

2014 Devenir HSA Research Report Executive Summary

Midyear HSA Market Statistics & Trends

REPORT RELEASE DATE:
8/5/2014



Table of Contents

Key Findings.....	2
HSA Industry Level Account Data.....	3
HSA Investments.....	4
HSA Marketplace Projections.....	4
About Devenir.....	5

Report Methodology

The majority of this report was derived from the 2014 Midyear Devenir HSA Market Survey. This survey was conducted in order to continue to help shed light on the rapidly growing and evolving health savings account market. The survey was carried out in July, 2014 and primarily consisted of top 100 HSA providers in the health savings account market. All data was requested for the period ending on June 30th, 2014.

All estimates and projections reflect the current environment surrounding health savings accounts and are barring any regulatory changes to the market.

Certain data points from the survey were omitted from this report due to inconclusive data or incomplete sample set. All statistics are produced using the best available data set, which may at times leave certain statistics not reconciling with others both within this report and with previous reports.

Survey responses were self-reported by each HSA provider. Devenir attempts to verify responses when possible through a variety of channels including but not limited to press releases, annual reports, prior research, and FDIC filings.

Key Findings

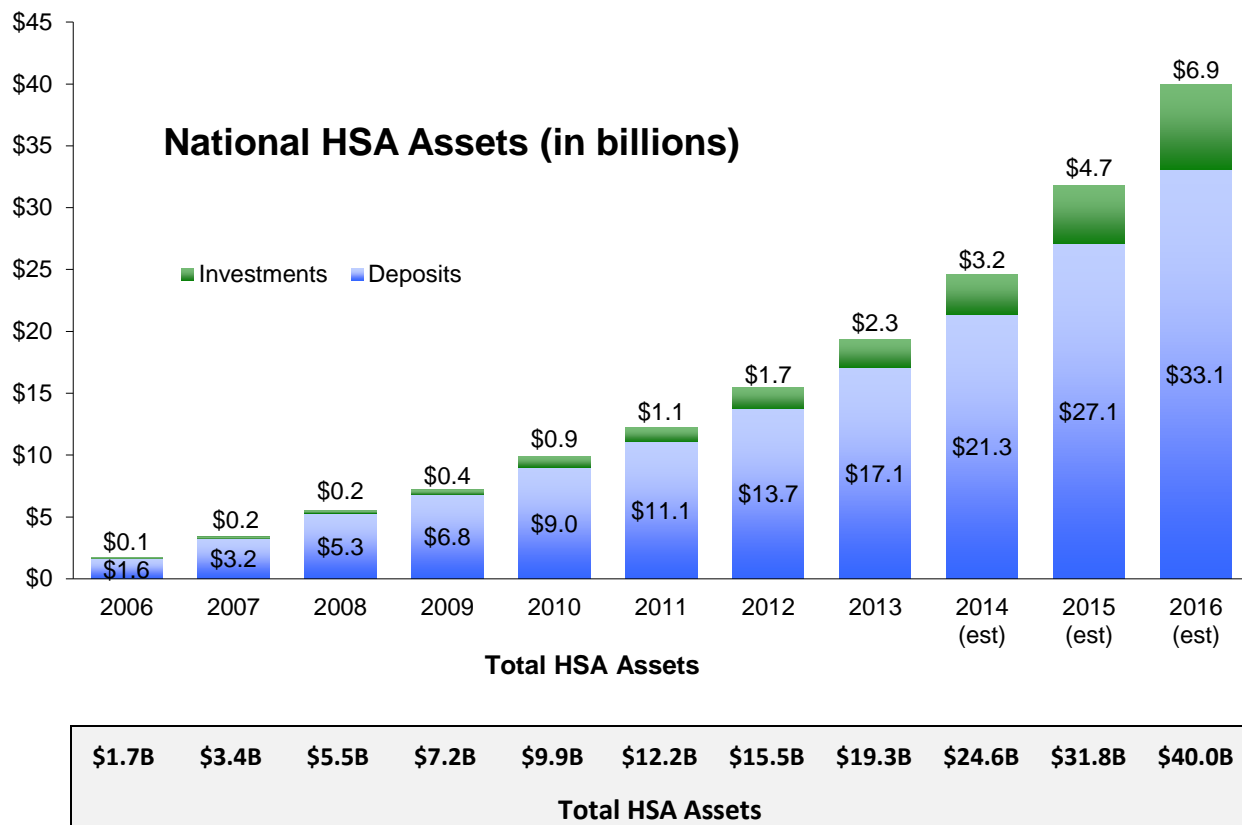
HSA assets almost reach \$23 billion. HSA accounts rose to 11.8 million, holding assets totaling over \$22.8 billion, a year over year increase of 26% for HSA assets and 29% for accounts for the period of June 30th, 2013 to June 30th, 2014.

