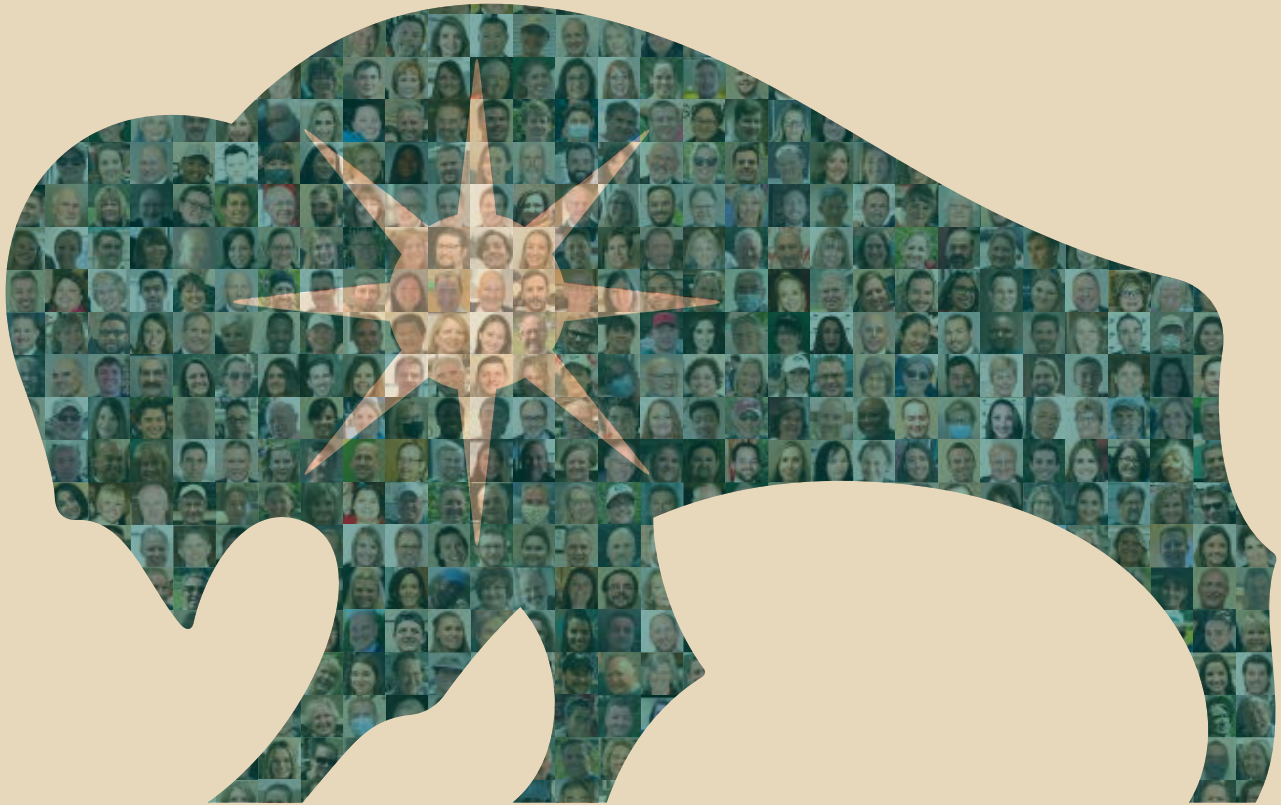


A TEAM
ABOVE ALL.



ABOVE ALL
A TEAM.

D.A. DAVIDSON COMPANIES

2020 ANNUAL REPORT



THE STRENGTH OF 85 YEARS

This year marks an important anniversary for D.A. Davidson. If there is one thing we have learned from our years in business — and 2020 in particular — it is the importance of working together, especially when faced with adversity.

Teams come in many forms. Whether it is a single financial advisor working with their client associate or an expansive group of investment bankers taking a company public, we are all still part of the larger team of D.A. Davidson. In this report, we are proud to highlight a sampling of the teams who continue to make our company a success.

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DEAR SHAREHOLDERS, CLIENTS AND ASSOCIATES

As I prepare this letter, D.A. Davidson is celebrating its 85th year in business. It's inspiring to consider the commitment, perseverance and ingenuity that helped the firm reach this remarkable milestone, despite headwinds through the years. Today, with our anniversary coinciding with a global health crisis, I believe it is more important than ever to consider the lessons of such resilience.

