DEEP ROOTS. STRONG OUTCOMES.
DEEP ROOTS.
STRONG OUTCOMES.

When David Adams Davidson opened a brokerage and wealth advisory firm in 1935, his objective was singular. He believed that by focusing on strong client outcomes, he could build a successful firm from the unlikely setting of Montana, far from the financial center of Wall Street. With the addition of his son, Ian Davidson, their combined dream began to take shape.

Today, their vision remains true. D.A. Davidson Companies has grown into a multifaceted company that has flourished beyond David’s imagination, stretching from the southern coast of California to the skyscrapers of New York and consistently growing in the Midwest. Through the years and changes, we have remained deeply committed to our client-centered approach. Our roots inform our work, wherever we practice.

Our 2018 report features a graphic representation of the type of work done at D.A. Davidson. Through this depiction, we honor our roots and remind ourselves that, as a tree grows, its roots feed not only the branches above but also nourish the soil around them. We, too, strive to improve the world as we grow – because we know that it is important to drive value with our values, giving back to the communities where we live and work.
04
Letter from Our Leadership

06
2018: Continued Growth

08
2018 Business Highlights

10
Business Units

20
Giving Report

24
Awards and Honors

25
Locations Coast to Coast

About the Artwork
This year's report features original artwork created by renowned illustrator Alejandra Zuniga.
DEAR FELLOW SHAREHOLDERS, CLIENTS AND ASSOCIATES:

As D.A. Davidson begins its 84th year in business, we are proud that our 2018 accomplishments build upon our firm’s long and rich heritage. Our successes position the firm well for continuing to deliver personalized advice, services and solutions – the ingredients that strengthen outcomes for our clients.

Our growth and record results demonstrate the effectiveness of D.A. Davidson’s value proposition and the tremendous commitment of our associates, managers and senior leaders. We have worked together to embrace an increasingly collaborative environment, one that blurs the lines between business units and enhances our capabilities as a team.

D.A. Davidson’s shareholder equity and book value per share reached new highs for the 10th year in a row and pre-tax profits increased by 55 percent. A key measure of progress has been growth across the enterprise during 2018. We hired experienced professionals, expanded into larger offices in multiple markets and opened new branches in Ohio and Colorado. We also embarked on our first overseas venture – a strategic partnership with MCF Corporate Finance, a leading European M&A advisory firm.

Our Equity Capital Markets group added substantial market share during the year, with Investment Banking playing a principal role in the gains. Wealth Management continued its strong performance by adding new financial professionals and growing client assets under management and administration. Our Fixed Income Capital Markets business also ended the year with excellent results, fueled by increases in both the volume
WE ARE PROUD THAT OUR 2018 ACCOMPLISHMENTS BUILD UPON OUR FIRM’S LONG AND RICH HERITAGE.

and size of transactions. Additionally, the Asset Management and Trust group grew its bottom line by deepening its team and capabilities and committing to new efficiencies.

One of the reasons for our company’s performance is our continued investment in technology across our business units. This helps to ensure that our professionals have the best systems, processes and information at their fingertips. We know that D.A. Davidson is better able to reach its most important goal – providing uniquely personalized service to each of our clients – when our professionals are supported with the right technology.

I am particularly proud of one area where our investments in our people and technology are paying dividends: Our firm continued to grow its net revenues by associate – a measure of gains in efficiency – in 2018. The past year also brought enhancement of our platform for thought leadership, with a focus on public presentations, civic involvement, written insights and media appearances.

I continue to be confident in the future of D.A. Davidson and embrace that we must continue to earn the trust, respect and loyalty of our clients every day. Our commitment to this is unquestioning.

JAMES P. KERR
Chairman and CEO
2018: CONTINUED GROWTH

D.A. DAVIDSON COMPANIES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (Millions)</td>
<td>$491.4</td>
<td>$469.1</td>
<td>$444.4</td>
</tr>
<tr>
<td>Shareholders' Equity (Millions)</td>
<td>$253.0</td>
<td>$229.3</td>
<td>$207.9</td>
</tr>
<tr>
<td>Net Revenue (Millions)</td>
<td>$485.4</td>
<td>$402.3</td>
<td>$370.7</td>
</tr>
</tbody>
</table>

2018 Total Assets: $491.4M
2018 Shareholders' Equity: $253.0M
2018 Net Revenue: $485.4M

Assets Under Administration (Billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$45.0</td>
<td>$47.4</td>
<td>$50.2</td>
</tr>
</tbody>
</table>

2018 D.A. Davidson Associates
2017: 1,343; 2016: 1,345

2018 Assets Under Administration: $50.2B
2018 Office Locations: 92
2017: 91; 2016: 88
### D.A. DAVIDSON & CO.

<table>
<thead>
<tr>
<th>ASSETS UNDER ADMINISTRATION (BILLIONS)</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$45.8</td>
<td>$43.5</td>
<td>$39.9</td>
</tr>
</tbody>
</table>

### ASSET MANAGEMENT & TRUST

<table>
<thead>
<tr>
<th>ASSETS UNDER MANAGEMENT AND ADMINISTRATION (BILLIONS)</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4.4</td>
<td>$3.7</td>
<td>$5.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.8</td>
<td>$5.9</td>
<td>$4.2</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.2</td>
<td>$4.1</td>
<td>$3.9</td>
</tr>
</tbody>
</table>
BUSINESS HIGHLIGHTS
THE WORK SUPPORTING STRONG OUTCOMES

While D.A. Davidson as a whole made bold strides in 2018, it was the work of our individual professionals and business units that created a personal impact for each of our clients. D.A. Davidson’s business units are distinct and complementary, working collaboratively to meet our clients’ needs. We are pleased to report highlights of their work from the year.

