liquid alternatives	80,151	(2,485)	276	114	78,056	78,905
Currency and commodities[3]	70,798	(742)	(2,755)	(86)	67,215	70,121
Alternatives subtotal	274,365	(178)	(1,623)	385	272,949	274,376
Long-term	**8,407,333**	**56,691**	**259,606**	**(8,559)**	**8,715,071**	**8,499,002**
Cash management	682,938	23,471	1,886	1,846	710,141	688,238
Total	**$ 9,090,271**	**$ 80,162**	**$ 261,492**	**$ (6,713)**	**$ 9,425,212**	**$ 9,187,240**

(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) Amounts include commodity ETFs.

AUM increased $335 billion to $9.4 trillion at June 30, 2023 from $9.1 trillion at March 31, 2023, driven primarily by net market appreciation and net inflows.

Long-term net inflows of $57 billion were comprised of net inflows of $48 billion, $5 billion and $4 billion from ETFs, institutional clients and retail, respectively. Net flows in long-term products are described below.

- ETFs net inflows of $48 billion were led by $35 billion of net inflows into bond ETFs. Equity net inflows were driven by both US and international equity market exposures.
- Institutional active net inflows of $9 billion were led by multi-asset net inflows and reflected demand for customized *LifePath*® target-date mandates and illiquid alternatives, partially offset by equity and fixed income net outflows.
- Institutional index net outflows of $4 billion primarily reflected equity net outflows, partially offset by fixed income net inflows.
- Retail net inflows of $4 billion primarily reflected strength in index separately managed accounts and active fixed income net inflows, partially offset by alternatives net outflows.

Cash management AUM increased to $710 billion, driven by net inflows into US government money market funds.

Net market appreciation of $261 billion was primarily driven by global equity market appreciation.

AUM decreased $7 billion due to the impact of foreign exchange movements, primarily resulting from the strengthening of the US dollar against the Japanese yen, partially offset by the weakening of the US dollar largely against the British pound.

Component Changes in AUM for the Six Months Ended June 30, 2023

The following table presents the component changes in AUM by client type and product type for the six months ended June 30, 2023.

(in millions)	December 31, 2022	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Retail:						
Equity	$ 370,612	$ 3,995	$ 37,415	$ 3,453	$ 415,475	$ 396,013
Fixed income	299,114	4,782	2,052	3,501	309,449	306,870
Multi-asset	125,168	(599)	8,471	506	133,546	129,891
Alternatives	48,581	(4,107)	414	272	45,160	47,489
Retail subtotal	843,475	4,071	48,352	7,732	903,630	880,263
ETFs:						
Equity	2,081,742	3,784	219,991	3,537	2,309,054	2,192,715
Fixed income	758,093	68,254	9,146	2,266	837,759	803,927
Multi-asset	8,875	(1,651)	620	48	7,892	7,904
Alternatives	60,900	(687)	964	50	61,227	62,526
ETFs subtotal	2,909,610	69,700	230,721	5,901	3,215,932	3,067,072
Institutional:						
Active:						
Equity	168,734	(10,121)	17,995	1,449	178,057	173,796
Fixed income	774,955	11,052	19,312	1,848	807,167	801,706
Multi-asset	544,469	73,516	40,679	5,405	664,069	617,997
Alternatives	153,433	6,478	2,698	817	163,426	158,477
Active subtotal	1,641,591	80,925	80,684	9,519	1,812,719	1,751,976
Index:						
Equity	1,814,266	(8,766)	258,022	(4,764)	2,058,758	1,942,828
Fixed income	704,661	13,609	(2,061)	(1,733)	714,476	714,153
Multi-asset	6,392	(226)	362	(108)	6,420	6,429
Alternatives	3,296	76	(216)	(20)	3,136	3,204
Index subtotal	2,528,615	4,693	256,107	(6,625)	2,782,790	2,666,614
Institutional subtotal	4,170,206	85,618	336,791	2,894	4,595,509	4,418,590
Long-term	**7,923,291**	**159,389**	**615,864**	**16,527**	**8,715,071**	**8,365,925**
Cash management	671,194	31,090	3,704	4,153	710,141	672,509
Total	**$ 8,594,485**	**$ 190,479**	**$ 619,568**	**$ 20,680**	**$ 9,425,212**	**$ 9,038,434**

(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.

The following table presents the component changes in AUM by investment style and product type for the six months ended June 30, 2023.

(in millions)	December 31, 2022	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Active:						
Equity	$ 392,836	$ (14,822)	$ 37,748	$ 2,901	$ 418,663	$ 409,793
Fixed income	1,053,083	12,260	21,631	4,570	1,091,544	1,085,735
Multi-asset	669,629	72,918	49,147	5,911	797,605	747,880
Alternatives	202,012	2,370	3,113	1,089	208,584	205,966
Active subtotal	2,317,560	72,726	111,639	14,471	2,516,396	2,449,374
Index and ETFs:						
ETFs:						
Equity	2,081,742	3,784	219,991	3,537	2,309,054	2,192,715
Fixed income	758,093	68,254	9,146	2,266	837,759	803,927
Multi-asset	8,875	(1,651)	620	48	7,892	7,904
Alternatives	60,900	(687)	964	50	61,227	62,526
ETFs subtotal	2,909,610	69,700	230,721	5,901	3,215,932	3,067,072
Non-ETF Index:						
Equity	1,960,776	(70)	275,684	(2,763)	2,233,627	2,102,844
Fixed income	725,647	17,183	(2,328)	(954)	739,548	736,994
Multi-asset	6,400	(227)	365	(108)	6,430	6,437
Alternatives	3,298	77	(217)	(20)	3,138	3,204
Non-ETF Index subtotal	2,696,121	16,963	273,504	(3,845)	2,982,743	2,849,479
Index & ETFs subtotal	5,605,731	86,663	504,225	2,056	6,198,675	5,916,551
Long-term	**7,923,291**	**159,389**	**615,864**	**16,527**	**8,715,071**	**8,365,925**
Cash management	671,194	31,090	3,704	4,153	710,141	672,509
Total	**$ 8,594,485**	**$ 190,479**	**$ 619,568**	**$ 20,680**	**$ 9,425,212**	**$ 9,038,434**

The following table presents the component changes in AUM by product type for the six months ended June 30, 2023.

(in millions)	December 31, 2022	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Equity	$ 4,435,354	$ (11,108)	$ 533,423	$ 3,675	$ 4,961,344	$ 4,705,352
Fixed income	2,536,823	97,697	28,449	5,882	2,668,851	2,626,656
Multi-asset	684,904	71,040	50,132	5,851	811,927	762,221
Alternatives:						
Illiquid alternatives	117,751	7,481	1,482	964	127,678	123,067
Liquid alternatives	80,654	(4,610)	1,779	233	78,056	79,714
Currency and commodities[3]	67,805	(1,111)	599	(78)	67,215	68,915
Alternatives subtotal	266,210	1,760	3,860	1,119	272,949	271,696
Long-term	**7,923,291**	**159,389**	**615,864**	**16,527**	**8,715,071**	**8,365,925**
Cash management	671,194	31,090	3,704	4,153	710,141	672,509
Total	**$ 8,594,485**	**$ 190,479**	**$ 619,568**	**$ 20,680**	**$ 9,425,212**	**$ 9,038,434**

(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) Amounts include commodity ETFs.

AUM increased $831 billion to $9.4 trillion at June 30, 2023 from $8.6 trillion at December 31, 2022, driven by net market appreciation, net inflows, and the positive impact of foreign exchange movements.

Long-term net inflows of $159 billion were comprised of net inflows of $86 billion, $70 billion, and $4 billion from institutional clients, ETFs and retail, respectively. Net flows in long-term products are described below.

- Institutional active net inflows of $81 billion were led by multi-asset net inflows and included the impact of significant outsourcing mandates.
- Institutional index net inflows of $5 billion primarily reflected fixed income net inflows, partially offset by equity net outflows.
- ETFs net inflows of $70 billion were led by $68 billion of net inflows into bond ETFs.
- Retail net inflows of $4 billion primarily reflected strength in index separately managed accounts and active fixed income net inflows, partially offset by alternatives net outflows.

Cash management AUM increased to $710 billion, due to net inflows into US government money market funds.

Net market appreciation of $620 billion was primarily driven by global equity market appreciation.

AUM increased $21 billion due to the impact of foreign exchange movements, primarily due to the weakening of the US dollar largely against the British pound and euro, partially offset by the strengthening of the US dollar against the Japanese yen.

Component Changes in AUM for the Twelve Months Ended June 30, 2023

The following table presents the component changes in AUM by client type and product type for the twelve months ended June 30, 2023.

(in millions)	June 30, 2022	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Retail:						
Equity	$ 371,226	$ (1,437)	$ 42,414	$ 3,272	$ 415,475	$ 385,196
Fixed income	313,860	(6,058)	(2,506)	4,153	309,449	306,249
Multi-asset	129,142	(3,720)	7,485	639	133,546	128,986
Alternatives	49,197	(4,426)	21	368	45,160	48,090
Retail subtotal	863,425	(15,641)	47,414	8,432	903,630	868,521
ETFs:						
Equity	2,010,343	40,042	255,483	3,186	2,309,054	2,123,824
Fixed income	695,888	152,257	(13,756)	3,370	837,759	764,009
Multi-asset	7,868	(549)	614	(41)	7,892	7,851
Alternatives	70,197	(10,028)	1,021	37	61,227	62,166
ETFs subtotal	2,784,296	181,722	243,362	6,552	3,215,932	2,957,850
Institutional:						
Active:						
Equity	163,697	(5,956)	18,789	1,527	178,057	170,136
Fixed income	661,852	135,460	7,374	2,481	807,167	753,556
Multi-asset	534,159	88,470	37,226	4,214	664,069	581,246
Alternatives	151,154	10,103	1,169	1,000	163,426	154,626
Active subtotal	1,510,862	228,077	64,558	9,222	1,812,719	1,659,564
Index:						
Equity	1,799,854	(43,320)	305,843	(3,619)	2,058,758	1,886,078
Fixed income	768,244	22,169	(74,685)	(1,252)	714,476	718,640
Multi-asset	7,296	(991)	212	(97)	6,420	6,680
Alternatives	5,209	(1,734)	(305)	(34)	3,136	3,585
Index subtotal	2,580,603	(23,876)	231,065	(5,002)	2,782,790	2,614,983
Institutional subtotal	4,091,465	204,201	295,623	4,220	4,595,509	4,274,547
Long-term	**7,739,186**	**370,282**	**586,399**	**19,204**	**8,715,071**	**8,100,918**
Cash management	739,457	(40,407)	5,532	5,559	710,141	690,482
Advisory	8,767	(8,764)	(3)	—	—	676
Total	**$ 8,487,410**	**$ 321,111**	**$ 591,928**	**$ 24,763**	**$ 9,425,212**	**$ 8,792,076**

(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.

The following table presents the component changes in AUM by investment style and product type for the twelve months ended June 30, 2023.