In this year of systemic dislocations, the people of D.A. Davidson have been the foundation of our firm's success. From the technology team moving us seamlessly to a work-from-home environment to managers creating innovative ways of ensuring employees remain engaged, our colleagues have met 2020's challenges with strength, tenacity and grace. Most importantly, they have continued to serve our clients and serve them well. In a year that called for bold ideas and frequent reinvention, I could not be more proud of our associates. To me, the year has provided great evidence of the benefits of our employee-ownership structure, which rewards the passion and commitment of our team.

Similarly, our firm has had the right approach. Our strategy includes maintaining a conservative balance sheet, which allowed us to enter the year with solid financial footing and continue expanding. By the end of 2020, we had



added professionals, opened offices in new locations and grown the firm's assets under management and administration to a record \$52.9 billion. We never stopped investing in our people, resources, technology and training — a mix that will fuel further growth in coming years.

The year has reinforced our belief in the importance of our diversified business model. While some areas faced challenges, our Fixed Income Capital Markets group excelled in the low interest rate environment,

which increased client appetite for public finance refunding as well as heightened activity within our secondary municipal, taxable and CD businesses. With our team taking advantage of market conditions, and hiring significant numbers of professionals, FICM achieved records in revenues and pre-tax earnings. Our Asset Management and Trust team also reached new highs in pre-tax earnings — profiting from previous years of expansion and reinvestments, including a focus on using robotic automation to update and streamline trust accounting processes.

While markets trended upward, they also have been uneven. Both our Wealth Management and Equity Capital Markets groups ended 2020 with strong performances. These teams — for whom relationships are critical — developed creative ways to overcome social distancing obstacles so they could provide important guidance to clients during uncertain times. Additionally, both Wealth Management and Equity Capital Markets maintained their growth trajectories by adding experienced professionals in strategic markets and sectors. ECM's successes were fueled in large part by the year's focus on the technology sector, with significant new hires and transactions as a result. Growth within our Wealth Management team was slower; however, we expect our investments in both of these teams to yield significant dividends, and stand ready to welcome more talent in years to come.

Complementing our solid business performance were many less tangible accomplishments. Key among them has been our enhanced work as One Davidson, a whole-team approach that we believe strengthens our enterprise

with enhanced idea-sharing, decision-making and cross-discipline cooperation. More than ever, 2020 highlighted the importance of working together to unlock innovation and develop transactions that transcend business lines. We also have taken extensive steps to support and engage employees, including increased communications and Zoom calls for employees and their families. Additionally, we are supporting employees with a range of assistance and accommodations, from staggering shifts so parents can care for children at home to maximizing office hygiene measures to keep our colleagues safe.

Our firm's managers have felt it especially vital to give back to our communities in 2020. We provided significant financial donations and continued D.A. Davidson Day, our annual volunteer initiative providing hands-on assistance to hundreds of nonprofits. I like to say that giving back is not just the right thing to do; it's the way we do business.

In uncertain times, it is important to note that some things do not change. D.A. Davidson has been working on behalf of our clients since 1935, providing exceptional service with a personal touch. Throughout our history, we have attracted exceptional professionals whose commitment is clear and whose passion is unrivaled. As I close this letter, I would like to thank our employees for their resilience and thank our clients for their loyalty. Together, we will forge ahead toward a brighter future. I look forward to doing so.



