

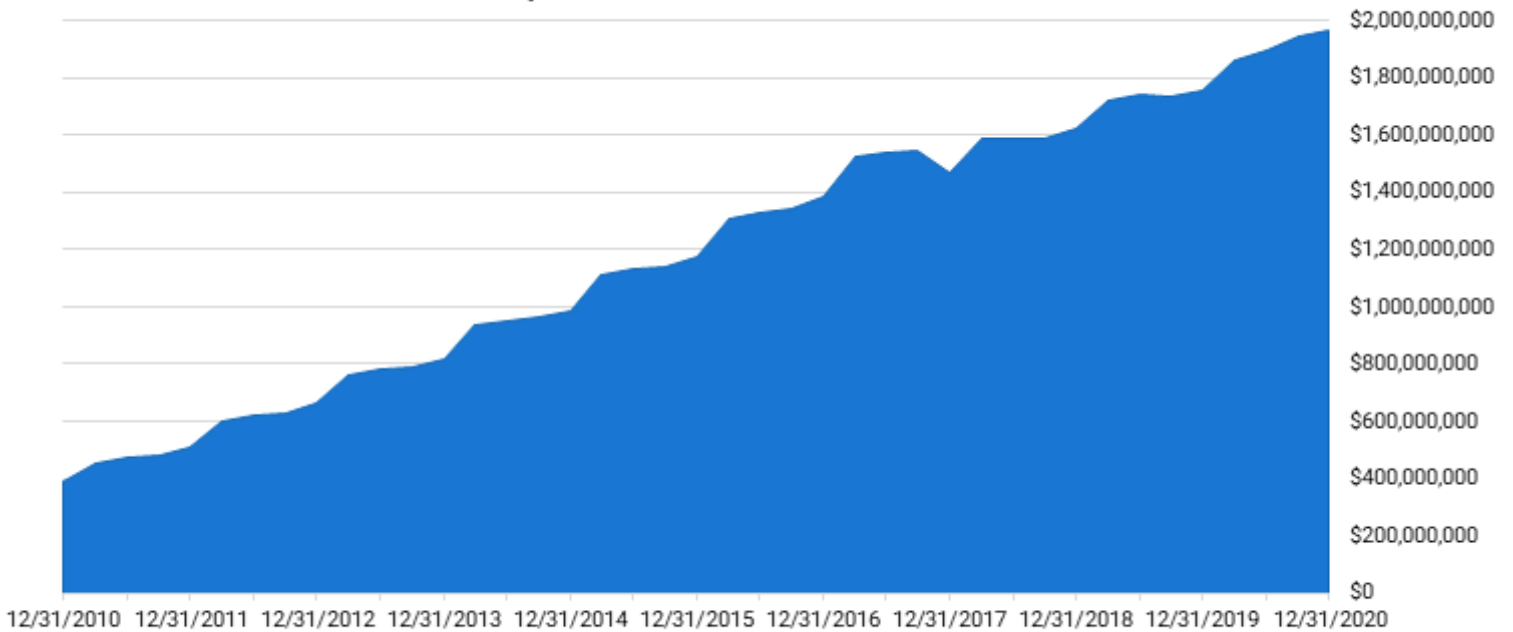
Devenir Research

2020 Credit Union Health Savings Account Update

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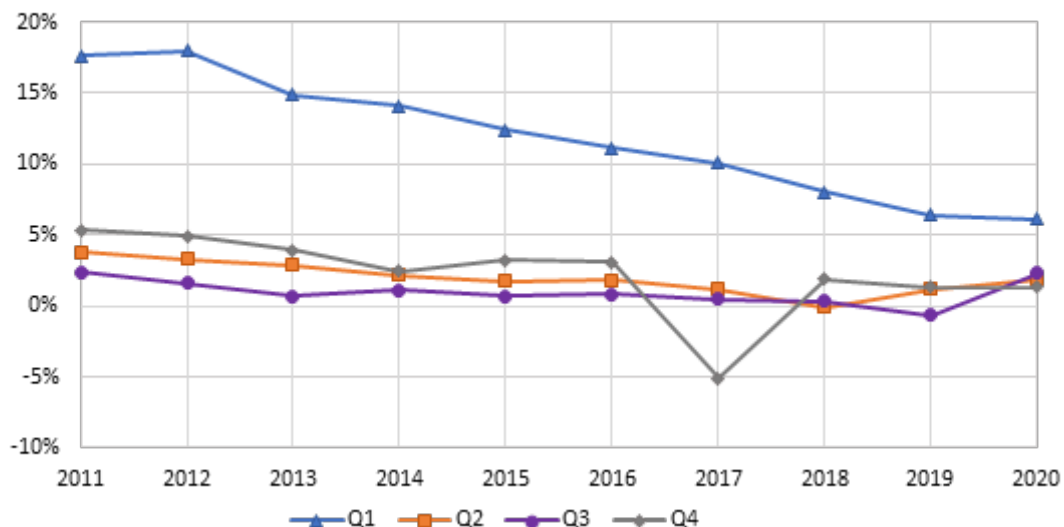
HSA Deposits Held At Credit Unions



Source: Devenir Research, NCUA

In the most recent National Credit Union Administration (NCUA) filings, for 2020 year-end data, credit unions were shown to have about \$1.97 billion dollars in health savings account (HSA) deposits held in an estimated 695,000 accounts. While the total number of