

# 2021 Annual Report

D.A. DAVIDSON  
COMPANIES

Meaningful  
moments  
that matter.



# Creating the Meaningful Moments that Matter

Every day, the people at D.A. Davidson connect with our clients and communities in ways large and small. The big things are easy to see; the smaller things may go largely unseen.

But these meaningful moments make a big difference. We can create these moments because we put a premium on knowing our clients, putting empathy at the center of our relationships, and supporting our communities. Every day, we are grateful to have the opportunity to deliver what matters most to the people we serve.

## COMPASSION THAT SPARKS ACTION

As we look back at D.A. Davidson's performance and accomplishments for 2021, we'd like to share some of the everyday, meaningful moments that made a difference along the way. From supporting the next generation of leaders to expanding opportunities for aspiring medical professionals, we are always looking for ways to make a positive impact and create a better world. We commend our associates for leading with compassion and creating meaningful moments with significant and enduring results.

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## Dear Fellow Shareholders, Clients and Associates,

Each year I look forward to authoring this letter highlighting the past year's accomplishments and discussing the future of D.A. Davidson. But as I prepare this message for the final time, it is with special pride that I report on our record-setting performance and continued growth in 2021.

As all corners of the globe continued to navigate another year of disruption and uncertainty, I remained inspired by the collective efforts of our 1,472 associates nationwide. Their tenacity, creativity and flexibility fueled our success and strengthened our ability to deliver new levels of value and innovation across all segments of our business. As a result, I am pleased to report record revenues of \$582.8 million for Fiscal 2021, and our average assets under administration once again grew to record levels of \$64.4 billion.

All of our teams across the D.A. Davidson landscape contributed to our success, enabling us to provide greater levels of expertise and service to our clients. We added new financial professionals and support staff within in each of our five business units; most notably, our Wealth Management team recruited its greatest number of financial

advisors in over a decade. We also continued to make significant technology investments across Asset Management and Trust and other business units to strengthen our platform and enhance the client experience for those we serve.

In addition, we expanded our geographic footprint to support our continued coast-to-coast growth strategy. We broadened D.A. Davidson's presence in the Northeast market with three new locations in Virginia, and opened new offices in California, Colorado, Texas and Georgia to offer greater levels of expertise and support.

Perhaps the most visible example of our continued growth trajectory — and of our quest to serve new clients, in new

THE TENACITY, CREATIVITY AND FLEXIBILITY OF OUR ASSOCIATES FUELED OUR SUCCESS AND STRENGTHENED OUR ABILITY TO DELIVER NEW LEVELS OF VALUE AND INNOVATION ACROSS ALL SEGMENTS OF OUR BUSINESS.

markets, in new ways — was the firm's mid-year acquisition of Marlin & Associates, one of the most-active investment banks serving the fintech and data & analytics industries. In welcoming their venerable leadership and seasoned professionals to our Investment Banking division, we dramatically expanded our resources and capabilities as a trusted advisor for clients and prospects across this vast global sector.

Outside of the office, our longstanding commitment to serving individuals, organizations and communities in need remained strong. Our associates supported our fifth annual D.A. Davidson Day and charitable giving throughout another year when their time and generosity was needed most. Working together, the D.A. Davidson family donated to 145 different organizations across the country, and our charitable giving efforts totaled \$1.4 million.

Finally, as I close this message and approach the end of my tenure as CEO, it will be my honor to hand over the reins to our president, Larry Martinez, a highly experienced and deeply respected D.A. Davidson veteran. Larry has been an integral part of our leadership team for nearly two decades, and I truly believe he is the right individual to guide our future growth. I have great confidence that we will continue to thrive

under his leadership, and I look forward to supporting him and the D.A. Davidson community as executive chairman.

I would like to extend my sincere thanks and deep gratitude to all of our stakeholders, clients and associates for being a part of D.A. Davidson's extraordinary story as we continue to find new ways to support the financial well-being of individuals and businesses worldwide.