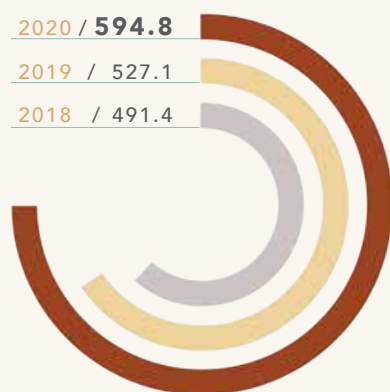
JAMES P. KERR

Chairman and Chief Executive Officer



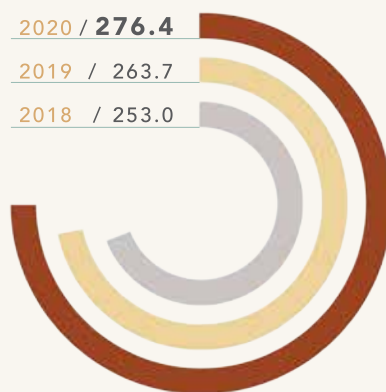
FINANCIAL HIGHLIGHTS

D.A. DAVIDSON COMPANIES



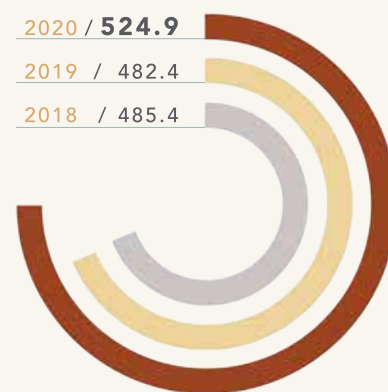
594.8

TOTAL ASSETS
(MILLIONS)



276.4

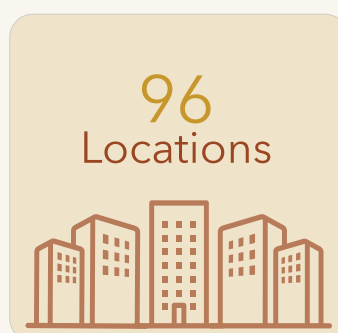
SHAREHOLDERS' EQUITY
(MILLIONS)



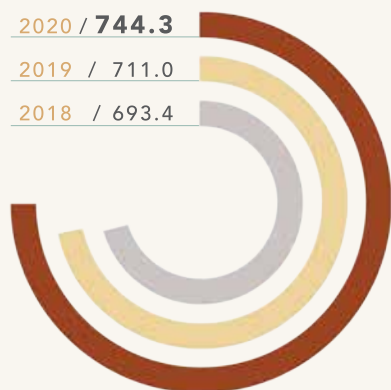
524.9

NET REVENUE
(MILLIONS)

52.9
ASSETS UNDER ADMINISTRATION
(BILLIONS)

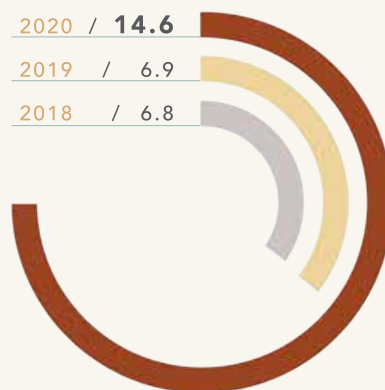


D.A. DAVIDSON & CO.



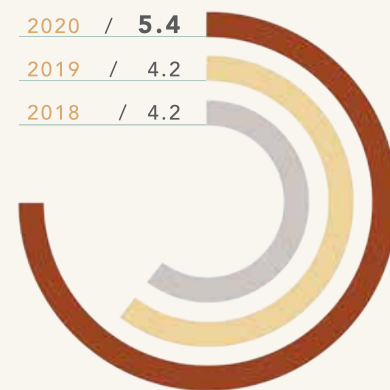
744.3

**WEALTH MANAGEMENT
OPERATING REVENUE
PER FINANCIAL ADVISOR**
(THOUSANDS)



14.6

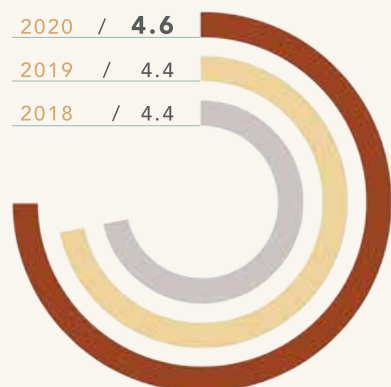
**INVESTMENT BANKING
VOLUME OF
TRANSACTIONS CLOSED**
(BILLIONS)



5.4

**PUBLIC FINANCE
VOLUME OF
TRANSACTIONS CLOSED**
(BILLIONS)

ASSET MANAGEMENT AND TRUST



4.6

**ASSETS UNDER
ADMINISTRATION**
(BILLIONS)



"At the heart of D.A. Davidson is our connected, collaborative culture. Every person in our company plays a dynamic and important role in our ability to provide seamless service for our clients."



The ultimate team event: Employees and shareholders gathered in January 2020 for our shareholders meeting in Seattle.