(in millions)	June 30, 2022	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Active:						
Equity	$ 393,048	$ (17,668)	$ 40,113	$ 3,170	$ 418,663	$ 402,006
Fixed income	953,957	125,397	6,236	5,954	1,091,544	1,037,866
Multi-asset	663,295	84,749	44,708	4,853	797,605	710,224
Alternatives	200,348	5,676	1,192	1,368	208,584	202,715
Active subtotal	2,210,648	198,154	92,249	15,345	2,516,396	2,352,811
Index and ETFs:						
ETFs:						
Equity	2,010,343	40,042	255,483	3,186	2,309,054	2,123,824
Fixed income	695,888	152,257	(13,756)	3,370	837,759	764,009
Multi-asset	7,868	(549)	614	(41)	7,892	7,851
Alternatives	70,197	(10,028)	1,021	37	61,227	62,166
ETFs subtotal	2,784,296	181,722	243,362	6,552	3,215,932	2,957,850
Non-ETF Index:						
Equity	1,941,729	(33,045)	326,933	(1,990)	2,233,627	2,039,404
Fixed income	789,999	26,174	(76,053)	(572)	739,548	740,579
Multi-asset	7,302	(990)	215	(97)	6,430	6,688
Alternatives	5,212	(1,733)	(307)	(34)	3,138	3,586
Non-ETF Index subtotal	2,744,242	(9,594)	250,788	(2,693)	2,982,743	2,790,257
Index & ETFs subtotal	5,528,538	172,128	494,150	3,859	6,198,675	5,748,107
Long-term	**7,739,186**	**370,282**	**586,399**	**19,204**	**8,715,071**	**8,100,918**
Cash management	739,457	(40,407)	5,532	5,559	710,141	690,482
Advisory	8,767	(8,764)	(3)	—	—	676
Total	**$ 8,487,410**	**$ 321,111**	**$ 591,928**	**$ 24,763**	**$ 9,425,212**	**$ 8,792,076**

The following table presents the component changes in AUM by product type for the twelve months ended June 30, 2023.

(in millions)	June 30, 2022	Net inflows (outflows)	Market change	FX impact[1]	June 30, 2023	Average AUM[2]
Equity	$ 4,345,120	$ (10,671)	$ 622,529	$ 4,366	$ 4,961,344	$ 4,565,234
Fixed income	2,439,844	303,828	(83,573)	8,752	2,668,851	2,542,454
Multi-asset	678,465	83,210	45,537	4,715	811,927	724,763
Alternatives:						
Illiquid alternatives	112,039	14,246	70	1,323	127,678	118,397
Liquid alternatives	83,770	(7,275)	1,445	116	78,056	80,744
Currency and commodities[3]	79,948	(13,056)	391	(68)	67,215	69,326
Alternatives subtotal	275,757	(6,085)	1,906	1,371	272,949	268,467
Long-term	**7,739,186**	**370,282**	**586,399**	**19,204**	**8,715,071**	**8,100,918**
Cash management	739,457	(40,407)	5,532	5,559	710,141	690,482
Advisory	8,767	(8,764)	(3)	—	—	676
Total	**$ 8,487,410**	**$ 321,111**	**$ 591,928**	**$ 24,763**	**$ 9,425,212**	**$ 8,792,076**

(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) Amounts include commodity ETFs.

AUM increased $938 billion to $9.4 trillion at June 30, 2023 from $8.5 trillion at June 30, 2022, driven by net market appreciation, net inflows, and the positive impact of foreign exchange movements.

Long-term net inflows of $370 billion were comprised of net inflows of $204 billion and $182 billion from institutional clients and ETFs, respectively, partially offset by retail net outflows of $16 billion. Net flows in long-term products are described below.

- Institutional active net inflows of $228 billion were led by fixed income and multi-asset net inflows and included the impact of several significant outsourcing mandates.
- Institutional index net outflows of $24 billion primarily reflected $43 billion of equity net outflows, partially offset by $22 billion of fixed income net inflows.
- ETFs net inflows of $182 billion were driven by net inflows into bond and core equity ETFs.
- Retail net outflows of $16 billion were primarily due to net outflows of $6 billion, $4 billion and $4 billion from fixed income, alternatives and multi-asset, respectively.

Cash management AUM decreased to $710 billion due to net outflows in the second half of 2022.

Net market appreciation of $592 billion was driven by global equity market appreciation.

AUM increased $25 billion due to the impact of foreign exchange movements, primarily due to the weakening of the US dollar largely against the British pound and euro, partially offset by the strengthening of the US dollar against the Japanese yen.

DISCUSSION OF FINANCIAL RESULTS

The Company's results of operations for the three and six months ended June 30, 2023 and 2022 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, 2022, which was filed with the Securities and Exchange Commission on February 24, 2023 ("2022 Form 10-K.")

Revenue

The table below presents detail of revenue for the three and six months ended June 30, 2023 and 2022 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)	**2023**	**2022**	**2023**	**2022**
Revenue				
Investment advisory, administration fees and securities lending revenue:				
Equity:				
Active	$ 506	$ 550	$ 1,006	$ 1,166
ETFs	1,102	1,103	2,180	2,261
Non-ETF index	197	186	374	373
Equity subtotal	1,805	1,839	3,560	3,800
Fixed income:				
Active	482	503	950	1,037
ETFs	309	274	604	563
Non-ETF index	88	102	175	220
Fixed income subtotal	879	879	1,729	1,820
Multi-asset	300	331	596	690
Alternatives:				
Illiquid alternatives	206	184	407	363
Liquid alternatives	146	161	291	328
Currency and commodities[1]	49	62	95	118
Alternatives subtotal	401	407	793	809
Long-term	**3,385**	**3,456**	**6,678**	**7,119**
Cash management	226	232	435	402
Total investment advisory, administration fees and securities lending revenue	**3,611**	**3,688**	**7,113**	**7,521**
Investment advisory performance fees:				
Equity	15	3	21	15
Fixed income	—	13	1	22
Multi-asset	3	7	18	12
Alternatives:				
Illiquid alternatives	79	65	100	102
Liquid alternatives	21	18	33	53
Alternatives subtotal	100	83	133	155
Total investment advisory performance fees	**118**	**106**	**173**	**204**
Technology services revenue	**359**	**332**	**699**	**673**
Distribution fees	**319**	**361**	**638**	**742**
Advisory and other revenue:				
Advisory	31	15	45	31
Other	25	24	38	54
Total advisory and other revenue	**56**	**39**	**83**	**85**
Total revenue	**$ 4,463**	**$ 4,526**	**$ 8,706**	**$ 9,225**

(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]	
	2023	2022	2023	2022	2023	2022	2023	2022
Equity:								
Active	14 %	15 %	4 %	5 %	14 %	15 %	5 %	5 %
ETFs	32 %	30 %	25 %	24 %	31 %	30 %	25 %	23 %
Non-ETF index	5 %	5 %	23 %	24 %	5 %	5 %	23 %	24 %
Equity subtotal	51 %	50 %	52 %	53 %	50 %	50 %	53 %	52 %
Fixed income:								
Active	13 %	14 %	12 %	11 %	14 %	14 %	12 %	11 %
ETFs	9 %	7 %	9 %	8 %	8 %	7 %	9 %	8 %
Non-ETF index	2 %	3 %	8 %	9 %	2 %	3 %	8 %	10 %
Fixed income subtotal	24 %	24 %	29 %	28 %	24 %	24 %	29 %	29 %
Multi-asset	8 %	9 %	9 %	8 %	8 %	9 %	8 %	8 %
Alternatives:								
Illiquid alternatives	6 %	5 %	1 %	1 %	6 %	5 %	1 %	1 %
Liquid alternatives	4 %	4 %	1 %	1 %	4 %	4 %	1 %	1 %
Currency and commodities[3]	1 %	2 %	1 %	1 %	2 %	3 %	1 %	1 %
Alternatives subtotal	11 %	11 %	3 %	3 %	12 %	12 %	3 %	3 %
Long-term	**94 %**	**94 %**	**93 %**	**92 %**	**94 %**	**95 %**	**93 %**	**92 %**
Cash management	6 %	6 %	7 %	8 %	6 %	5 %	7 %	8 %
Total 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, 2023 Compared with Three Months Ended June 30, 2022

Revenue decreased $63 million, or 1%, from the three months ended June 30, 2022, primarily driven by lower base fees due to the impact of lower markets on average AUM.

Investment advisory, administration fees and securities lending revenue of $3.6 billion decreased $77 million from $3.7 billion for the three months ended June 30, 2022, primarily driven by the negative impact of market beta on average AUM over the last twelve months, partially offset by higher securities lending revenue. Securities lending revenue of $184 million increased from $160 million for the three months ended June 30, 2022, primarily reflecting higher spreads.

Investment advisory performance fees of $118 million increased $12 million from $106 million for the three months ended June 30, 2022, primarily reflecting higher revenue from illiquid alternative products.

Technology services revenue of $359 million increased $27 million from $332 million for the three months ended June 30, 2022, reflecting continued strong client demand for Aladdin but also the impact of fixed income market movements over the last twelve months on positions on the Aladdin platform.

Total advisory and other revenue of $56 million increased $17 million from $39 million for the three months ended June 30, 2022, primarily reflecting higher revenue from advisory assignments.

Six Months Ended June 30, 2023 Compared with Six Months Ended June 30, 2022

Revenue decreased $519 million, or 6%, from the six months ended June 30, 2022, primarily driven by the impact of lower markets on average AUM.

Investment advisory, administration fees and securities lending revenue of $7.1 billion decreased $408 million from $7.5 billion for the six months ended June 30, 2022, primarily driven by the negative impact of market beta on average AUM, partially offset by the elimination of yield-related fee waivers on money market funds and higher securities lending revenue. Securities lending revenue of $351 million increased from $298 million for the six months ended June 30, 2022, primarily reflecting higher spreads.

Investment advisory performance fees of $173 million decreased $31 million from $204 million for the six months ended June 30, 2022, primarily reflecting lower revenue from long-only fixed income products and liquid alternative products.

Technology services revenue of $699 million increased $26 million from $673 million for the six months ended June 30, 2022, reflecting continued strong client demand for Aladdin but also the impact of fixed income market movements over the last twelve months on positions on the Aladdin platform.

Expense

The following table presents expense for the three and six months ended June 30, 2023 and 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Expense				
Employee compensation and benefits	$ 1,429	$ 1,414	$ 2,856	$ 2,912
Distribution and servicing costs	518	572	1,023	1,146
Direct fund expense	344	304	659	633
General and administration expense:				
Marketing and promotional	82	76	162	136
Occupancy and office related	100	106	210	205
Portfolio services	69	67	137	136
Sub-advisory	19	20	39	42
Technology	141	148	276	293
Professional services	35	42	77	82
Communications	12	10	24	21
Foreign exchange remeasurement	2	2	1	(1)
Contingent consideration fair value adjustments	1	—	1	1
Other general and administration	59	59	114	111
Total general and administration expense	520	530	1,041	1,026
Amortization of intangible assets	37	38	74	76
Total expense	**$ 2,848**	**$ 2,858**	**$ 5,653**	**$ 5,793**

Three Months Ended June 30, 2023 Compared with Three Months Ended June 30, 2022

Expense decreased $10 million from the three months ended June 30, 2022, reflecting lower distribution and servicing costs due to lower average AUM, partially offset by higher direct fund expense and employee compensation and benefits expense.