Health plans drive growth. In the first half of 2014, health plans were the leading driver of new account growth, accounting for 31% of new accounts.

Continued strong stock market bolsters HSA investments. HSA investment assets almost reached an estimated \$2.9 billion in June, up 45% year over year. The average investment account holder has a \$12,473 average total balance (deposit and investment account).

Investors show solid returns. Investors achieved a 10.6% return on a 5 year basis.

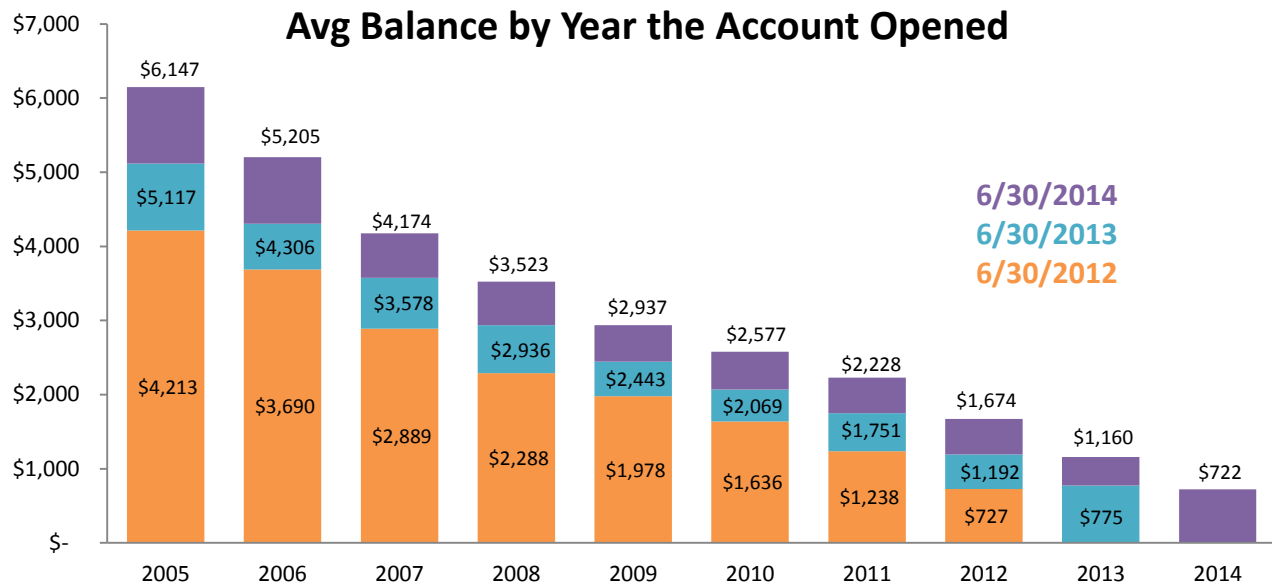
Figure 1



Source: Estimate derived from 2014 Midyear Devenir HSA Market Survey, press releases, previous market research, and market growth rates.