Effective teamwork has never been more important. Our clients, employees and industry face an increasingly complicated world that, even in the best of times, can be challenging to navigate.

By relying on the combined strengths of D.A. Davidson, we are better able to harness the possibilities in front of us. We learn from one another. We hear different viewpoints and see different ideas. We gain insights that we can use along with our own, producing strong results. And all of our individual professionals are part of equally important teams: their partnerships with our firm and their clients.

Through D.A. Davidson's collaborative approach, we were able to provide our clients with valuable advice in 2020. We invite you to read more about how our business units and associates worked closely together to create exceptional outcomes.

MICHAEL PURPURA

President, Wealth Management



WEALTH MANAGEMENT

Clients turn to D.A. Davidson Wealth Management professionals for straightforward advice and financial solutions, delivered with a personalized approach. Our team helps clients across the U.S. to build, protect and pass on wealth for generations.

- Our advisors excelled in 2020 by focusing on our most important mission: providing guidance, counseling and reassurance to help clients navigate uncertain markets.
- We strengthened the group by adding experienced advisors in northern California, Nevada, Colorado and Nebraska, and by hiring key support professionals throughout our firm.
- Ongoing investments allowed us to leverage new technology that kept our professionals seamlessly connected to clients and each other, even as we adapted to temporary remote work environments.
- The Wealth Management group completed the fiscal year with record operating revenues and assets under administration.

ADAPTING WITH PURPOSE AND HUMOR

Well before any lockdowns, social distancing and other unexpected challenges, members of The Muguira Peterson Group had begun refining and streamlining the policies, processes and procedures that drive their daily work. Now, with 2020 behind them, the four members of the Boise, Idaho, team are glad they had started that process.

"COVID really forced us to rely on the systems we were implementing," said financial advisor Julie Muguira. "It has made us a better-performing team."

The group benefits from key practices that include daily meetings, idea sharing, having each person focus on specific niches, and reliance on an exceptionally organized assistant. Also important: solid technical, educational and resource support from D.A. Davidson.



"This year in particular has underscored how fortunate we are to be with a firm that prioritizes their employees' well-being on equal weight with getting the job done," financial advisor Jenny Peterson said.

Perhaps the biggest lessons of 2020? The importance of adaption, team members say, "And sometimes, just remembering to laugh."

(Left to right) Shannon Logan, Jenny Peterson, Mary Muguira and Julie Muguira of The Muguira Peterson Group were able to maintain strong team communication throughout 2020.



ASSET MANAGEMENT AND TRUST

Our Asset Management and Trust group provides disciplined investment management and personal trust and retirement services. Our team delivers these with exceptional service, helping clients ensure their intentions for the future are fully realized.

- D.A. Davidson Trust hired three new trust officers and established a stronger presence in Oregon and northern California. With the addition of highly experienced professionals with legal expertise, our team cemented its reputation as a regional trust leader.
- As part of a continued commitment to its client-first approach, our asset management firm, Davidson Investment Advisors, added a client portfolio manager dedicated to ensuring the alignment of client investment portfolios with each person's unique goals and values.
- We created new efficiencies for our trust team's accounting process through the implementation of robotic automation.
- To further augment our efficiencies, our trust team realigned its structure to allow subject matter to concentrate on key operational and fundamental aspects of the business.
- Asset Management and Trust completed the year with record pre-tax earnings.



TEAMWORK STRUCTURED FOR SUCCESS

Sometimes those who accomplish the most together are not teams by name. Their roles are complementary, strengthening each other's work across disciplines.

While Michael Meighan serves as chief investment officer for D.A. Davidson Trust Company, much of his collaboration is with colleagues from other business units. He meets regularly with Ed Crotty and Chris Johns, who serve as investment officers and portfolio managers with Davidson Investment Advisors and Davidson Fixed Income Management, respectively. Because each has a distinct investment style and unique perspective, the three provide each other with deeper understandings and important insights into both the investment industry and markets.

The result? Better outcomes for clients across the businesses.

While the team members work in different major cities, technology makes it easy to hold frequent meetings. In their virtual environment, Michael, Ed and Chris often strategize, learn from and debate with one another. "Our collaboration means we are all really benefiting from each other. It's the best of all worlds," Michael said.

(Left to right) CIO Ed Crotty, portfolio manager Chris Johns, and CIO Michael Meighan meet regularly to discuss business initiatives.