Employee compensation and benefits expense increased $15 million from the three months ended June 30, 2022, reflecting higher base compensation, driven primarily by base salary increases, partially offset by lower incentive compensation, primarily as a result of lower operating income.

Direct fund expense increased $40 million from the three months ended June 30, 2022, primarily reflecting higher average index AUM and lower rebates.

Six Months Ended June 30, 2023 Compared with Six Months Ended June 30, 2022

Expense decreased $140 million, or 2%, from the six months ended June 30, 2022, reflecting lower employee compensation and benefits expense and lower volume related expense.

Employee compensation and benefits expense decreased $56 million from the six months ended June 30, 2022, primarily resulting from lower incentive compensation, largely driven by lower operating income, partially offset by higher base compensation, driven primarily by base salary increases.

Direct fund expense increased $26 million from the six months ended June 30, 2022, primarily reflecting higher average index AUM.

General and administration expense increased $15 million from the six months ended June 30, 2022, primarily driven by higher marketing and promotional expense, resulting from higher travel and entertainment expense, partially offset by lower technology expense, related to the impact of certain credits.

Nonoperating Results

The summary of nonoperating income (expense), less net income (loss) attributable to NCI for the three and six months ended June 30, 2023 and 2022 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Nonoperating income (expense), GAAP basis	$ 251	$ (347)	$ 367	$ (485)
Less: Net income (loss) attributable to NCI	57	(114)	69	(187)
Nonoperating income (expense), net of NCI	194	(233)	298	(298)
Less: Hedge gain (loss) on deferred cash compensation plans[1]	16	—	33	—
Nonoperating income (expense), net of NCI, as adjusted[2]	$ 178	$ (233)	$ 265	$ (298)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Net gain (loss) on investments, net of NCI				
Private equity	$ 151	$ (8)	$ 190	$ 2
Real assets	2	1	8	14
Other alternatives[3]	4	(5)	10	(1)
Other investments[4]	(7)	(112)	5	(187)
Hedge gain (loss) on deferred cash compensation plans[1]	16	—	33	—
Subtotal	166	(124)	246	(172)
Other gains (losses)[5]	8	(76)	5	(57)
Total net gain (loss) on investments, net of NCI	174	(200)	251	(229)
Interest and dividend income	89	21	175	39
Interest expense	(69)	(54)	(128)	(108)
Net interest income (expense)	20	(33)	47	(69)
Nonoperating income (expense), net of NCI	194	(233)	298	(298)
Less: Hedge gain (loss) on deferred cash compensation plans[1]	16	—	33	—
Nonoperating income (expense), net of NCI, as adjusted[2]	$ 178	$ (233)	$ 265	$ (298)

(1) Amount relates to the gain (loss) from economically hedging BlackRock's deferred cash compensation plans.
(2) Management believes nonoperating income (expense), net of NCI, as adjusted, 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.
(3) Amounts primarily include net gains (losses) related to credit funds, direct hedge fund strategies and hedge fund solutions.
(4) Amounts primarily include net gains (losses) related to unhedged seed investments.
(5) Amounts primarily include noncash pre-tax gains related to the revaluation of certain minority strategic 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)	2023	2022	2023	2022	2023	2022	2023	2022
Operating income[1]	$ 1,615	$ 1,668	$ 3,053	$ 3,432	$ 1,675	$ 1,727	$ 3,186	$ 3,549
Total nonoperating income (expense)[1][2]	$ 194	$ (233)	$ 298	$ (298)	$ 178	$ (233)	$ 265	$ (298)
Income before income taxes[2]	$ 1,809	$ 1,435	$ 3,351	$ 3,134	$ 1,853	$ 1,494	$ 3,451	$ 3,251
Income tax expense	$ 443	$ 358	$ 828	$ 621	$ 454	$ 372	$ 852	$ 667
Effective tax rate	*24.5%*	*24.9%*	*24.7%*	*19.8%*	*24.5%*	*24.9%*	*24.7%*	*20.5%*

(1) As adjusted items are described in more detail in *Non-GAAP Financial Measures.*
(2) Net of net income (loss) attributable to NCI.

2023. Income tax expense for the six months ended June 30, 2023 included $40 million of discrete tax benefits primarily related to stock-based compensation awards that vested in the first quarter of 2023, offset by a $38 million discrete tax expense related to the resolution of certain outstanding tax matters.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted into law, which became effective January 1, 2023 and introduced new provisions including a corporate book minimum tax and an excise tax on net stock repurchases. The provisions within the IRA did not have a material impact on BlackRock's condensed consolidated financial statements.

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.

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 ("CIPs").

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 United Kingdom ("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"). See Note 2, *Significant Accounting Policies*, in the notes to the consolidated financial statements contained in the 2022 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, 2023			
(in millions)	GAAP Basis	Separate Account Assets/ Collateral[1]	CIPs[2]	As Adjusted
Assets				
Cash and cash equivalents	$ 6,834	$ —	$ 256	$ 6,578
Accounts receivable	3,806	—	—	3,806
Investments	9,124	—	1,698	7,426
Separate account assets and collateral held under securities lending agreements	60,930	60,930	—	—
Operating lease right-of-use assets	1,464	—	—	1,464
Other assets[3]	6,920	—	104	6,816
Subtotal	89,078	60,930	2,058	26,090
Goodwill and intangible assets, net	33,566	—	—	33,566
Total assets	$ 122,644	$ 60,930	$ 2,058	$ 59,656
Liabilities				
Accrued compensation and benefits	$ 1,374	$ —	$ —	$ 1,374
Accounts payable and accrued liabilities	1,156	—	—	1,156
Borrowings	7,904	—	—	7,904
Separate account liabilities and collateral liabilities under securities lending agreements	60,930	60,930	—	—
Deferred income tax liabilities[4]	3,439	—	—	3,439
Operating lease liabilities	1,814	—	—	1,814
Other liabilities	6,131	—	422	5,709
Total liabilities	82,748	60,930	422	21,396
Equity				
Total BlackRock, Inc. stockholders' equity	38,208	—	—	38,208
Noncontrolling interests	1,688	—	1,636	52
Total equity	39,896	—	1,636	38,260
Total liabilities and equity	$ 122,644	$ 60,930	$ 2,058	$ 59,656

(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 $4.3 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, 2023 and December 31, 2022 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, 2023 included $256 million 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, 2023). Accounts receivable at June 30, 2023 increased $542 million from December 31, 2022, primarily due to higher base fee and technology services receivables. Investments at June 30, 2023 increased $1.7 billion from December 31, 2022 (for more information see *Investments* herein). Goodwill and intangible assets at June 30, 2023 decreased $77 million from December 31, 2022, primarily due to amortization of intangible assets. Other assets at June 30, 2023 increased $2.4 billion from December 31, 2022, primarily related to an increase in unit trust receivables (substantially offset by an increase in unit trust payables recorded within other liabilities), partially offset by a decrease in due from related parties.

Liabilities. Accrued compensation and benefits at June 30, 2023 decreased $898 million from December 31, 2022, primarily due to 2022 incentive compensation cash payments in the first quarter of 2023, partially offset by 2023 incentive compensation accruals. Other liabilities at June 30, 2023 increased $2.6 billion from December 31, 2022, primarily due to higher unit trust payables (substantially offset by an increase in unit trust receivables recorded within other assets) and an increase in the deferred carried interest liability. Net deferred income tax liabilities at June 30, 2023 increased $58 million from December 31, 2022, primarily due to the effects of temporary differences associated with stock-based compensation.

Investments

The Company's investments were $9.1 billion and $7.5 billion at June 30, 2023 and December 31, 2022, respectively. 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 deferred cash compensation investments and hedged exposures, to reflect another helpful measure for investors. The economic impact of investments held pursuant to deferred cash compensation plans is substantially offset by a change in associated compensation expense, and the impact of the portfolio of seed investments is mitigated by futures entered into as part of the Company's macro hedging strategy. 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, 2023	December 31, 2022
Investments, GAAP	**$ 9,124**	**$ 7,466**
Investments held by CIPs	(5,805)	(4,669)
Net interest in CIPs[1]	4,107	3,622
Investments, as adjusted	**7,426**	**6,419**
Deferred cash compensation investments	(275)	—
Hedged exposures	(1,567)	(1,461)
Federal Reserve Bank stock	(91)	(91)
Carried interest	(1,699)	(1,550)
Total "economic" investment exposure[2]	**$ 3,794**	**$ 3,317**

(1) Amounts included $1.6 billion and $1.5 billion of carried interest (VIEs) as of June 30, 2023 and December 31, 2022, respectively, which has no impact on the Company's "economic" investment exposure.

(2) Amounts do not include 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, 2023 and December 31, 2022:

(in millions)	June 30, 2023	December 31, 2022
Equity/Fixed income/Multi-asset[1]	$ 2,737	$ 2,423
Alternatives:		
Private equity	1,448	1,207
Real assets	448	368
Other alternatives[2]	728	780
Alternatives subtotal	2,624	2,355
Hedged exposures	(1,567)	(1,461)
Total "economic" investment exposure	**$ 3,794**	**$ 3,317**

(1) Amounts include seed investments in equity, fixed-income, and multi-asset mutual funds/strategies.
(2) Other alternatives primarily include co-investments in credit funds, direct hedge fund strategies, and hedge fund solutions.

As adjusted investment activity for the six months ended June 30, 2023 was as follows:

(in millions)	Six Months Ended June 30, 2023
Investments, as adjusted, beginning balance	**$ 6,419**
Purchases/capital contributions	816
Sales/maturities	(257)
Distributions[1]	(41)
Market appreciation(depreciation)/earnings from equity method investments	309
Carried interest capital allocations/(distributions)	149
Other[2]	31
Investments, as adjusted, ending balance	**$ 7,426**

(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, 2022	**$ 7,433**	**$ 265**	**$ 7,168**
Net cash provided by/(used in) operating activities	591	(653)	1,244
Net cash provided by/(used in) investing activities	(503)	27	(530)
Net cash provided by/(used in) financing activities	(754)	617	(1,371)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	84	—	84
Net increase/(decrease) in cash, cash equivalents and restricted cash	(582)	(9)	(573)
Cash, cash equivalents and restricted cash, June 30, 2023	**$ 6,851**	**$ 256**	**$ 6,595**

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 and 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 cash 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, 2023 were $530 million and primarily reflected $405 million of net investment purchases and $142 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, 2023 were $1.4 billion, primarily resulting from $1.5 billion of cash dividend payments, and $1.1 billion of share repurchases, including $0.8 billion in open market transactions and $0.3 billion of employee tax withholdings related to employee stock transactions, partially offset by $1.2 billion of proceeds from long-term 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, 2023 and December 31, 2022 were as follows:

(in millions)	June 30, 2023	December 31, 2022
Cash and cash equivalents	$ 6,834	$ 7,416
Cash and cash equivalents held by CIPs[(1)]	(256)	(265)
Subtotal[(2)]	6,578	7,151
Credit facility – undrawn	5,000	4,700
Total liquidity resources	$ 11,578	$ 11,851

(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 50% at both June 30, 2023 and December 31, 2022. See *Net Capital Requirements* herein for more information on net capital requirements in certain regulated subsidiaries.