WEALTH MANAGEMENT
EXPANDING OUR FOOTPRINT
We brought The Strength of Advice® to additional clients with the opening of offices in two new states, Colorado and Ohio.

RECRUITING SUCCESSES
We added the largest number of new wealth advisors to our firm since 2008 as more professionals recognized the advantages of working for an independent, employee-owned firm that upholds a client-first commitment.

ASSET MANAGEMENT AND TRUST
NEW SUITE OF SOLUTIONS
The launch of FamilyCare provided a personalized process and suite of resources to empower, educate and guide families who have loved ones entering the later stages of life.

ADDED SERVICES TAILORED TO MEET SPECIFIC NEEDS
We expanded Private Trust, providing comprehensive and coordinated solutions ranging from concierge services to inter-generational wealth transfer and estate planning, and increased our portfolio of services for holders of unique assets.
EQUITY CAPITAL MARKETS

STRONG REVENUE GROWTH
Our team doubled revenues over 2017, including a 30-plus percent increase in institutional equity revenues as we expanded our sales and trading coverage.

INCREASED DEPTH OF PROFESSIONALS
We increased our number of professionals by more than 10 percent, deepening our team’s expertise and experience, adding to our industry breadth and allowing more senior-level attention and customization with each client interaction.

INVESTMENT BANKING

TRANSATLANTIC TEAM
We began a strategic partnership with MCF Corporate Finance, a leading European M&A advisory firm, bringing together over 120 investment banking professionals.

CLIENT SUCCESSES CREATE RECORD YEAR
Our bankers completed numerous deals that were significant in size and prominence and with an aggregate transaction value of nearly $7 billion. These included two prominent deals that won multiple industry awards.

FIXED INCOME CAPITAL MARKETS

CONTINUED STRENGTH
We exceeded our budget and deepened our expertise. We did so in part by enhancing our public finance teams in the higher education, independent schools and nonprofits areas of specialization while expanding our footprint across the New England states.

TECHNOLOGY ENHANCEMENTS
Through our investment in an innovative new software system, we implemented additional efficiencies, freeing up our professionals to devote more time to advancing client solutions.
WEALTH MANAGEMENT

Working from offices that span the West and Midwest, our approximately 400 advisors assist clients nationwide, focusing on their unique goals and priorities. The process begins with an in-depth, one-on-one conversation. Then, backed by a range of sophisticated resources and solutions, our advisors deliver seamless advice and individually tailored strategies for building and preserving wealth. 2018 was a year of expansion in Wealth Management, with substantial growth in numbers of professionals and productivity along with significant technology investments – enabling us to maintain our focus on exceptional client service.

A PARTNERSHIP FROM THE BEGINNING

When D.A. Davidson opened its first office in Great Falls in 1934, serving a growing community of local business owners and helping the region’s families to invest and build enduring legacies, our founders emphasized the values of partnership. This has shaped what we have become and how we help our clients.
Our combined asset management and trust teams offer personalized services for a wide range of clients, from individual investors to institutions, foundations, corporations and trusts. We offer portfolio management and clear investment strategies through Davidson Investment Advisors and Davidson Fixed Income Management, adding value with our long-term investing approach. Through D.A. Davidson Trust, we provide comprehensive legacy planning and administration. We strengthened our service offerings during the year, allowing us to continue helping families and businesses to create wealth and then protect and transfer it.

Since our days as a young organization, relationships have always been at the core of our success. Because we know that the way we do business is as important as the business we do, we believe in fostering long-term relationships through open communication, independent thinking and an unwavering commitment to our clients.
EQUITY CAPITAL MARKETS

Our Equity Capital Markets group offers full-service capabilities combined with responsiveness and ingenuity. We develop sophisticated corporate solutions through investment banking, institutional sales and trading, equity research, corporate services and brokered CD underwriting. Our Investment Banking team focuses on middle market and emerging businesses, while an award-winning research team offers national perspectives and in-depth analysis. Through sales and trading, market-making and corporate services, we provide access to the markets with exceptional quality, breadth of distribution and liquidity. We expanded each of these areas in 2018, allowing us to offer solutions to more clients’ challenges.

WE GREW ALONGSIDE OUR CLIENTS

Over time, our clients expanded their businesses and planned for future generations. D.A. Davidson stood by them, offering advice and ever more sophisticated services.
INVESTMENT BANKING

Our Investment Banking team helps clients to achieve their strategic goals, whether they are buying, selling, raising capital or seeking advisory services. We offer a unique combination of expertise, deep relationships and deal execution, plus the ongoing senior-level attention that every transaction deserves. Our professionals dedicate themselves exclusively to five industry verticals, ensuring that each banker is a knowledgeable partner. With an eye toward delivering a global perspective, we began our European partnership in 2018 while also strengthening our team with additional bankers.