I wish you and yours a future filled with great success, new opportunities and the best of health.

JAMES P. KERR  
Chairman and CEO

# 2021: CONTINUED GROWTH

## D.A. DAVIDSON COMPANIES

**\$712.4M**  
2021 TOTAL ASSETS

**\$308.2M**  
2021 SHAREHOLDERS' EQUITY

**\$582.8M**  
2021 NET REVENUE

**\$64.4B**

2021 ASSETS UNDER ADMINISTRATION

**1,472**

2021 D.A. DAVIDSON ASSOCIATES

ASSETS UNDER ADMINISTRATION (BILLIONS)



**100**

2021 OFFICE LOCATIONS

## D.A. DAVIDSON & CO.

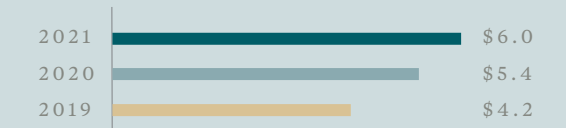
WEALTH MANAGEMENT OPERATING REVENUE PER FINANCIAL PROFESSIONAL (THOUSANDS)



INVESTMENT BANKING VOLUME OF TRANSACTIONS CLOSED (BILLIONS)



PUBLIC FINANCE VOLUME OF TRANSACTIONS CLOSED (BILLIONS)



## ASSET MANAGEMENT & TRUST

ASSETS UNDER MANAGEMENT AND ADMINISTRATION (BILLIONS)



## BUSINESS UNITS

At the close of another remarkable year, we are proud to showcase the work of our individual professionals and business units. Their accomplishments helped drive a record year for revenue and growth. Working separately as distinct divisions but also collaboratively, we continued to anticipate and serve our clients' needs and maintain the personal relationships that are at the heart of D.A. Davidson.

## BUSINESS UNITS

# Wealth Management

## OPENED NEW OFFICES AND HIRED EXPERIENCED ADVISORS

D.A. Davidson Wealth Management offers an array of financial products and services to individuals, families, businesses and institutions. From our founding, the firm's professionals have provided straightforward advice and personalized solutions to help build, protect and pass on wealth for generations to come.

The group ended the year with record revenues, assets under management and new assets added to the advisory platform. We welcomed 19 experienced advisors and opened five new offices in three states, expanding the D.A. Davidson presence to Virginia, and our wealth management business to Texas.

## EXPERT ADVICE TO NAVIGATE TRANSITIONS

Our wealth management professionals are always ready to meet the varying needs of our clients, whether it's preparing for illness or business succession.

A client couple came to financial advisor Christy Gatien with the news that one of them had been diagnosed with early onset dementia. Christy was able to help them adjust their portfolio to accommodate their changing needs, including the cost of care, and give them the peace of mind and financial confidence they needed.

In another case, two pharmacists hoped to retire after 45 years serving their rural community but wanted to ensure continuity of care for their patients. Financial advisor Brandon Brown and team worked with a range of parties to implement a buyout and transition plan with five younger pharmacists. This helped the retiring pharmacists achieve their financial and life goals while also prioritizing the needs of the community.

## BUSINESS UNITS

## Equity Capital Markets

### A BANNER YEAR HELPING CLIENTS RAISE MORE THAN \$19 BILLION IN CAPITAL

Our Equity Capital Markets group delivers a comprehensive suite of capital markets services, including research, sales and trading, corporate services, brokered CD underwriting and investment banking.

We had a very successful year in 2021 helping clients raise capital and were involved with 72 capital raises, both public and private, that totaled over \$19 billion, a 66% increase over the prior year. The group ended the year with record revenues.

Our institutional research analysts continued to provide valuable perspectives through expert commentary, further elevating D.A. Davidson's national profile.



### SUPPORTING FUTURE LEADERS

Providing opportunities for future leaders in our field is instrumental not only to the success of our firm, but also our communities. This year's Investment Banking Analyst and Institutional Research Associate class was the largest in our firm's history. We know this diverse group of young professionals will continue to have a positive impact on our business for years to come.