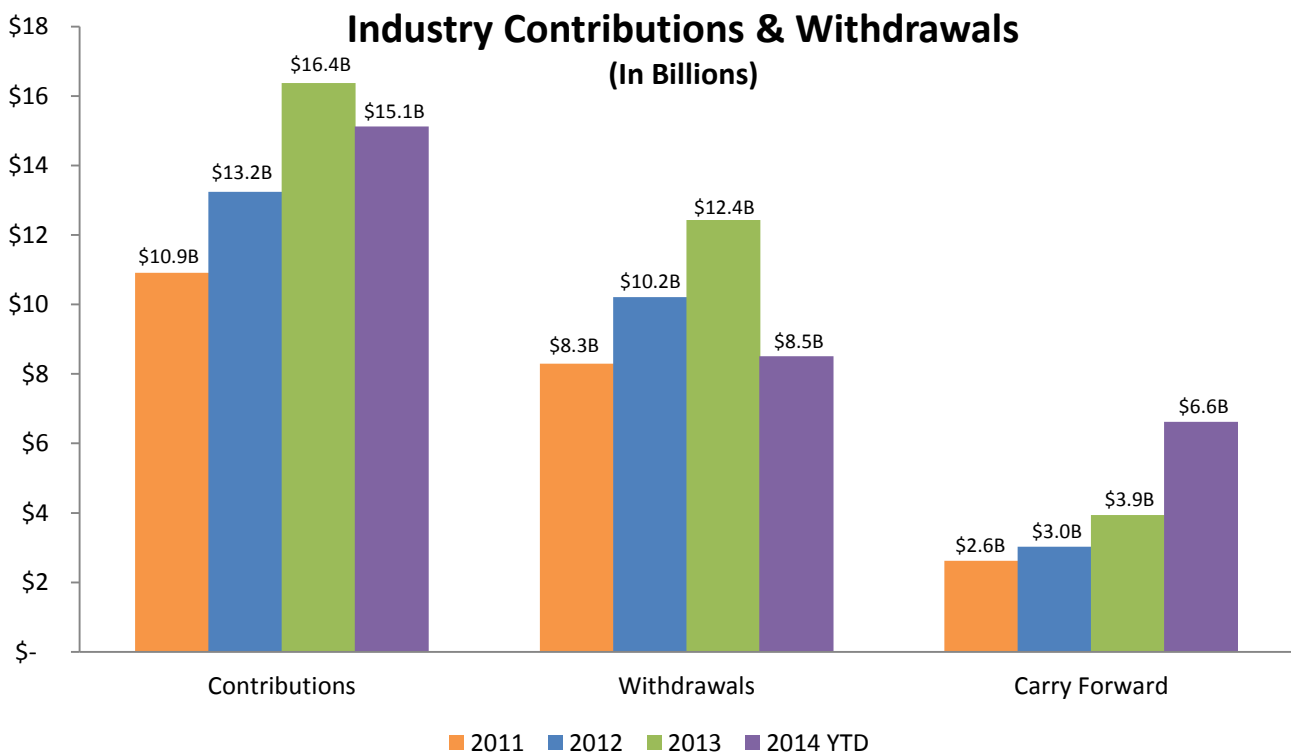
HSA Industry Level Account Data

Figure 2



HSA Industry Level Account Data

Figure 3

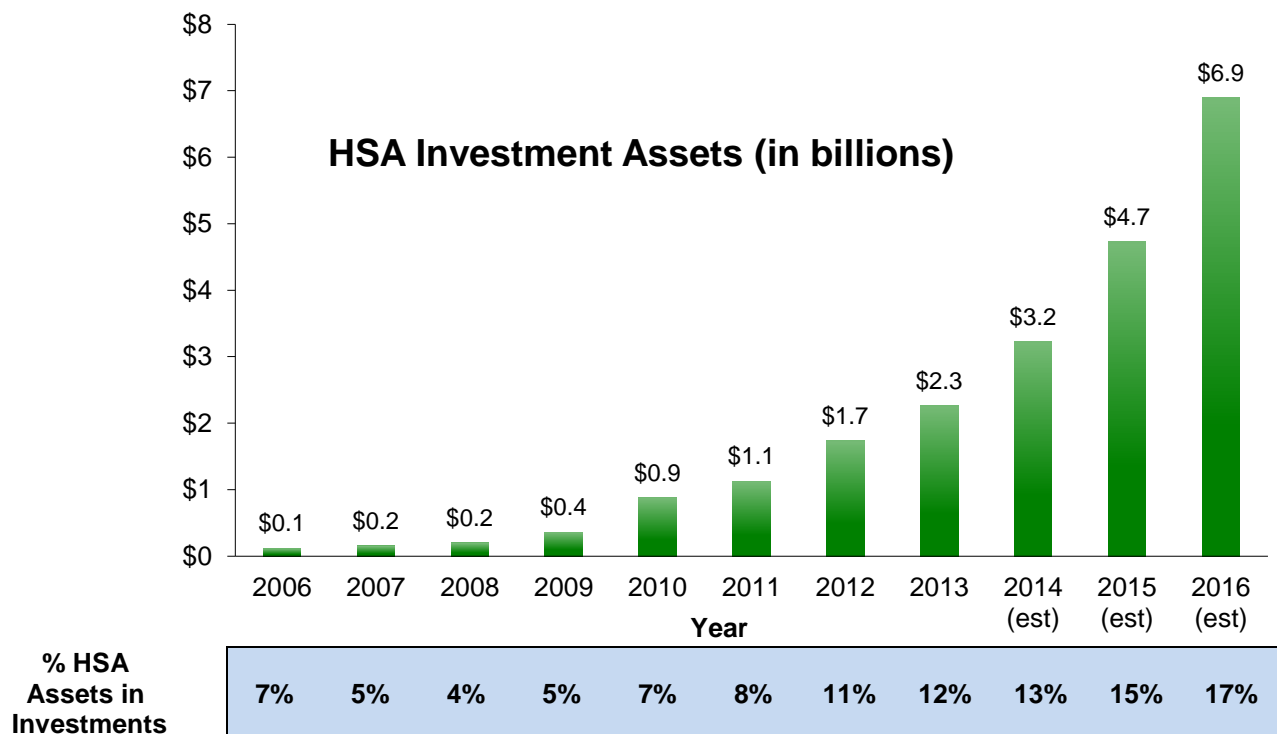


2014 YTD Withdrawal Transactions

	Average Number of Withdrawals Per Account	% of Total Withdrawals (#)	Average Transaction Size
Via Debit Card:	4.8	78%	\$118.71
Via Check:	0.4	6%	\$259.03
Via Online Bill Payment:	0.4	5%	\$207.86
ATM:	0.3	2%	\$102.42
Unknown:	0.9	10%	\$79.46

HSA Investments

Figure 4



Source: Figures based on Devenir Research and 2014 Midyear Devenir HSA Market Survey

HSA Marketplace Projections

HSA providers continue to be optimistic about 2014, projecting HSA asset growth of 27.5% for the full year. In previous surveys HSA providers have been reasonably accurate with their growth forecasts, demonstrating an impressive understanding of the outlook of their book of business. Devenir currently projects that by the end of 2016 the HSA market will be approaching \$40 billion in HSA assets held amongst 20 million accounts.

About Devenir

Devenir is a leading independent investment advisor and consultant in the health savings account industry. As an early entrant into the HSA market and with its primary business focusing on investment solutions for the consumer driven healthcare market, Devenir has developed a passion and expertise surrounding the HSA industry. Our experience with health savings accounts since their inception in 2004 has given Devenir a unique perspective and keen insight on the growth of health savings accounts and the needs of HSA custodians.



Named to the IHCC and CDHC Solutions 2010, 2011, & 2012 Superstars List



Named as a top plan adviser by specialty for 4 consecutive years



Featured as 20 Rising Stars of Retirement Plan Advisors

Devenir Research Team

Jon Robb
Senior Vice President

Eric Remjeske
President

Lori Hansen
SVP, Corporate Services



Copyright © 2014 by Devenir Group, LLC

For further information please contact Devenir Research at 952-446-0300 or hsa@devenir.com