EQUITY CAPITAL MARKETS

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

- We added technology-focused professionals in all areas of our Equity Capital Markets team as a continuation of our long-term strategy of deepening our expertise and increasing our impact in this important sector. This approach created dividends in a year when the world increasingly relied on tech innovations.
- With readers and viewers consuming more news than ever, our institutional research analysts met the moment by providing valuable perspectives. They ensured D.A. Davidson was visible at a national level throughout the year, providing expert commentary on a wide range of topics.
- Our team reached record levels of new-issue CD underwriting, in part by meeting demand from financial institutions seeking capital-raising opportunities.
- Clients benefited from our “One Davidson” philosophy and ongoing silo-busting initiatives that continued to increase collaboration with other business units and created added efficiencies.



SHIFTING INTO HIGH GEAR

As an equity analyst, Brent Thielman occasionally faces moments when his team's carefully planned priorities must be discarded. Moments such as when unexpected news affects the sector he covers, requiring detailed analysis and prompting investor phone calls. On days when Brent's team must abruptly change course, it is critical to be able to depend on his colleagues.

"When the floodgates just open, that's when you understand the importance of having a good team behind you," he said.

A senior analyst with D.A. Davidson's Institutional Research group, Brent provides extensive, award-winning research that helps investors understand companies' relative investment value. Sound complicated? It is. That's why Brent relies heavily on his research associates, Zane Karimi and Will Jellison.

As much as his associates assist him, Brent supports them. He includes them in all aspects of his work and empowers them to learn. The goal: to help them eventually make their own career jump to become analysts.

"They are always deeply involved in our research process," he said. "The more we engage Zane and Will, the more we all benefit. They're incredibly additive."



Managing director Brent Thielman (far right) and associates Will Jellison and Zane Karimi outside the Portland, Oregon, office.



INVESTMENT BANKING

D.A. Davidson's Investment Banking team provides comprehensive investment banking services that include a broad suite of capital raising, mergers and acquisitions, and advisory capabilities for clients across the United States and Europe. Our team guides companies through complex challenges so that clients can achieve their own vision of success.

- We hired 18 investment bankers, and added a head of debt advisory, as we continued to build upon our expertise and capacity to give senior-level attention to each transaction.
- We established an office in Atlanta to further extend our geographic reach and strengthen our work in the financial institutions and diversified industrials sectors.
- We solidified our position as a tech sector leader by increasing our technology team to 21 bankers.
- Our Investment Banking professionals collaborated with D.A. Davidson's other equity capital markets professionals to serve on multiple successful initial public offerings.
- We completed 106 transactions representing \$14.6 billion in aggregate deal value.

BANKING ON COMMUNICATION

To technology investment bankers at D.A. Davidson, communication is not just one thing; it is everything. Communication has been a critical component in building and strengthening the firm's successful technology team.

The team's focus on staying in touch is especially crucial when a group expands as rapidly as the tech investment banking group has. With the hiring of several senior professionals, the group now numbers 21 bankers.

The added expertise and capabilities are driving strong outcomes for clients. In 2020, the technology team completed 15 IPOs. Since 2018, they have completed over 45 transactions with a total value of \$15.3 billion.

"I'm incredibly impressed with our team and our ability to work together toward a common vision," said Rory McKinney, head of investment banking. "We have become a cohesive group of bankers who have quickly learned how to leverage each other's

strengths in achieving a shared goal of becoming the go-to platform for middle market technology companies.

"We don't just have a team of strong bankers; together our bankers comprise a truly strong team."



Coast to coast: 2020 was a year of expansion for our technology team.



FIXED INCOME CAPITAL MARKETS

Our Fixed Income Capital Markets group is a national leader in providing investors with access to bond markets and raising capital for our clients. We deliver a range of value-added investment, underwriting, and sales and trading insights, strategies and services.

- Despite 2020's challenges, we ended the year with record revenues and pre-tax earnings.
- An attractive borrowing environment, coupled with the hard work of our public finance team, propelled the group to an exceptional year for banker productivity, revenue and issuance.
- Success from our multi-year effort to grow the taxable business provided both diversified and elevated sales revenue. By focusing on risk management, we prevented deficits early in the year and then were able to hit our best revenue numbers yet from the taxable trading desks.
- The team also set new highs for secondary sales and trading in municipals.
- We continued to expand the division both in areas of focus and geography, with the addition of five office locations and the hiring of multiple experienced producers throughout the year.
- With strong sales, trading and underwriting efforts, our executing bankers and quantitative teams in public finance were able to process a large volume of special district transactions for clients in both the primary and secondary markets.