## BUSINESS UNITS

# Investment Banking

## RECORD TRANSACTION VOLUME AND ACQUISITION OF A BOUTIQUE INVESTMENT BANK

Our Investment Banking team provides comprehensive financial advisory and capital markets services. The group has extensive transaction experience serving middle market clients worldwide across four industry verticals: consumer, diversified industrials, financial institutions and technology.

In 2021, the team completed 133 transactions representing approximately \$23 billion in aggregate deal value. We also raised more than \$19 billion of capital for clients, an annual record for the firm.

We expanded our industry expertise in technology through the acquisition of New York-based Marlin & Associates, a leading investment bank serving the financial technology and data & analytics industries.

## STEPPING UP FOR RETAILERS IMPACTED BY THE PANDEMIC

Raising capital is essential for our clients across industries. Capital is critical to fund business expansion, hire new employees and build the economies where they operate. As the pandemic impacted consumer demand, many retailers, including our client, Destination XL Group, have faced challenges. To help mitigate these impacts, DXL turned to our Consumer Investment Banking Team to raise expansion and secondary capital. The team raised nearly \$40 million in capital through two separate transactions, helping DXL recapitalize the business and bring quality new investors into the story.



## BUSINESS UNITS

## Asset Management and Trust

### SET RECORDS FOR ASSETS UNDER ADVISEMENT AND EARNINGS

Our Asset Management and Trust group provides disciplined investment management and personal trust and retirement services. Our team offers exceptional service and helps clients fully realize their future objectives.

We completed 2021 with record assets under advisement of \$5.5 billion, as well as record pre-tax earnings. Our asset management firm, Davidson Investment Advisors, launched a new suite of tailored portfolios designed to deliver the benefits of both thoughtful portfolio management and diversification within a single advisory account.

Davidson Investment Advisors enhanced its client service framework with new technology, and D.A. Davidson Trust Company established a presence in Nevada to provide clients with more tax-favorable solutions.



### CONNECTING PERSONALLY WITH CLIENTS

To trust officer Amy McCormick, it's the small things that matter most, like being available to take a Sunday call from a young client excited to share that her offer for her first home was accepted. Whether it's helping her client purchase that first home, giving advice on returning to school to earn a degree, or even celebrating life's milestones, Amy's role is much more than just managing trust accounts. She strives to be a support system and guide clients through their life journey.

## BUSINESS UNITS

## Fixed Income Capital Markets

### EXPANDED SERVICES COAST-TO-COAST AND ACHIEVED STRONG YEAR-END RESULTS

Our Fixed Income Capital Markets group is a national leader in raising capital through fixed income banking, distribution and depository strategy. The team serves clients through public finance banking, and maintains a diverse sales and trading group.

FICM expanded the firm's presence with new offices in California. Our Public Finance team achieved the strongest revenue on record and completed 452 transactions through coordinated efforts across banking, sales and trading. Our Taxable Sales & Trading team strengthened relationships and found pockets of diversification, leading to favorable results in a challenging market. The Municipal Sales & Trading team processed transactions at an incredible rate, and serviced unique investor inquiries faster than our competitors.



### BUILDING A BRIGHTER FUTURE FOR UTAH'S MEDICAL PROFESSIONALS

Across Utah, an estimated 90% of students go to in-state colleges but many leave to attend out-of-state medical schools because of a lack of healthcare education and training in Utah.

Our Special District Group partnered with the Medical Campus Public Infrastructure Group to secure more than \$42 million in innovative financing to support the development of a medical education and research facility, including the Noorda College of Osteopathic Medicine. The construction of the new medical school is expected to transform the medical field in Utah, leading to more academic and employment opportunities.

# 2021 Giving Report

## WE ARE ONE

Giving has always been a core D.A. Davidson value and we didn't slow down at all in 2021. Although we may be separated by distance, we're still ONE, as colleagues and committed members of our community. We restarted our in-person volunteer activities (safely, of course) to support a range of organizations while also continuing our remote efforts. Our 10 regional giving committees donated to 145 different organizations during Fiscal 2021, focusing on our four primary areas: arts, conservation, education and human services.