A FULL-SERVICE INVESTMENT BANK

D.A. Davidson has helped its clients access the capital markets through equity offerings and tailored financing solutions, so that they can continue to dream big. The hometown values for which we have been known have remained consistent and unchanged. As a result, we have been able to combine the capabilities of a national institution with the values and commitment of a local partner helping realize our clients’ potential.
Our Fixed Income Capital Market group offers portfolio strategies, provides market access and develops financing solutions, and serves a broad range of investors, school officials and hospital finance officers, among many others. Our public finance team is a national leader in raising capital, with a focus on clients representing governments, school districts and other interests. Through sales and trading, we offer liquidity, execution and solutions for investors nationwide. We expanded our footprint during the year to new geographic regions and specialties – continuing our tradition of offering sophisticated advice and innovative solutions.
THE POWER OF OUR NETWORK

Today, our clients operate across the country and around the world. D.A. Davidson has built a robust network of professionals on the ground to assist our clients wherever they may be. Our founders left us with values that our clients have come to rely upon and trust – values that are the essence of our company.
THE STRENGTH OF GIVING

Our tradition of community engagement and philanthropy reaches back to our company’s beginnings. We are proud to share a few of the highlights from our past year of giving back.

To ensure that our giving efforts are effective, we take a multi-pronged approach. We empower decision-making among associates, provide corporate donations and encourage hands-on volunteering. We add impact to our associates’ gifts through a generous program that matches not only dollars but also volunteer hours. Through student portfolio earnings in our Student Investment Program, we provided a record amount of funds to 20 colleges and universities. We also grew D.A. Davidson Day in 2018, encouraging more associates to step away from their desks and work instead for local nonprofit groups. Perhaps one of the most enduring testaments to our commitment to giving is the company’s most prestigious employee award, which celebrates an associate whose volunteer efforts are extraordinary.

In these ways and others, we work collectively to make sure giving and community responsibility are the cornerstone of all that we do – because the strongest outcomes occur when we work together to uphold our values.
D.A. DAVIDSON DAY 2018: CONTINUING THE TRADITION

2018 marked the second year of our company-wide volunteer initiative and it proved to be even more of a success than our inaugural year. Throughout the week, associates across the country took time away from the office to volunteer in their local communities. The various nonprofit groups that benefited from D.A. Davidson Day were nominated and selected by employees and represented a mix of organizations including homeless shelters, food banks, senior services organizations, animal shelters, youth-focused organizations, and groups providing housing for low-income families, and more.

Altogether, with 913 volunteers working 3,836 hours with over 100 nonprofits, we increased our impact on our communities, with added participation that demonstrated associates’ enthusiasm for the initiative. We also celebrate and encourage volunteerism year-round, and we look forward to more growth in the years to come.
UNITED WAY

D.A. Davidson is a strong supporter of United Way across the country. Our annual campaign in Great Falls, benefiting United Way of Cascade County, grows each year and we are proud to consistently be its largest corporate donor. This year, we expanded our sponsorship into our Seattle footprint by launching what will be a yearly campaign in support of United Way of King County. United Way is vital to our local communities, and strengthens efforts to improve education, feed those in need, eradicate homelessness and encourage financial stability.

SPECIAL OLYMPICS

With the Great Falls community hosting the Special Olympics Montana summer games for the next three years, D.A. Davidson has taken the opportunity to dedicate substantial resources to the games. The firm made an ongoing sponsorship commitment while also offering hands-on support from volunteers. The firm’s associates enthusiastically donated their time to refereeing, cheering for the athletes and helping to make sure the events were a success.

EDUCATIONAL OUTCOMES

What better way to understand the intricacies of working in finance than by actually managing an investment fund? Our Student Investment Program offers real-life investing experience, giving students a framework that helps prepare them for careers in finance. We expanded the longtime program in 2018 by adding California State University, Northridge to the colleges and universities across the West and Midwest that benefit from the unique program. Besides its educational value, the program provides a tangible reward: Student teams get to keep half of any portfolio returns above 5 percent. Through the teams’ strong portfolio returns in 2018, we donated a record amount to participating colleges and universities.
D.A. Davidson believes so strongly in the power of community involvement that our highest employee honor recognizes an associate who demonstrates exceptional volunteer efforts.

With a strong focus on supporting youth and public education, Brad is involved in a long list of community organizations, including serving as President of the Lewiston School Board. We applaud Brad for his impressive involvement, caring approach and vision, and for giving so freely of himself.

D.A. Davidson also honors annually two associates who bring the firm’s core values to life through attributes such as business ethics, integrity and service excellence. Both of the latest recipients were cited for taking a positive approach with others, demonstrating a strong commitment and always making an extra effort in their work.

The many efforts of Tom and Kris are reminders of the importance of the traits – forged from our company’s roots – that we value the most.