Total liquidity resources decreased $273 million during the six months ended June 30, 2023, primarily reflecting cash payments of 2022 year-end incentive awards, cash dividend payments of $1.5 billion and share repurchases of $1.1 billion, partially offset by $1.2 billion of proceeds from long-term borrowings, 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 $7.4 billion of investments, as adjusted, is illiquid in nature and, as such, cannot be readily convertible to cash.

Share Repurchases. In January 2023, the Company announced that the Board of Directors authorized the repurchase of an additional seven million shares under the Company's existing share repurchase program for a total of up to approximately 7.9 million shares of BlackRock common stock.

During the six months ended June 30, 2023, the Company repurchased 1.1 million common shares under the Company's existing share repurchase program for approximately $750 million. At June 30, 2023, there were approximately 6.8 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, 2023 and December 31, 2022, the Company was required to maintain approximately $2.3 billion and $2.2 billion, respectively, in net capital in certain regulated subsidiaries, including BTC, 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.

Short-Term Borrowings

2023 Revolving Credit Facility. The Company maintains an unsecured revolving credit facility which is available for working capital and general corporate purposes (the "2023 credit facility"). In March 2023, the 2023 credit facility was amended to, among other things, (1) increase the aggregate commitment amount by $300 million to $5 billion, (2) extend the maturity date to March 2028 and (3) change the secured overnight financing rate ("SOFR") adjustment to 10 bps per annum for all SOFR-based borrowings. The 2023 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 2023 credit facility to an aggregate principal amount of up to $6 billion. The 2023 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, 2023. At June 30, 2023, the Company had no amount outstanding under the 2023 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 2023 credit facility. At June 30, 2023, BlackRock had no CP Notes outstanding.

Long-Term Borrowings

At June 30, 2023, the principal amount of long-term notes outstanding was $8.0 billion. See Note 15, *Borrowings*, in the 2022 Form 10-K for more information on overall borrowings outstanding as of December 31, 2022.

During the six months ended June 30, 2023, the Company paid approximately $89 million of interest on long-term notes. Future principal repayments and interest requirements at June 30, 2023 were as follows:

(in millions)

Year	Principal	Interest	Total Payments
Remainder of 2023	$ —	$ 109	$ 109
2024	1,000	210	1,210
2025[1]	764	193	957
2026	—	183	183
2027	700	172	872
2028	—	161	161
Thereafter	5,500	452	5,952
Total	$ 7,964	$ 1,480	$ 9,444

[1] The amounts related to the 2025 Notes are calculated using the EUR/USD foreign exchange rate as of June 30, 2023.

In May 2023, the Company issued $1.25 billion in aggregate principal amount of 4.75% senior unsecured notes maturing on May 25, 2033 (the “2033 Notes”). The net proceeds of the 2033 Notes are being used for general corporate purposes, which may include the future repayment of all or a portion of the $1.0 billion 3.50% Notes maturing in March 2024. Interest of approximately $59 million per year is payable semi-annually on May 25 and November 25 of each year, commencing on November 25, 2023. The 2033 Notes may be redeemed at the option of the Company, in whole or in part, at any time prior to February 25, 2033 at a "make-whole" redemption price, or thereafter at 100% of the principal amount of the 2033 Notes, in each case plus accrued but unpaid interest. The unamortized discount and debt issuance costs are being amortized over the remaining term of the 2033 Notes.

Commitments and Contingencies

Investment Commitments. At June 30, 2023, the Company had $797 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.

Acquisition. In August 2023, BlackRock completed the acquisition of Kreos Capital, a leading provider of growth and venture debt financing to companies in the technology and healthcare industries. The Company believes this acquisition will add to the Company's position as a leading global credit asset manager and advance its ambitions to provide clients with a diverse range of private market investment products and solutions. The financial impact of the transaction is not expected to be material to the condensed consolidated financial statements.

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 2022 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, 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 (1) has the power to direct the activities that most significantly impact the entities' economic performance and (2) 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 its economic interest falls below 10%. As of June 30, 2023, the Company was deemed to be the PB of 94 VIEs. See Note 5, *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 7, *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 separately managed accounts ("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, 2023 and December 31, 2022, the Company had $1.7 billion and $1.4 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 and other third parties. The ultimate timing of the recognition of performance fee revenue and related compensation expense, if any, is unknown. See Note 15*, 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, 2023 and 2022.

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, 2023, 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 (or commitments to invest) to be made by the Company, requiring, among other things, that certain investments be referred to the Board of Directors, depending on the circumstances, for notification or 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, to hedge exposure to certain deferred cash compensation plans or for regulatory purposes. The Company has a seed capital hedging program in which it enters into futures to hedge market and interest rate exposure with respect to its total portfolio of seed investments in sponsored investment products. The Company had outstanding futures related to its seed capital hedging program with an aggregate notional value of approximately $1.6 billion and $1.5 billion at June 30, 2023 and December 31, 2022, respectively.

At June 30, 2023, approximately $5.8 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, investments made to hedge exposure to certain deferred cash compensation plans and certain investments that are hedged via the seed capital hedging program, the Company's economic exposure to its investment portfolio is $3.8 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, 2023, the Company's net exposure to equity market price risk in its investment portfolio was approximately $1.5 billion of the Company's total economic investment exposure. Investments subject to market price risk include public and 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 $153 million in the carrying value of such investments.

Interest Rate/Credit Spread Risk. At June 30, 2023, the Company was exposed to interest rate risk and credit spread risk as a result of approximately $2.3 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 $63 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 approximately $1.1 billion at June 30, 2023. A 10% adverse change in the applicable foreign exchange rates would result in approximately a $107 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, 2023, the Company had outstanding forward foreign currency exchange contracts with an aggregate notional value of approximately $2.5 billion, with expiration dates in July 2023. In addition, the Company entered into futures to hedge economically the exposure to market movements on certain deferred cash compensation plans. At June 30, 2023, the Company had outstanding exchange traded futures with aggregate notional values related to its deferred cash compensation hedging program of approximately $186 million, with expiration dates during the third quarter of 2023.

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, 2023 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 14, *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, 2022 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, 2023, 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[1]
April 1, 2023 through April 30, 2023	166,356	$ 678.22	162,381	7,231,022
May 1, 2023 through May 31, 2023	376,116	$ 652.41	371,990	6,859,032
June 1, 2023 through June 30, 2023	36,956	$ 674.42	32,724	6,826,308
Total	579,428	$ 661.23	567,095	

[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 unit awards and purchases made by the Company as part of the share repurchase program that the Company announced in July 2010, which initially authorized the repurchase of 5.1 million shares with no stated expiration. In January 2023, the Company announced that the Board of Directors authorized the repurchase of an additional seven million shares under the Company's existing share repurchase program, for a total of up to approximately 7.9 million shares of BlackRock common stock.

Item 6. Exhibits

Exhibit No.	Description
4.1(1)	Form of Note for the 4.750% Notes due 2033
10.1	Form of Performance-Based Stock Option Agreement under the BlackRock, Inc. Second Amended and Restated 1999 Stock Award and Incentive Plan.+
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 May 25, 2023.
+ Denotes compensatory plans or arrangements.

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/ Martin S. Small
Martin S. Small
Senior Managing Director &
Chief Financial Officer
(Principal Financial Officer)

Date: August 4, 2023

Exhibit 10.1

BLACKROCK, INC.
SECOND AMENDED AND RESTATED 1999 STOCK AWARD AND INCENTIVE PLAN

PERFORMANCE-BASED STOCK OPTION AGREEMENT

GRANT NOTICE

Name of Optionee:	[ ] (the "Optionee")
Number of Shares Subject to the Option:	[ ] shares of common stock, $0.01 par value, of BlackRock, Inc. (the "Shares").
Option Exercise Price Per Share:	$673.58
Grant Date:	May 30, 2023
Vesting Dates[1]:	First Installment: Option relating to 25% of the Shares on May 30, 2027
	Second Installment: Option relating to 25% of the Shares on May 30, 2028
	Third Installment: Option relating to 50% of the Shares on May 30, 2029
Expiration Date:	May 30, 2032

This performance-based stock option (the "Option") represents the right to purchase Shares in accordance with and subject to the terms and conditions of this Grant Notice and the Option Terms and Conditions (including the appendix attached hereto) (collectively, this "Agreement") and the BlackRock, Inc. Second Amended and Restated 1999 Stock Award and Incentive Plan, and including, without limitation, the satisfaction of the performance conditions set forth in this Agreement.

* * * * * * * *

1. For Optionees who are identified as IFPR MRTs (as defined in this Agreement), please see the definition of Vesting Date in this Agreement for important rules that apply to IFPR MRTs.

OPTION TERMS AND CONDITIONS

The Optionee and BlackRock, Inc., a Delaware company, and its successors (the "Company") hereby agree as follows:

1. Definitions. For all purposes in this Agreement, the following terms shall have the respective meanings set forth in this Section 1. Any capitalized terms used and not defined herein shall have the meanings set forth in the BlackRock, Inc. Second Amended and Restated 1999 Stock Award and Incentive Plan, as amended from time to time (the "Plan").

(a) "Cause" means the occurrence of any of the following: (i) gross negligence or intentional misconduct by the Optionee that (a) is in connection with the Optionee's duties to the Company or any Subsidiary or Affiliate or (b) causes, or is reasonably expected to cause, harm (monetarily or otherwise) to the Company or its Subsidiaries or Affiliates, employees or Clients; (ii) the Optionee's breach of fiduciary duty owed to the Company or its Subsidiaries or Affiliates or Clients; (iii) any misappropriation or embezzlement by the Optionee, or any action by the Optionee involving theft, fraud or material personal dishonesty; (iv) any violation by the Optionee of any domestic or foreign securities laws, rules or regulations including, but not limited to, those of any self-regulatory organization or authority; (v) the Optionee's indictment, conviction of or guilty or nolo contendere plea to a felony or any crime involving theft, fraud or embezzlement or personal dishonesty, provided that if Optionee is terminated for Cause because of an indictment and such indictment does not ultimately result in a conviction or plea that would otherwise constitute Cause hereunder, then such termination will be deemed to be an involuntary termination other than for Cause as of the date of Optionee's original termination and vesting shall be subject to the terms set forth in Section 6(b) hereof; (vi) the Optionee's willful failure or refusal to perform material duties or material obligations owed to the Company or its Subsidiaries or Affiliates; or (vii) the Optionee's material violation of the written policies of the Company or its Subsidiaries or Affiliates, including, without limitation, the BlackRock, Inc. Confidentiality and Employment Policy, Code of Business Conduct and Ethics, Global Conflicts of Interest Policy, Global Insider Trading Policy, Global Personal Trading Policy and Outside Activity Policy. A determination of Cause shall be in the sole discretion of the Company.

(b) "Client" means a Client as defined in Appendix A attached hereto.

(c) "Code" means the United States Internal Revenue Code of 1986, as amended.

