






**KBW, Inc.****KBW NYSE****Investment Services**

Market Capitalization USD:

\$482.34 mm**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration. 
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Thomas B. Michaud**Age: 48****CEO Since: 2011**

	2009	2010	2011
Base Salary	\$325,000	\$400,000	\$400,000
Discretionary Bonus	\$1,575,500	\$0	\$0
Annual Cash Incentive	\$0	\$1,580,000	\$0
Benefits and Perquisites	\$7,350	\$84,567	\$25,262
TOTAL ANNUAL COMPENSATION	\$1,907,850	\$2,064,567	\$425,262
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$784,627	\$720,676	\$2,585,294
TOTAL COMPENSATION	\$2,692,477	\$2,785,243	\$3,010,556
Median of Other Named Executive Officers Total Compensation	\$2,101,210	\$2,200,784	\$1,942,820
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$563,431	\$1,060,629	\$905,928
TOTAL REALIZED EQUITY COMPENSATION	\$563,431	\$1,060,629	\$905,928

Proxy Date: 27 Apr 2012

Annual Meeting Date: 12 Jun 2012

Equity Reserves: 26.49%

Stock Option Run Rate:

KBW, Inc.

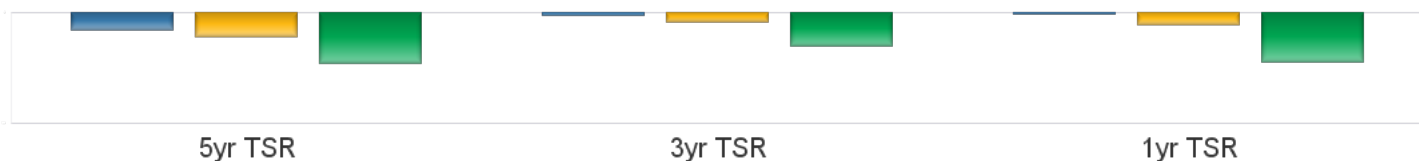
KBW NYSE

Investment Services

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Performance Comparison

■ S&P500 ■ Industry ■ KBW



Peer Comparisons (TRBC) - Investment Services

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
KBW	KBW, Inc.	\$2,692,477	\$2,785,243	\$3,010,556	\$482,337,366
SF	Stifel Financial Corp.	\$4,155,460	\$4,476,661	\$5,673,086	\$1,426,803,651
CNS	Cohen & Steers, Inc.	\$782,462	\$2,318,060	\$3,683,621	\$1,240,563,247
KCG	Knight Capital Group, Inc.	\$16,903,081	\$6,166,778	\$6,369,909	\$1,205,845,305
JNS	Janus Capital Group Inc.	\$8,833,746	\$20,337,868	\$6,151,152	\$1,119,251,316
ADVS	Advent Software, Inc.	\$783,358	\$752,904	\$761,111	\$1,090,062,415
GBL	GAMCO Investors, Inc.	\$43,576,932	\$56,608,736	\$61,693,390	\$1,055,157,734

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

NA

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Christopher M. Condrón	Chairman	64	Male	5	Outside
Jack K. Schmidt	Member	61	Male	5	Outside
Michael J. Zimmerman	Member	61	Male	5	Outside

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