We also provided financial support as many of our organization partners struggled with reduced funding even as need increased. Charitable giving, defined as regional giving and gift matching, totaled \$1.4 million for 2021.

Every day, we are proud to be ONE committed community doing what we do best — giving from the heart and continuing D.A. Davidson's legacy of making a positive difference.



## D.A. DAVIDSON DAY: CELEBRATING FIVE YEARS OF GIVING BACK

For the fifth anniversary of D.A. Davidson Day, we knew that we had to make a big impact, and our associates did not disappoint. With activities ranging from virtual card-making and delivering meals to community garden beautification and food pantry sorting, 600 participants logged 2,100 volunteer hours supporting more than 65 organizations. We applaud our associates for their hard work and dedication to supporting our communities, even in the face of adversity and an ongoing global pandemic.



## CORPORATE GIVING: MAKING AN IMPACT FROM COAST TO COAST

Giving is our goal, no matter how large or small. This year we went big, delivering on our mission to expand our national footprint as a business and as a charitable organization. D.A. Davidson donated \$100,000 to four national organizations that provide essential services: Habitat for Humanity, Meals on Wheels America, National Alliance on Mental Illness and Big Brothers Big Sisters of America. We were proud to further amplify our impact with Meals on Wheels by serving as their official gift match donor for Giving Tuesday. As a result, Meals on Wheels was able to raise more than \$200,000 nationwide in addition to our initial contribution — their most successful Giving Tuesday campaign to date.

“Seniors depend on us more than ever, and we need philanthropic gifts to ensure we're able to meet their needs. With donors like D.A. Davidson and its clients by our side, we not only brighten the days of our seniors, but truly transform their lives through a knock on the door that delivers so much more than just a meal.”

ELLIE HOLLANDER

President and CEO of Meals on Wheels America



DONATIONS AID U.S. OLYMPIC & PARALYMPIC MUSEUM

Fittingly, as the world was in the final week of the Olympic Games in Tokyo, our Colorado Springs associates were honored to donate to the U.S. Olympic & Paralympic Museum located in their city. The museum “offers a timeless experience by capturing the history of Team USA in the Olympic and Paralympic Games, as well as the hopes and dreams of future generations.”



FIGHTING HUNGER AND HOMELESSNESS

Helping combat hunger and homelessness is a key initiative for our Seattle associates. For the third year, they supported Food Lifeline, which provides food supplies throughout King County, and the United Way HomeBase program, which works in the Seattle area to keep families in their homes.



MOBILIZING TO FIGHT CANCER

Associates in California came together to walk and raise funds for the American Cancer Society, Making Strides Against Breast Cancer. D.A. Davidson is a proud sponsor of ACS and its mission to free the world from cancer.



BUILDING BEAUTIFUL NEIGHBORHOODS

Not afraid to roll up our sleeves and get to work: For the last five years, our volunteers have laid sod for future homeowners who are building their homes with NeighborWorks Great Falls.



### A REGIONAL APPROACH TO STUDENTS AND OUR NEEDIEST NEIGHBORS

Many of our youth and the most vulnerable members of our communities have struggled through the pandemic. In 2021, a number of our regional giving committees focused on supporting youth and education-related organizations, and organizations that provide essential services to people who need them most. Here are just a few highlights.

## Aiding Students Learning Remotely and Advancing Financial Literacy

The Golden State Region focused on supporting YMCAs through the Moneywise financial literacy curriculum, developed by vice chairman of Wealth Management Andrew Crowell. They also donated nearly \$100,000 to help students with the challenges of remote learning.

“The YMCA of Metropolitan Los Angeles remains proud and grateful to partner with D.A. Davidson to impact the lives of our teens and community members. Thank you for your ongoing partnership to strengthen our community.”