(d) "Committee" means the Management Development and Compensation Committee of the Board of Directors of the Company or its delegate.

(e) "Company Management Delegates" means any two of the individuals then-serving as the Company's Chief Executive Officer, President and Chief Operating Officer.

(f) "Competitive Activity" means any activity that competes with any of the business operations of the Company or any of its Subsidiaries or its Affiliates, as determined by the Company in its sole discretion, and shall include representing or associating in any capacity (including, without limitation, as an officer, employee, partner, director, consultant, agent, advisor or security holder) with a company that competes with the Company or any of its Subsidiaries or Affiliates. Notwithstanding the foregoing, the Optionee's beneficial ownership of less than 5% of the economic or voting interests of a publicly-held company shall not constitute a Competitive Activity.

(g) "Confidentiality and Employment Policy" means the BlackRock, Inc. Confidentiality and Employment Policy, as it may be amended from time to time.

(h) "Disability" means (i) "Disability" as defined in any employment, consulting or similar agreement between the Optionee and the Company or any Subsidiary or Affiliate, or (ii) if there is no such individual agreement or the individual agreement does not define Disability, the Optionee's physical or mental incapacity constituting disability, as determined under the long-term disability plan applicable to the Optionee's employment with the Company or any Subsidiary or Affiliate, which, in any event, does or is reasonably expected to continue for at least twelve (12) months.

(i) "Fair Market Value" means, as of a particular date, (i) the closing sales price per Share on the national securities exchange on which Shares are principally traded for the last preceding date on which there was a sale of Shares on such exchange, or (ii) if Shares are then traded in an over-the-counter market, the average of the closing bid and asked per Share in such over-the-counter market for the last preceding date on which there was a sale of Shares in such market, or (iii) if Shares are not then listed on a national securities exchange or traded in an over-the-counter market, the fair market value of a Share shall be determined by the Committee in its sole discretion.

(j) "IFPR MRT" means any person who has been identified as a Material Risk Taker for the purposes of the Investment Firm Prudential Regime ("IFPR") under the BlackRock Group Limited ("BGL") Remuneration Policy or its equivalent, as amended from time to time.

(k) "Section 16 Officer" means an "officer" within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

(l) "Termination of Employment" means the termination of the Optionee's employment with, or performance of services for, the Company or any Subsidiary or Affiliate. An individual employed by, or performing services for, any Subsidiary or an Affiliate shall not be deemed to incur a Termination of Employment if such Subsidiary or Affiliate ceases to be a Subsidiary or Affiliate, as the case may be. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and any Subsidiary or Affiliate shall also not be considered Terminations of Employment.

(m) "Vesting Date" means the applicable Vesting Dates specified in the Grant Notice.

Solely in respect of IFPR MRTs, at no time shall any Vesting Date deviate from the minimum three-year mandatory vesting period nor occur earlier than any applicable required deferral period, as provided for in the BGL Remuneration Policy. In the event of a conflict between the Vesting Dates specified in the Grant Notice on the one hand and the minimum three-year mandatory vesting period and applicable deferral requirement on the other hand, as provided for in the BGL Remuneration Policy, then the minimum three-year mandatory vesting period and applicable deferral requirement shall prevail.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

2. Grant. The Company hereby grants to the Optionee as of the Grant Date an Option to purchase the number of Shares set forth in the Grant Notice, subject to the terms and conditions of this

Agreement and the Plan. The Optionee may exercise, on or after the Vesting Dates specified in the Grant Notice, or as otherwise specified in this Agreement, and on or prior to the Expiration Date specified in the Grant Notice, all or any vested portion of the Option at the Option Exercise Price per Share specified in the Grant Notice, subject to the terms and conditions set forth in this Agreement and the Plan. The Optionee shall not be entitled to receive any property or cash dividends with respect to the Shares relating to the Option prior to the date that any such Shares are delivered to the Optionee pursuant to the exercise of the Option. The Option is not intended to qualify and shall not be treated as an "incentive stock option" under Section 422 of the Code.

Solely in respect of IFPR MRTs, any Options granted to persons identified as IFPR MRTs are governed by the BGL Remuneration Policy and the IFPR Malus and Clawback Policy, copies of which are available on the Policy Library or upon request (the "IFPR Policies"). The IFPR Policies implement the IFPR Remuneration Regulations (as defined in the IFPR Policies). In the event of any conflict between the Grant Notice, this Agreement, and the provisions of the Plan on the one hand and the IFPR Policies and IFPR Remuneration Regulations on the other hand, the IFPR Policies and IFPR Remuneration Regulations shall prevail.

3. Vesting.

(a) No portion of the Option may be exercised until the date on which such portion of the Option becomes vested. Subject to Section 6 hereof and any determination of the Company in its sole discretion to accelerate the vesting schedule hereunder, the Option shall vest with respect to the number of Shares specified on the Vesting Dates, provided that the performance conditions set forth in Section 4 hereof have been satisfied in accordance with the terms and conditions set forth therein. Once vested, the Option shall continue to be exercisable at any time or times prior to the Expiration Date, subject to the provisions of this Agreement and the Plan.

Solely in respect of IFPR MRTs, notwithstanding any provision to the contrary herein, at no time shall any Vesting Date deviate from the minimum three-year mandatory vesting period nor occur earlier than any applicable required deferral period, as provided for in the BGL Remuneration Policy, in accordance with the terms and conditions set forth herein.

(b) Notwithstanding anything in this Agreement to the contrary, and only to the extent permitted by applicable law, if as of a particular Vesting Date (or, if any, the vesting date of any other outstanding cash or equity-based awards granted to the Optionee under the Plan (together with the Option, the "Unvested Awards")), the Optionee is the subject of an investigation by the Company or governmental entity or regulator relating to conduct of the Optionee that could, in the Company's reasonable opinion, constitute Cause, the Company shall in its discretion have the right to determine that the portion of the Unvested Awards that would otherwise vest on such vesting date (the "Holdback Portion") shall not vest, subject to resolution of the investigation and the exhaustion of all appeal rights (of either the Optionee or the Company) related thereto (the "Resolution"). Upon Resolution, any Holdback Portion shall vest in accordance with the terms and conditions of the applicable award agreement, provided that, if upon Resolution, the Company determines that the conduct giving rise to the investigation constituted Cause, the Holdback Portion and any other portion of the Unvested Awards that would otherwise vest on a later vesting date shall not vest and shall be forfeited for no consideration. The determination of whether conduct constitutes Cause and whether the Holdback Portion vests or is forfeited in accordance with the preceding

sentence shall be made regardless of whether there has been a Termination of Employment (for any reason) prior to Resolution.

Solely in respect of IFPR MRTs, in addition to the holdback arrangements included in this Section 3, the IFPR Malus and Clawback Policy applies to any Option awarded to an IFPR MRT.

4. Performance Conditions

(a) In order for any portion of the Option to vest and become exercisable on the applicable Vesting Dates (or solely in respect of IFPR MRTs, on the expiration of the retention period set forth in Section 5(f) hereof):

(i) An average per Share closing sales price equal to thirty percent (30%) above the Option Exercise Price must be sustained for at least sixty (60) consecutive calendar days (measured using the per Share closing sales price on each trading day during such period) on or prior to the fourth anniversary of the Grant Date; and

(ii) the Company's aggregate annual Organic Revenue (as defined below) growth from January 1, 2024 through December 31, 2026 must be greater than zero (together with clause (i) above, the "Performance Conditions").

Achievement of the Performance Conditions shall be determined by the Committee. If the Performance Conditions are not achieved, as determined by the Committee, on or prior to the fourth anniversary of the Grant Date, the Option shall terminate immediately effective as of such date, with no payment made in consideration therefor.

(b) For purposes of this Section 4, "Organic Revenue" means, with respect to a particular fiscal year between January 1, 2024 and December 31, 2026, the sum of (i) annualized investment advisory services and administration fees generated by the Company in such year relating to the sale/redemption of products or provision of services to new or existing clients in accordance with the Company's Assets Under Management policy (excluding (A) fees from the Company's securities lending businesses and (B) fees derived from capital gains and dividend reinvestment) and (ii) annualized recurring revenue generated by the Company in such year from the sale/notified loss of *Aladdin* products and services to new or existing clients.

5. Exercise of Option.

(a) The Option shall be exercised in the following manner: the Optionee, or the person or persons having the right to exercise the Option upon the death or Disability of the Optionee, shall specify the number of Shares that the Optionee elects to purchase and provide the aggregate amount of the Option Exercise Price for any Shares being purchased under the Option.

(b) In satisfaction of the Optionee's obligation to pay to the Company the aggregate amount of the Option Exercise Price for any Shares being purchased under the Option at the time the Option is exercised, the Company shall withhold from the number of Shares the Optionee would otherwise receive upon exercise of the Option that number of whole Shares (and, if applicable, a fractional Share) having a Fair Market Value equal to the aggregate amount of the Option Exercise Price for any Shares being purchased, provided that any fractional Share resulting therefrom that would otherwise

be returned to the Optionee shall be immediately settled in cash. Alternatively, the Optionee may choose to satisfy such obligation by paying such amount in cash or by certified or cashier's check.

(c) Not less than one hundred (100) Shares may be purchased at any time upon the exercise of any portion of the Option, unless the number of Shares so purchased constitutes the total number of Shares then purchasable under the Option. The Option may be exercised only to purchase whole Shares and in no case may a fractional Share be purchased.

(d) In satisfaction of the Optionee's obligation to pay to the Company an amount equal to the federal, state and local income taxes and other amounts required by law to be withheld by the Company with respect to the exercise of the Option prior to the delivery of any Shares to which such Optionee shall be entitled upon exercise of the Option, the Company shall withhold from the number of Shares the Optionee would otherwise receive upon exercise of the Option that number of whole Shares (and, if applicable, a fractional Share) having a Fair Market Value equal to the minimum necessary amount of such tax withholding obligation (determined without regard to Section 83(c)(3) of the Code), provided that any fractional Share resulting therefrom that would otherwise be returned to the Optionee shall be immediately settled in cash. Alternatively, the Optionee may choose to satisfy such obligation by paying such amount in cash or by certified or cashier's check.

(e) Notwithstanding any other provision hereof or of the Plan, no portion of the Option shall be exercisable (i) prior to the date that the Option becomes vested or after termination of the Option, in each case, in accordance with the provisions hereof, (ii) after the Expiration Date, or (iii) at any time unless all necessary regulatory or other approvals have been received.

(f) Solely in respect of IFPR MRTs, notwithstanding any provision to the contrary herein, for any Option granted to an IFPR MRT, a retention period of six months shall apply after each applicable Vesting Date such that the applicable portion of the Option shall not be exercisable until the date immediately following the expiration of such six-month retention period.

6. Termination of Employment.

(a) *Termination of Employment by the Company or its Subsidiaries or Affiliates for Cause*. The Option (whether or not vested) shall terminate upon the Optionee's Termination of Employment by the Company or one of its Subsidiaries or Affiliates for Cause, with no payment made in consideration therefor.