TWO TEAMS, SHARED VISION

For our Fixed Income Capital Markets group, a shared vision and synergistic approach contributed to their best year to date.

While leaders Jim Rice and Nick Licciardi each head different areas of trading in our Denver office, they share the goal of presenting strategic opportunities to clients. Their work creates exceptional results; D.A. Davidson ended 2020 with record trading volumes of \$17.1 billion in taxable bond trades and \$14.2 billion in secondary tax-exempt trades.

Also setting a standard for collaboration is our charter school public finance team, one of the nation's leading teams in charter school transactions. Because their work is highly complex, it requires creative thinking, diligence and a commitment to providing strong outcomes for clients, managing director Eric Duran said.

"It requires not just one person but a team of committed professionals," he said. "That's what we have at D.A. Davidson."

Leaders of fixed income trading: (above) Jim Rice and Nick Licciardi.

Charter school public finance team: (left to right) Eric Duran, Brittany Christians, Maggie Mirsky, Matt DeAngelis and Megan Johnson.





GIVING: A CORE VALUE

D.A. Davidson has long been committed to actively improving our world. We believe deeply in generosity, caring and providing opportunities for others, and these principles are ingrained in our culture. While we know giving is important every year, the need for philanthropy was particularly evident in 2020 — with the COVID-19 pandemic resulting in smaller donations and fewer volunteers at the same time that wildfires and increased awareness of social injustices pointed to new societal needs. We are proud of our associates who stepped up to help fill the gaps, and look forward to continuing our team's efforts in 2021.



2020 NARROWS OUR FOCUS

In 2020, the pandemic shined a spotlight on the need to find compassionate, creative ways to help others. We focused on areas most affected by current events and provided donations to the Salvation Army, the United Way HomeBase program, Food Lifeline and rental assistance.

Many of our associates developed their own initiatives to help others during this unique time. From individuals sewing and donating masks to several offices buying meals for front-line medical workers, our associates were exceptionally generous with their time, handiwork and dollars throughout the year. Because the pandemic was not the year's only crisis, the firm also contributed to support wildfire relief efforts on the West Coast, and diversity and inclusion initiatives.



SUPPORTING OUR OWN

True caring begins at home, and we have taken extensive steps to support and engage our employees. In a commitment to preserving D.A. Davidson culture and facilitating connections, we have offered a multitude of virtual activities across the firm. Our Zoom events have included story times, museum tours, cooking classes, parenting tips, physical fitness instruction and more, all with the goal to help associates and their families cope with pandemic stress. And just for fun, we sent 570 treat-filled Halloween bags to associates' children. Our commitment: supporting everyone who supports our clients.



(Top) A long-term partner of United Way, our associates worked with the Great Falls community to donate over 12,000 items and thousands of dollars to help ensure students had the back-to-school supplies they needed. Gloria Goodrich and Rob Rezek assisted in sorting through the donations.

(Center) A simple, yet much-needed contribution to make during the pandemic, numerous associates across the country donated blood — including Lincoln financial advisor Todd Peterson with his 118th blood donation.

(Bottom) Our team hand-wrote cards to spread joy and encouragement to residents of local nursing homes and long-term care facilities who were separated from loved ones. Pictured: Karen Brandvold.





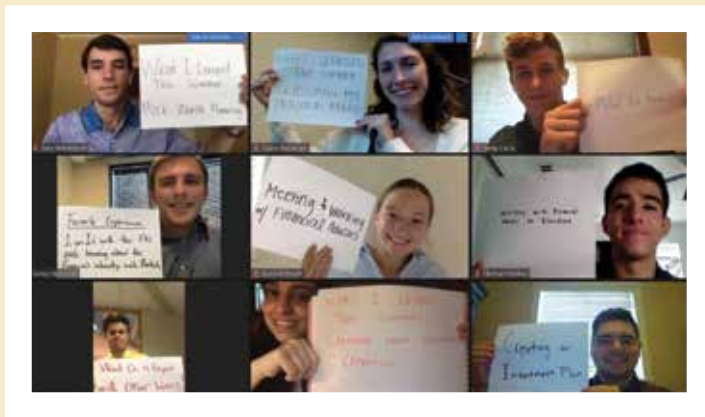
OUR DAY FOR BIG RESULTS

During our annual philanthropy event, D.A. Davidson Day, our employees take time away from work to roll up their sleeves and volunteer in their communities. Impacted by wildfires and COVID-19, 2020's events included a mix of virtual, individual and socially distant in-person activities.