VICTOR DOMINGUEZ

Executive Vice President & Chief Mission Advancement Officer, YMCA of Metropolitan Los Angeles

\$100,000

DONATED TO HELP STUDENTS WITH THE CHALLENGES OF REMOTE LEARNING

## Back-to-School Supplies for Students

Associates in our Great Falls headquarters stepped in to help students in need by gathering games, puzzles and other supplies for the local Boys and Girls Clubs, just in time for back to school. They also gathered school supplies as part of the annual Stuff the Bus campaign and supported the efforts of the Great Falls Community Food Bank’s Backpacks4Kids program.

“D.A. Davidson has been a long-time supporter of the Great Falls Community Food Bank, making an enormous impact on our mission of feeding the hungry in Cascade County. In 2021 alone, D.A. Davidson and their employees donated nearly \$14,000 and more than 100 volunteer hours. The entire community benefits from their generosity.”

SHAUN TATARKA

Executive Director, Great Falls Community Food Bank



## Awards & Honors

### BRAGG LEWIS KNUTSON COMMUNITY SERVICE AWARD

While Karen Brandvold has focused much of her volunteer work on causes that enhance education, she does not exclude other efforts. Because of her work, D.A. Davidson has named Karen, who serves as director of corporate services, as the firm's 2020 recipient of the Bragg Lewis Knutson Community Service Award. The award recognizes exceptional volunteerism and is the highest honor bestowed upon a D.A. Davidson associate.

Karen volunteers for a variety of causes. Highlights include serving as board chairwoman for the Great Falls Public Schools Foundation and developing key D.A. Davidson sponsorships for the foundation's projects. For 2020, Karen served as a "loaned executive" for the local United Way, helping to bolster the nonprofit's fundraising campaign. And she has been instrumental in the development of several important D.A. Davidson giving initiatives.



**KAREN BRANDVOLD**  
Senior Vice President,  
Director of Corporate Services

### IAN B. DAVIDSON CULTURAL EXCELLENCE AWARD

We honor two associates annually with the Ian B. Davidson Cultural Excellence Award, which recognizes employees who are committed to exemplifying our company's core values of service excellence, business ethics and integrity, and community involvement. The 2020 honorees were Tammy Beaver, chief supervisory officer in Great Falls, and Kevin Director, institutional salesman in Portland.



**TAMMY BEAVER**  
Senior Vice President,  
Chief Supervisory Officer  
Wealth Management



**KEVIN DIRECTOR**  
Managing Director,  
Institutional Sales  
Equity Capital Markets

We applaud the work of these three colleagues and congratulate them on these impressive achievements.



## Message from Our President

Dear Associates, Clients and Shareholders,

During Jim Kerr's tenure, he has led D.A. Davidson to its strongest position in our history. Our financial and operating results in Fiscal 2021 reflect his exceptional leadership. As Jim noted in his letter earlier in this report, these achievements are driven by the professionalism of our associates and their passion for serving our clients, our communities and each other. On behalf of all of my colleagues, I thank Jim for his leadership, friendship and dedication over the years. We look forward to his continued role as executive chairman.

As Jim's predecessor, Bill Johnstone, was fond of saying, we stand on the shoulders of those who came before us. Jim, Bill and the firm's

“OUR FIRM IS UNIQUE AND OUR STORY IS COMPELLING BECAUSE OF OUR ASSOCIATES AND THEIR DEVOTION TO OUR CLIENTS.”

other CEOs, Vinney Purpura and certainly Ian and David A. Davidson, have created something very special over the past 86 years. I'm certainly humbled and excited by the opportunity to succeed Jim as our firm's sixth CEO and to build on the foundation laid by my predecessors. In doing so, we will adhere to the firm's core values, which are built around all of you, our key stakeholders.

Ian Davidson years ago defined D.A. Davidson as “A Company Known by the People it Keeps.” We always aspire to be the firm of choice for employees, one that provides an inclusive environment as well as the necessary professional development, training and tools to deliver trusted advice to our clients.