(b) *Termination of Employment by the Company or its Subsidiaries or Affiliates Other than for Cause.* Upon the Optionee's Termination of Employment by the Company or one of its Subsidiaries or Affiliates other than for Cause (which shall not include a Termination of Employment due to the Optionee's Disability or as a result of the Optionee's death), the following shall apply:

(i) *Termination of Employment Prior to May 30, 2025*. Notwithstanding any provision to the contrary herein, if the Optionee's Termination of Employment under this Section 6(b) occurs prior to May 30, 2025, the Option shall be forfeited upon the date of the Optionee's Termination of Employment, unless determined otherwise by the Company Management Delegates, in their sole

discretion (or, the Committee, in its sole discretion, in the event the Optionee is a Section 16 Officer).

(ii) *Termination of Employment on or after May 30, 2025*. If the Optionee's Termination of Employment under this Section 6(b) occurs on or after May 30, 2025, (A) any portion of the Option that is vested as of the Optionee's Termination of Employment shall remain outstanding and exercisable through the Expiration Date and shall thereafter terminate, and (B) unless determined otherwise by the Company Management Delegates, in their sole discretion (or the Committee, in its sole discretion, in the event the Optionee is a Section 16 Officer), 50% of a pro-rata portion (as described below) of the Option that is not yet vested as of the Optionee's Termination of Employment shall remain outstanding and eligible to vest on the Vesting Dates set forth in the Grant Notice or as otherwise specified in this Agreement (subject to the achievement of the performance conditions set forth in Section 4 hereof) and, if vested, shall remain outstanding and exercisable through the Expiration Date and shall thereafter terminate; provided, that, (x) the Optionee complies with the Confidentiality and Employment Policy and Appendix A attached hereto, (y) the Optionee executes (and does not revoke) a general release of claims in favor of the Company and its Subsidiaries and Affiliates in the form provided by the Company that becomes effective within sixty (60) days of the date of such Termination of Employment (or such earlier date as may be required by the Company), and (z) the Optionee does not engage in any Competitive Activity prior to the exercise of the Option. Such pro-rata portion (with respect to each tranche) shall be equal to the product of (A) the number of Shares subject to each portion of the Option that is not yet vested as of the Optionee's Termination of Employment multiplied by (B) a fraction (not greater than 100%), the numerator of which is equal to the number of full months, rounded down to the nearest whole month, elapsed from the Grant Date through the Optionee's Termination of Employment, and the denominator of which is the number of full months elapsed from the Grant Date through the applicable Vesting Date(s). Any portion of the Option held by the Optionee that will not vest as a result of the foregoing pro rata calculation and reduction by 50% shall be forfeited immediately.

(c) *Termination of Employment Due to the Optionee's Voluntary Termination (including Retirement)*. If the Optionee voluntarily terminates employment with the Company or one of its Subsidiaries or Affiliates (including as a result of the Optionee's retirement), any portion of the Option that is vested as of the Optionee's Termination of Employment shall remain outstanding and exercisable for ninety (90) days (or solely for IFPR MRTs, nine (9) months, subject to expiration of the 6-month retention period in Section 5(f) hereof) following the date of such Termination of Employment (but in no event later than the Expiration Date), and shall thereafter terminate; provided, that, (x) the Optionee complies with the Confidentiality and Employment Policy and Appendix A attached hereto, (y) the Optionee executes (and does not revoke) a general release of claims in favor of the Company and its Subsidiaries and Affiliates in the form provided by the Company that becomes effective within sixty (60) days of the date of such Termination of Employment (or such earlier date as may be required by the Company) and (z) the Optionee does not engage in any Competitive Activity prior to the exercise of the Option. Any portion of the Option that is not yet vested as of such Termination of Employment shall terminate immediately effective as of such date, with no payment made in consideration therefor.

(d) *Termination of Employment Due to the Optionee's Disability or Death*. Upon the Optionee's Termination of Employment due to the Optionee's Disability or as a result of the Optionee's death, (i) any portion of the Option that is vested as of the Optionee's Termination of Employment shall remain outstanding and exercisable through the Expiration Date and shall thereafter terminate and (ii) any portion of the Option that is not yet vested as of the Optionee's Termination of Employment shall remain outstanding and eligible to vest on the Vesting Dates set forth in the Grant Notice or as otherwise specified in this Agreement (subject to the achievement of the performance conditions set forth in Section 4 hereof) and, if vested, shall remain outstanding and exercisable through the Expiration Date and shall thereafter terminate; provided, that, (x) the Optionee complies with the Confidentiality and Employment Policy and Appendix A attached hereto, (y) the Optionee (or, in the event of death, the Optionee's beneficiary or estate, as applicable) executes (and does not revoke) a general release of claims in favor of the Company and its Subsidiaries and Affiliates in the form provided by the Company that becomes effective within sixty (60) days of the date of such Termination of Employment (or such earlier date as may be required by the Company), and (z) the Optionee does not engage in any Competitive Activity prior to the exercise of the Option.

Solely in respect of IFPR MRTs, nothing in this Section 6 shall cause any Vesting Date of any Option awarded to an IFPR MRT to deviate from the minimum three-year mandatory vesting period nor occur earlier than any applicable required deferral period, as provided for in the BGL Remuneration Policy, nor impact the retention period set forth in Section 5(f) hereof.

7. Optionee's Covenants and Acknowledgements. In order to induce the Company to enter into this Agreement, the Optionee hereby agrees to the covenants set forth in Appendix A attached hereto.

8. Forfeiture.

(a) *Breach of Confidentiality and Employment Policy or Appendix A*. In the event of any breach by the Optionee of the Confidentiality and Employment Policy or the provisions of Appendix A attached hereto (without regard to the temporal limitations set forth therein), the Company shall have the right, to the extent permitted by applicable law, if the conduct or activity giving rise to such breach occurs within one year following the most recent date upon which Shares are delivered to the Optionee pursuant to the exercise of the Option, to require the Optionee to repay to the Company the positive difference between the Fair Market Value of the Shares on the date of exercise and the Option Exercise Price, and any unexercised portion of the Option shall terminate immediately effective as of the date of such breach, with no payment made in consideration therefor. The determination of whether the Optionee has engaged in a breach of the Confidentiality and Employment Policy or Appendix A attached hereto shall be determined by the Company in its sole discretion.

(b) *Competitive Activity Prior to Exercise*. If the Optionee engages in Competitive Activity at any time prior to the date that all or any portion of the Option has been exercised, then any portion of the Option or, any other award under the Plan held by the Optionee that is unvested, vested but not yet settled, or vested but unexercised (and any payments or benefits in respect thereto) as of the date the Optionee engages in such Competitive Activity shall terminate immediately effective as of such date, with no payment made in consideration therefor. The Company may elect in its sole discretion to waive the foregoing provision. The Optionee acknowledges and agrees that any waiver by the Company of a similar forfeiture provision with respect to any other award

under the Plan held by the Optionee or any other award recipient shall not entitle the Optionee to such a waiver with respect to the Option.

(c) *Violation of Appendix A Prior to Exercise*. If, at any time prior to the date that all or any portion of the Option has been exercised, the Optionee engages in any activity that would violate Appendix A attached hereto (without regard to the temporal limitations set forth therein), the Optionee shall forfeit the Option immediately effective as of such date and shall have no right to any payments or distributions hereunder.

(d) *Existence of Cause Prior To Termination of Employment*. If following the Optionee's Termination of Employment, the Company becomes aware of conduct or activity by the Optionee that occurred during the period of Optionee's employment with the Company or an Affiliate or Subsidiary that would have constituted Cause, then any portion of the Option, or any other award under the Plan held by the Optionee, that is unvested, vested but not yet settled, or vested but unexercised (and any payments or benefits in respect thereto) shall be forfeited. The determination of whether the Optionee has engaged in conduct or activity that would have constituted Cause had it been known by the Company prior to Termination of Employment shall be made by the Company in its sole discretion. The Company may elect in its sole discretion to waive the foregoing provision. The Optionee acknowledges and agrees that any waiver by the Company of a similar forfeiture provision with respect to any other award under the Plan held by the Optionee or any other optionee shall not entitle the Optionee to such a waiver with respect to the Option.

(e) *Clawback Policy.* The Optionee acknowledges and agrees that the Option granted pursuant to this Agreement and any other award under the Plan held by the Optionee are subject to any applicable Company clawback policy posted on the Policy Library, as may be amended from time to time (any such policy, the "Applicable Clawback Policy"). Subject to the terms of the Applicable Clawback Policy, the Optionee agrees that in the event a determination is made under the Applicable Clawback Policy that clawback will be applied to the Option and/or any other award under the Plan held by the Optionee, to the extent permitted by applicable law, (i) the Optionee shall repay to the Company or an Affiliate or Subsidiary the positive difference between the Fair Market Value of the Shares on the date of exercise and the Option Exercise Price or such other amount as determined to be repaid under the Applicable Clawback Policy, and (ii) any unexercised portion of the Option and any unvested, vested but not yet settled, and/or vested but unexercised portion of any other award under the Plan held by the Optionee shall terminate immediately effective as of the date of such determination, with no payment made in consideration therefor.

(f) Any repayment obligations under this Section 8 shall be satisfied by the Optionee within thirty (30) days of the Company's provision of a written demand for repayment. In the event that the Optionee realizes a tax benefit in connection with any repayment under this Section 8, either through refund, credit, deduction or otherwise, the Optionee shall pay to the Company or an Affiliate or Subsidiary the amount of such tax benefit, as determined in good faith by the Company, and the amount of such tax benefit shall be treated as part of the repayment obligation under this Section 8. Any repayment obligation under this Section 8 may be satisfied in Shares or cash or a combination thereof (based upon the Fair Market Value of the Shares on the date of payment), and the Optionee acknowledges and agrees that the Company may, to the extent permitted by applicable law (including, without limitation, Section 409A of the Code), provide for an offset to any future payments owed by the Company or any Subsidiary or Affiliate to the Optionee, if necessary, to satisfy the repayment obligation.

The Optionee agrees to execute such documents as may be necessary to effectuate the repayment obligations referred to in this Section 8.

(g) Any repayment obligation under this Section 8 shall be in addition to (i) any other remedies that may be available to the Company under applicable law, including disciplinary actions up to and including termination of employment; and (ii) any repayment or clawback requirements under applicable law or regulation, including, without limitation, under the Sarbanes-Oxley Act of 2002, as amended, the Securities Exchange Act of 1934, as amended or the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (including, without limitation, any policies adopted by the Company from time to time implementing such repayment or clawback requirements).

(h) Solely in respect of IFPR MRTs, in addition to the forfeiture and clawback arrangements included in this Section 8, the IFPR Malus and Clawback Policy applies to any Option awarded to any IFPR MRT and the acknowledgements and agreement provided in this Section 8 hereof by an Optionee identified as an IFPR MRT also apply to the IFPR Malus and Clawback Policy.

9. Transferability. This Agreement is personal to Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and is exercisable, during Optionee's lifetime, only by Optionee or his or her guardian or legal representative.

