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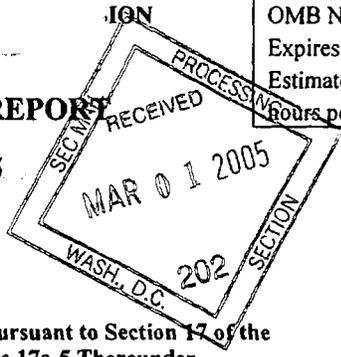
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OMB APPROVAL	
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3/17

ANNUAL AUDITED REPORT

FORM X-17A-5 PART III



SEC FILE NUMBER
8-10888

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING January 1, 2004 AND ENDING December 31, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Keefe, Bruyette & Woods, Inc.**

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

787 7th Avenue

(No. and Street)

New York
(City)

New York
(State)

10019
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Robert Giambrone

(212) 887-6776
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG LLP

(Name - if individual, state last, first, middle name)

757 Third Avenue
(Address)

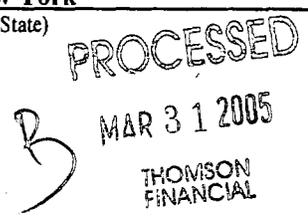
New York
(City)

New York
(State)

10017
(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.



FOR OFFICIAL USE ONLY

Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a current valid OMB control number.

TLH 3/25

AFFIRMATION

I, John Duffy and Robert Giambrone, affirm that, to the best of my knowledge and belief, the accompanying consolidated financial statements and supplemental schedules pertaining to Keefe, Bruyette & Woods, Inc. and Subsidiaries for the year ended December 31, 2004 are true and correct. I further affirm, that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

Signature



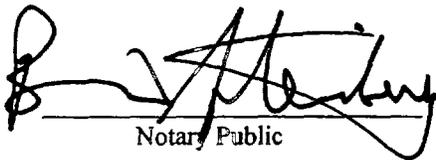
Chairman and Chief Executive Officer
Title

Signature



Chief Financial Officer
Title

BENNET STEINBERG
Notary Public, State of New York
No. 02ST5048838
Qualified in New York County
Commission Expires Sept. 5, 2005



Notary Public

**KEEFE, BRUYETTE & WOODS, INC.
AND SUBSIDIARIES**

Consolidated Statements of Financial Condition

December 31, 2004 and 2003

(Dollars in thousands)

Assets	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 59,713	19,143
Securities owned, at market value:		
Equities	66,979	74,071
Corporate bonds	123,208	133,052
U.S. Government and agency securities	28,685	11,297
Mortgage backed securities	—	24,859
	<u>218,872</u>	<u>243,279</u>
Investments	46,511	39,568
Securities purchased under resale agreements	65,732	48,266
Receivables from clearing brokers	131,983	42,947
Accounts receivable	11,472	17,746
Furniture, fixtures, and leasehold improvements, at cost, less accumulated depreciation and amortization of \$9,010 in 2004 and \$5,328 in 2003	24,185	14,988
Deferred tax assets	1,169	2,840
Other assets	14,494	8,042
	<u>574,131</u>	<u>436,819</u>
Total assets	\$ <u>574,131</u>	<u>436,819</u>

See accompanying notes to consolidated financial statements.