As we should be the firm of choice for employees, we also strive to be the advisor of choice for our clients as we grow existing relationships and establish new ones. Providing an exceptional client experience by delivering sophisticated advice and solutions is something that has always distinguished our firm. We will continue to do so by remaining true to our core value of putting clients' interests first and acting with high ethics and integrity.

Our firm is unique and our story is compelling because of our associates and their devotion to our clients. This report has highlighted a number of the many ways in which we impact our clients and our communities. We will continue to evolve our business — whether through new technologies, services or products — in ways that enable our financial professionals to continue providing the strength of D.A. Davidson's advice to our clients who stretch coast to coast.

The past two years have presented us all with unprecedented challenges. We are grateful for the resilience our associates have shown, as well as the trust and confidence our clients have placed in us as we continue to navigate through this time. We do so with the confidence that our firm has met many challenges over the past 86 years and has always emerged stronger.

Above all, I wish you good health in 2022.

LARRY MARTINEZ

# Meeting Client Needs Across the Globe

More than ever, many of D.A. Davidson's clients look to us for solutions that are shaped by a global financial perspective, and supported by specialized expertise and reliable resources from around the world. Our expanding coast-to-coast network of offices across the U.S. work closely with established international partners, enabling us to deliver seamless solutions to clients worldwide. Together with our European strategic partner, MCF Corporate Finance, D.A. Davidson's Investment Banking group originates and executes M&A transactions under the common brand of D.A. Davidson MCF International. This partnership allows D.A. Davidson clients everywhere to benefit from timely, on-the-ground expertise and our firmly-established relationships across Europe.

## ENGLAND\*

London

## GERMANY\*

Hamburg

## SWEDEN\*

Stockholm

## FINLAND\*

Helsinki

\* Locations for MCF Corporate Finance, an independent entity with which D.A. Davidson has a joint marketing agreement.

## CALIFORNIA

Carlsbad  
Claremont  
Costa Mesa  
Encino  
Fresno  
Long Beach  
Los Angeles  
Newport Beach  
Pasadena  
Roseville  
San Francisco  
Santa Barbara  
Ventura

## COLORADO

Colorado Springs  
Denver  
Grand Junction

## FLORIDA

Boca Raton  
Jacksonville

## GEORGIA

Atlanta

## IDAHO

Boise  
Coeur d'Alene  
Idaho Falls  
Lewiston  
Moscow  
Pocatello  
Sandpoint  
Twin Falls

## ILLINOIS

Chicago

## IOWA

Des Moines

## KANSAS

Overland Park

## LOUISIANA

Destrehan

## MARYLAND

Baltimore

## MASSACHUSETTS

Boston

## MINNESOTA

Plymouth

## MISSOURI

Kansas City

## MONTANA

Billings  
Bozeman  
Butte  
Great Falls  
Hamilton  
Havre  
Helena  
Kalispell  
Livingston  
Missoula  
Whitefish

## NEBRASKA

Columbus  
Lincoln  
Omaha

## NEVADA

Minden  
Stateline

## NEW JERSEY

Millstone Township  
Red Bank  
Upper Saddle River

## NEW YORK

New York City

## NORTH DAKOTA

West Fargo

## OHIO

Dublin  
Independence  
Mason  
Powell

## OKLAHOMA

Norman  
Oklahoma City  
Tulsa

## OREGON

Bend  
Klamath Falls  
Lake Oswego  
Medford  
Pendleton  
Portland  
Roseburg  
Salem

## TENNESSEE

Memphis

## TEXAS

Austin  
Dallas

## UTAH

Logan  
Midvale  
Salt Lake City

## VIRGINIA

Bedford  
Charlottesville  
Harrisonburg

## WASHINGTON

Aberdeen  
Bainbridge Island  
Bellevue  
Bellingham  
Burlington  
Everett  
Kennewick  
Port Angeles  
Seattle  
Spokane  
Vancouver  
Walla Walla  
Wenatchee

## WYOMING

Gillette  
Sheridan





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