10. Miscellaneous.

(a) *Incorporation by Reference*. The obligation of the Company to deliver any Shares upon exercise of all or any portion of Option under this Agreement is specifically subject to all provisions of the Plan (and all of the provisions of the Plan are hereby incorporated herein as provisions of this Agreement) and all applicable laws, rules, regulations and governmental and stockholder approvals. If there is a conflict between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan will govern.

Solely in respect of IFPR MRTs, if there is a conflict between this Agreement and/or the Plan on the one hand and the IFPR Polices and IFPR Remuneration Regulations on the other hand, the IFPR Policies and/or IFPR Remuneration Regulations shall prevail and the entitlements under this Agreement and/or the Plan shall at all times be subject to the IFPR Policies and IFPR Remuneration Regulations and may at all times be amended to comply with the IFPR Remuneration Regulations, without further action by the Optionee as set forth in Section 10(d) hereof.

(b) *Right of Offset*. To the extent permitted by applicable law (including, without limitation, Section 409A of the Code), the Company shall have the right to reduce any amounts paid or payable or the number of Shares delivered or deliverable hereunder by any amounts the Optionee owes to the Company or an Affiliate or Subsidiary.

(c) *Acknowledgements*. The Optionee hereby acknowledges the following:

(i) the Optionee is voluntarily accepting the grant of the Option;

(ii) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future awards of stock options or benefits

in lieu of stock options, even if such stock options have been granted in the past;

(iii) the Option and any delivery of Shares pursuant to the exercise of the Option are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or welfare benefits or similar payments, and in no event should be considered as compensation for, or in any way relating to, past services to the Company or any of its Subsidiaries or Affiliates;

(iv) unless otherwise required by applicable law, the Optionee is solely responsible for investigating and complying with any exchange control laws applicable to the Optionee in connection with any delivery of Shares pursuant to the exercise of the Option, if any; and

(v) the Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Option. The Optionee is hereby advised to consult with the Optionee's personal tax, legal and financial advisors regarding the Option before taking any action in relation thereto.

(d) *Amendments and Waivers*. The Company and the Optionee may amend this Agreement at any time only by a written instrument signed by both parties hereto; provided, however, that the Company may amend this Agreement without further action by the Optionee if such amendment does not adversely affect any of the rights of the Optionee, unless such amendment is deemed by the Company necessary or advisable to comply with applicable (i) state law, rule or regulation, (ii) stock listing requirements, or (iii) other law, rule or regulation. The waiver by a party hereto of a breach by another party hereto of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach by such other party or as a waiver of any other or subsequent breach by such other party, except as otherwise explicitly provided for in the writing evidencing such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

(e) *Enforceability; Injunction*. The Company and the Optionee agree that in the event that any one or more of the terms and conditions set forth in this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining terms and conditions will not in any way be affected or impaired thereby. Moreover, if any one or more of the terms and conditions contained in this Agreement are held to be excessively broad as to duration, scope, activity or subject, such terms and conditions will be construed by limiting and reducing them so as to be enforceable to the maximum extent compatible with applicable law. The Optionee acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Appendix A attached hereto would be inadequate and, in recognition of this fact, the Optionee agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance,

temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

(f) *Binding Effect; Assignment; Third-Party Beneficiaries*. This Agreement shall apply to and bind the Optionee and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors. In addition, any Subsidiary or Affiliate to whom the Optionee has provided services shall be a third-party beneficiary of this Agreement and shall be entitled to enforce this Agreement. The Company shall be entitled to assign its rights and obligations hereunder to the extent permitted by the Plan.

(g) *Headings*. The headings of sections herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions hereof.

(h) *Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.*

(i) *Governing Law*. The validity and construction of this Agreement shall be governed by the laws of the State of New York (excluding any conflict of law, rule or principle of New York law that might refer the governance, construction or interpretation of this Agreement to the laws of another state or jurisdiction), except with respect to tax matters which shall be governed by the respective tax laws, regulations and rules of the jurisdiction(s) applicable to the Optionee.

(ii) *Submission to Jurisdiction*. Any litigation against any party to this Agreement arising out of or in any way relating to this Agreement shall be brought in any U.S. federal or state court located in the State of New York in New York County and each of the parties hereby submits to the exclusive jurisdiction of such courts for the purpose of any such litigation; provided, that a final judgment in any such litigation shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party irrevocably and unconditionally agrees not to assert (a) any objection which it may ever have to venue of any such litigation in any U.S. federal or state court located in the State of New York in New York County, (b) any claim that any such litigation brought in any such court has been brought in an inconvenient forum and (c) any claim that such court does not have jurisdiction with respect to such litigation.

(iii) *Waiver of Jury Trial*. Each party hereto irrevocably and unconditionally waives any right to a trial by jury with respect to any matters arising out of the Optionee's employment, termination of employment or any matter relating to the Optionee's compensation and benefits (including, without limitation, any compensation arising pursuant to the terms of this Agreement) and agrees that either of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained-for agreement among the parties irrevocably to waive its right to trial by jury in any litigation.

(i) *Notices*. Any notice required or permitted to be given under the Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

BlackRock, Inc.
50 Hudson Yards
New York, New York 10001
Attn: General Counsel

If to the Optionee:

To the last address on file with the Company and/or the Company's appointed third-party administrator.

(j) *Data Privacy Notice*. The Optionee's personal data as described in this Agreement will be collected, used and transferred, in electronic or other form, in accordance with BlackRock's Privacy Policy (which can be accessed by following this link: *https://www.blackrock.com/corporate/compliance/privacy-policy*), by and among, as applicable, the Optionee's employing entity and the Company and its Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing any awards issued to the Optionee under the Plan. The Optionee understands that the Company, its Affiliates and Subsidiaries and the Optionee's employing entity hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, details of any grant awarded, canceled, vested, unvested or outstanding in the Optionee's favor ("Data"), for the purpose of implementing, administering and managing any awards issued to the Optionee under the Plan. The Optionee understands that in accordance with BlackRock's Privacy Policy, Data may be transferred to any third parties assisting in the implementation, administration and management of awards issued under the Plan, and the Plan, that these recipients may be located in the Optionee's country or elsewhere, and that such recipients' country may have different data privacy laws and protections from the Optionee's country. The Optionee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing any awards under the Plan. The Optionee understands the Data will be held only as long as is necessary to implement, administer and manage grants under the Plan in accordance with BlackRock's records retention policy.

(k) *No Right to Continued Employment or Business Relationship*. This Agreement shall not confer upon the Optionee any right with respect to continued employment or a continued business relationship with the Company or any of its Subsidiaries or Affiliates, nor shall it interfere in any way with the right of the Company or any of its Subsidiaries or Affiliates to terminate any such employment or relationship.

(l) *Entire Agreement*. This Agreement and the Plan constitute the entire agreement between the parties relating to the subject matter hereof, and any previous agreement or understanding between the parties with respect thereto is superseded by this Agreement and the Plan.

(m) *Counterparts*. This Agreement may be executed in two counterparts, each of which shall constitute one and the same instrument.

(n) *Prospectus Directive*. The following additional information is being provided pursuant to Article 1.4(i) of the Prospectus Regulation (2017/1129), which is the employee share plan exemption from producing a prospectus:

Additional information on BlackRock, Inc. (the issuer), including (without limitation) details of the rights attaching to the Company's stock, the current stock price, SEC filings, dividend history, the Company's Bylaws and the most recent published annual reports, can be found on BlackRock's website at www.blackrock.com and, in particular, the Investor Relations section.

The reasons for the Award under the Plan, and the terms and conditions to which your Award is subject, is set out above and in Appendix A attached hereto and the rules of the Plan (a copy of which is available from www.computershare.com or via download from the SEC website at www.sec.gov). The maximum number of stock in the capital of BlackRock that can be purchased or awarded under the Plan as at date of grant is 41,500,000 shares and the minimum number is nil.

* * * * * * * *

APPENDIX A

Optionee's Covenants and Acknowledgements

This Appendix A includes standard covenants and acknowledgements. Capitalized terms contained in this Appendix A and not defined herein shall have the same meaning as such terms are defined in the Agreement into which this Appendix A is incorporated by reference and to which this Appendix A is attached, or the Plan, as applicable.

1. *Non-Disclosure / Intellectual Property*. The Optionee may not, during or subsequent to the Optionee's employment with the Company or any of its Affiliates or Subsidiaries, without the prior written consent of the Company, use, divulge, disclose, or make accessible to any other person, firm, partnership, corporation or other entity any Confidential Information (as defined below) pertaining to the business of the Company or any of its Affiliates or Subsidiaries except (i) while employed by the Company or any of its Affiliates or Subsidiaries, in the business of and for the benefit of the Company or any of its Affiliates or Subsidiaries, (ii) when required to do so by a court of competent jurisdiction or regulatory body, or (iii) as provided by the Permitted Activities described below. In the event that the Optionee becomes compelled by an order of a court to disclose any Confidential Information, the Optionee is required to provide the Company with prompt, prior written notice and to disclose only that portion of the Confidential Information which is legally required.

For purposes of this Agreement:

Confidential Information: "Confidential Information" shall mean any non-public information (whether oral, written or electronically stored) relating to the business or the affairs of the Company and its Affiliates or of any Client of the Company or of any of its Affiliates or Subsidiaries, whether obtained from the Company or any of its Affiliates or Subsidiaries, any Client of the Company or any of its Affiliates or Subsidiaries or known by the Optionee as a consequence of or through the Optionee's relationship with the Company or any of its Affiliates or Subsidiaries, whether obtained before or after the Optionee executes this Agreement and whether obtained from an entity which was not an Affiliate or Subsidiary at the time such information became available but which is now or later becomes an Affiliate or Subsidiary of the Company. Such information includes but is not limited to proprietary, trade secrets, and/or non-public information concerning the financial data, strategic or financial plans, models, business plans, proprietary project information, marketing plans, future transactions (regardless of whether or not such transactions are executed), customer lists, employee lists, another employee's compensation (only if the Optionee became aware of such information in connection with the Optionee's responsibility), partners' compensation, and other proprietary and confidential information of the Company, the Company's Affiliates or Subsidiaries or any of their Clients, that, in any case, is not otherwise available to the public. Confidential Information includes information encompassed in drawings, designs, plans, proposals, reports, research, marketing and sales plans, financial information, costs, quotations, specification sheets and recording media. Confidential Information also includes information which relates directly or indirectly to the computer systems and computer technology of the Company and its Affiliates and Subsidiaries, including but not limited to source codes, object codes, reports, flow charts, screens, algorithms, use manuals, installation and/or operation manuals, computer software, spreadsheets, data computations, formulas, techniques, databases, and any other form or compilation of computer-related information.

Permitted Activities: Notwithstanding anything herein to the contrary, nothing in this Agreement shall prohibit or restrict the Optionee from responding to any inquiry from, providing testimony before, or making reports of possible violations of federal or state law or regulation to, any governmental agency or entity, any other self-regulatory organization, or any other federal or state regulatory authority, specifically including, without limitation, the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA), and in the United States, the Equal Employment Opportunity Commission and the National Labor Relations Board, or otherwise limit the Optionee's rights under the BlackRock Global Policy for Reporting Illegal or Unethical Conduct. Furthermore, nothing in this Agreement shall prevent the Optionee from disclosing discriminatory, harassing, or physical unlawful workplace or work-related conduct.