More than 300 associates participated in 50 different events, accounting for roughly 1,600 volunteer hours and encompassing a wide range of activities. Thanks to our employees, we made a difference in a year when nonprofits truly needed extra helping hands.

INVESTING IN EDUCATION

Through two distinct programs, each year we help students learn about money and finances — fulfilling what we believe is our unique responsibility to improve financial literacy. Our Moneywise program provides underprivileged teenagers with essential knowledge about personal finances. After launching the program in 2017 with the Metropolitan YMCA in Los Angeles, we expanded in 2020 to reach teenagers across California and Washington, and were able to pivot to virtual learning when in-person gathering was not feasible. And with our Student Investment Program, students at 21 colleges and universities gain a hands-on education in investing, with an opportunity to earn funds for their schools. We believe that one of our best investments is in education.



While we focus on specific philanthropic initiatives at different times, giving is part of our everyday mindset. As our giving continues growing, we are more committed than ever to charting a path that makes a difference. Because the world only changes when we change it together.



HONORING OUR ASSOCIATES

When Bryan Schneider thinks of challenges facing the world, his mind turns to the importance of local nonprofit groups. Nonprofits are critical for a coordinated approach, he says: "Collaboration between for-profit, nonprofit and government entities is often the best solution for challenges ranging from a large community betterment project to solving for a particular societal change."

Because of his unwavering commitment to nonprofits and the countless hours of volunteer work he has devoted to them, Bryan, a financial advisor in Omaha, earned the Bragg Lewis Knutson Community Service Award in 2020. Our company's highest honor, the award recognizes his exceptional work for numerous causes and initiatives.

We also honor two associates annually with the Ian B. Davidson Cultural Excellence Award, which celebrates employees who exemplify the characteristics outlined in our company's core values. The 2020 honorees were Cindy Dockstader, a manager in our Fixed Income Capital Markets team in Denver, and Rex Thornton, longtime financial advisor in Salt Lake City.

The passion and commitment of these colleagues serve as an inspiration, and we applaud their work.

Bryan Schneider

Senior Vice President, Financial Advisor

Cindy Dockstader

Vice President, Manager

Rex Thornton

Senior Vice President, Financial Advisor



BOARD OF DIRECTORS

James P. Kerr
Chairman and CEO,
D.A. Davidson Companies



Brian Brown
Senior Vice President,
Financial Advisor,
Branch Manager,
Wealth Management,
D.A. Davidson & Co.



Susan Carstensen
Founding Partner,
Yellowstone Growth Partners,
Former Senior Vice President,
RightNow Technologies



Andrew Crowell
Vice Chairman,
Wealth Management,
D.A. Davidson & Co.



Andrew Davidson
President,
Davidson Investment Advisors



Chet Helck
Former CEO,
Raymond James Global,
Private Client Group



Diane Irvine
Former CEO, Blue Nile Inc.,
Chairwoman, Yelp Inc.,
Board Member, Funko Inc.



Larry Martinez
President,
D.A. Davidson Companies



Michael Purpura
President,
Wealth Management,
D.A. Davidson & Co.



Tom Smith
Vice Chairman,
Wealth Management,
D.A. Davidson & Co.



LOCATIONS





New York

New York City

Texas

Austin
Dallas

North Dakota

West Fargo

Ohio

Dublin
Independence
Mason
Powell

Utah

Logan
Midvale
Salt Lake City

Oklahoma

Norman
Oklahoma City
Tulsa

Washington

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

Oregon

Bend
Klamath Falls
Lake Oswego
Medford
Pendleton
Portland
Roseburg
Salem

England

London*

Germany

Hamburg*

Sweden

Stockholm*

Finland

Helsinki*

Wyoming

Gillette
Sheridan

Tennessee

Memphis

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

D A D A V I D S O N . C O M

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