For any Optionee who resides or works in the United Kingdom, nothing in this Agreement shall preclude the Optionee from making a protected disclosure in accordance with the provisions set out in the Employment Rights Act of 1996. The Optionee acknowledges for the purpose of section 39 of the UK Patents Act 1977 (as amended) and otherwise that because of the nature of his duties and the particular responsibilities arising from the nature of the Optionee's duties, the Optionee has and at all times during his or her employment will have a special obligation to further the interests of the undertakings of the Company. Without prejudice to anything else in this clause, the Optionee: (i) undertakes to notify and disclose to the Company in writing full details of all relevant information, inventions or materials of any other nature, including the related intellectual property rights, made, originated or developed by him at any time in the scope of, or otherwise related to the business of the Company forthwith on creation (whether or not in material form and whether or not made, originated or developed during normal working hours); (ii) acknowledges that, save as provided by law, no further remuneration or compensation is or may become due to the Optionee in respect of the performance of his or her obligations under this clause; (iii) waives any moral rights (as provided for by Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction) in any confidential information, inventions or materials or other information referred to in this clause, originated, developed or produced by him or her; and (iv) agrees not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such information, invention or other materials or other information referred to in this clause infringes the Optionee's moral rights including (but without limitation) the right to be identified, the right of integrity and the right against false attribution provided for in the UK Copyright Designs and Patents Act 1988.

It is the policy of the Company and its Affiliates and Subsidiaries not to use or accept any confidential or proprietary information of third parties, including former employers of the Optionee. The Optionee shall not disclose such confidential or proprietary information of third parties to the Company or any of its Affiliates or Subsidiaries, their employees, agents, or independent contractors, or to any other third party, and shall not use such confidential or proprietary Information while employed by the Company or any of its Affiliates or Subsidiaries, unless the Optionee has obtained and presented to the Company the appropriate authorizations for such use or disclosure from such third parties and has also obtained the Company's approval of such use or disclosure.

The Company and its Affiliates and Subsidiaries may, from time to time, enter into agreements and/or business relationships with third party vendors and/or suppliers of information as a result of which the Optionee may have access to confidential information proprietary to such third parties ("Third Party Confidential Information"). The use and disclosure by the Optionee of Third-Party Confidential Information shall be governed by the terms and conditions of this Agreement and shall be in strict compliance with any existing agreement between the Company or any of its Affiliates or Subsidiaries and the third parties to hold such information confidential. From time to time, the Company and its Affiliates and Subsidiaries enter into such agreements with third parties. Prior to using any Third -Party Confidential Information, the Optionee is required to inquire whether and to what extent the use of such Third-Party Confidential Information is governed by an existing agreement and must comply with the terms of any such agreement.

In addition to the above, the Company and its Affiliates and Subsidiaries may at times develop appropriate information barriers to assure that restricted information related to a Client of the Company or an Affiliate or Subsidiary is not improperly communicated or disclosed to other employees within the Company and its Affiliates and Subsidiaries. If the Optionee has reason to believe that he or she is subject to any information barrier, the Optionee is required to inquire of the Legal & Compliance Department as to the applicability and terms of any such information barrier. Any information barriers shall be established pursuant to the Company's Global Material Nonpublic Information Barrier Policy and Procedures.

Upon the Optionee's Termination of Employment for any reason, the Optionee is required to promptly (or at such sooner time as requested by the Company or Affiliate or Subsidiary) return to the Company all Confidential Information (including all reproductions thereof whether on computer, electronic media or otherwise) furnished to or otherwise in the Optionee's possession and may not contact any employee of the Company or its Affiliates or Subsidiaries for the purpose of soliciting Confidential Information.

Misappropriation of BlackRock's trade secrets in breach of this Agreement may subject the Optionee to liability under the Defend Trade Secrets Act of 2016 (the "DTSA"), entitle the Company to injunctive relief, and require the Optionee to pay compensatory damages, double damages, and attorneys' fees.

Notwithstanding any other provisions of this Agreement, the Optionee understands and agrees that pursuant to the United States Defend Trade Secrets Act of 2016:

> An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
>
> Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

The Optionee agrees that the Company is the exclusive owner of any ideas, products, materials, discoveries, inventions, developments, know how, trade secrets, original works of authorship, computer programs, research, writing or other work products developed by the Optionee that (i) are in the scope of, or otherwise related to the business or actual or demonstrably anticipated research or development of the Company or its Affiliates and Subsidiaries, (ii) developed using equipment, resources, or trade secrets of the Company or its Affiliates or Subsidiaries, and/or (iii) result from any work performed by the Optionee for the Company or its Affiliates and Subsidiaries ("Company Inventions"). Company Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention which qualifies fully for exclusion under the provisions of applicable local law, if any. The Optionee hereby transfers and assigns such Company Inventions to BlackRock and the Optionee shall whenever requested to do so by the Company or an Affiliate or Subsidiary, execute any and all applications, assignments, or other instruments that the Company or an Affiliate or Subsidiary deems necessary to apply for and obtain patents or copyrights or other intellectual property protection in the United States or any other country or otherwise protect the Company's and its Affiliates' and Subsidiaries' interests therein. Such obligations shall continue beyond the Optionee's Termination of Employment with the Company or an Affiliate or Subsidiary with respect to Company Inventions developed, conceived or made by the Optionee during the term of the Optionee's employment with the Company or its Affiliates or Subsidiaries. Further, the Optionee agrees that such obligation will be binding on the Optionee's assigns, executors, administrators and other legal representatives.

2. *Non-Solicitation of Clients, etc*. The Optionee shall not, for a period of one year, or during the Relevant Period where applicable, immediately following Termination of Employment, whether on his or her own behalf or on behalf of or in conjunction with any person, company, business entity or other organization whatsoever, directly or indirectly, (i) call on, interfere with, solicit or assist in soliciting the business of any "Client" or "Prospective Client" or (ii) accept business from, or enter into a relationship with, any such "Client" or "Prospective Client", in each case, with whom the Optionee has had, direct or indirect substantive exposure or dealings on behalf of the Company or its Affiliates or Subsidiaries (including in a support or supervisory capacity) during the one year period immediately preceding his or her Termination of Employment. Notwithstanding the foregoing, the Optionee may engage in business activities with "Intermediary Clients", provided, that, the Optionee shall not (x) interact with any Intermediary Client with respect to business placed with or through such Intermediary Client by the Company or any of its Affiliates or Subsidiaries or (y) engage in any conduct interfering with or damaging the Company's (or any of its Affiliates' or Subsidiaries') relationship with any Intermediary Client.

For any Optionee who resides or works in the United Kingdom, the term "Relevant Period" shall mean the period as defined by reference to the Optionee's corporate title as follows: twelve months for Managing Directors and Directors and above; six months for Vice Presidents; and three months for Associates.

For any Optionee who resides or works in the United Kingdom, the term "Prospective Client" shall be deleted from the foregoing paragraph 2 (Non-Solicitation of Clients, etc.). Additionally, the Optionee shall not, during the Relevant Period immediately following the Termination of Employment, whether on his or her own behalf or on behalf of or in conjunction with any person, company, business entity or other organization whatsoever, directly or indirectly, except in the event of a wrongful termination by the Company or an Affiliate or Subsidiary, (i) call on, interfere with or solicit or assist in soliciting or attempt to call on, solicit, interfere with or assist in soliciting in competition with the Company or any of its Affiliates or Subsidiaries, the business of any "Prospective Client", or (ii) accept business from, or enter into a relationship with, any such "Prospective Client", with whom the Optionee has had substantive exposure or dealings on behalf of the Company or any of its Affiliates or Subsidiaries (including in a support or supervisory capacity) during the one year period immediately preceding the termination of his or her employment or with whom employees reporting to the Optionee have had

substantive exposure or dealings on behalf of the Company or any of its Affiliates or Subsidiaries (including in a support or supervisory capacity) during the one year period immediately preceding the termination of his or her employment.

For purposes of this Agreement, the terms:

(a) "Client" shall mean any person, firm, company, or other organization (including an Intermediary Client) to whom the Company or any of its Affiliates or Subsidiaries has supplied services, products or professional advice;

(b) "Prospective Client" shall mean any person, firm, company or other organization (including an Intermediary Client) with whom the Company or any of its Affiliates or Subsidiaries has had negotiations or discussions regarding the possible supply of products or advice, or with respect to whom the Company or any of its Affiliates or Subsidiaries has expended significant time, effort or money in developing a bid or proposal for the supply of services, products or advice; and

(c) "Intermediary Client" shall mean any person or entity (such as a broker dealer, distributor, financial adviser, administrator or other marketing or service organization) through which the Company or any of its Affiliates or Subsidiaries offers, markets, distributes or provides its services, products or advice.

3. *Non-Enticement of Employees; No Hire*. The Optionee shall not, during his or her employment and for a period of one year immediately following Termination of Employment, either on his or her own account or in conjunction with or on behalf of any other person, company, business entity or other organization whatsoever, directly or indirectly: (i) induce, solicit, entice, participate in or procure any person who is an employee of the Company or any of its Affiliates or Subsidiaries to leave such employment or (ii) accept into employment, hire or otherwise engage or use the services of, or actually interfere with the Company's or any Affiliates' or Subsidiaries' relationship with, any person who is an employee of the Company or any of its Affiliates or Subsidiaries or who was an employee of the Company or any of its Affiliates or Subsidiaries during the period commencing one year prior to the Termination of Employment.

4. *Non-Disparagement; No Conflicts*. Except for the Permitted Activities described above, the Optionee shall not at any time during or subsequent to the Optionee's employment with the Company or any of its Affiliates or Subsidiaries, criticize, speak ill of, disparage or make false statements in respect of the Company, its Affiliates or Subsidiaries or any of their employees; provided, however, that the Optionee shall not be prohibited from making truthful statements about the Company or any of its Affiliates or Subsidiaries. The Optionee also shall not, during the course of employment with the Company or any of its Affiliates or Subsidiaries take any action which conflicts with (or appears to conflict with) the Company's or any of its Affiliates' or Subsidiaries' business interests except if ordered to do so by a court or government agency.

Opportunity to Review. By accepting the Option, you acknowledge that you have had at least fourteen (14) calendar days in which to review and consider this Appendix A and affirm your agreement to the terms and effect of this Appendix A. The Company has advised you to consult with an attorney prior to affirming this Appendix A. By affirming, you acknowledge that you have had a full opportunity to review this Appendix A with an attorney of your choice.

* * * * * * * *

BLACKROCK, INC.

By: _____
Name: Laurence D. Fink
Title: Chairman and Chief Executive Officer

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, 2023 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 4, 2023

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

Exhibit 31.2

CFO CERTIFICATION

I, Martin S. Small, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, for the period ended June 30, 2023 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 4, 2023

By: /s/ Martin S. Small
Martin S. Small
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, 2023 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 Martin S. Small, 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 4, 2023

/s/ Martin S. Small

Name: Martin S. Small
Title: Senior Managing Director & Chief Financial Officer
Date: August 4, 2023