accounts has decreased slightly since the previous year's report, assets are up 12% during the same time frame.

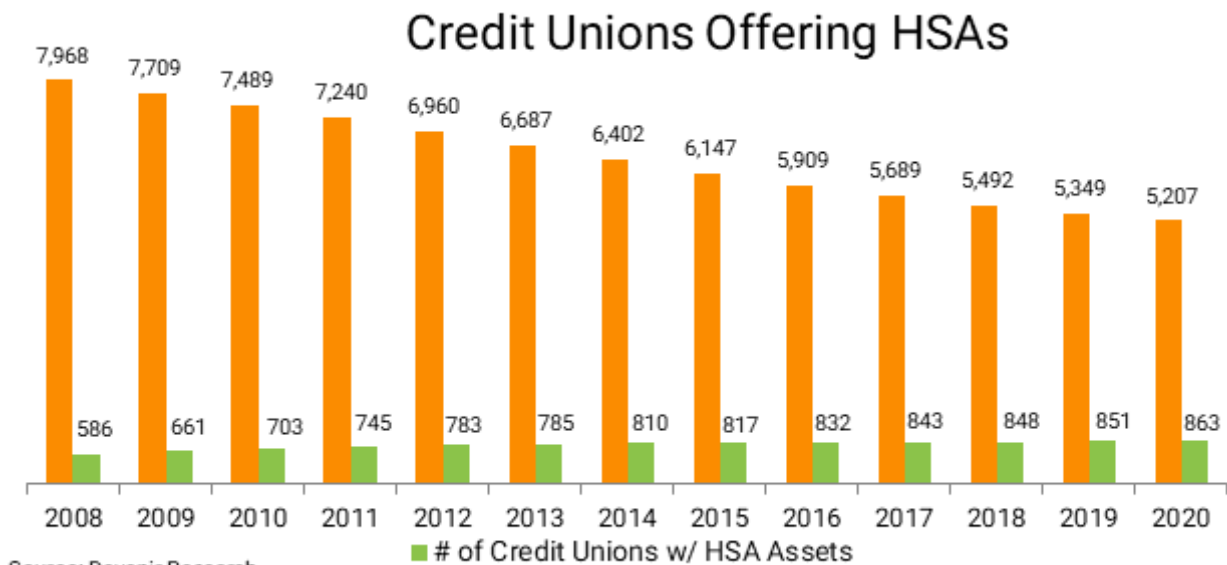
Asset Growth by Quarter



Note: Alliant Credit Union's HSA business transitioned to HealthEquity during Q4-2017

We continue to see some seasonality in asset growth with the first quarter of the year averaging 11.9% since 2011, followed by low single-digits growth on average for the remainder of the year. The growth in assets seen within the first quarter of 2020 accounted for about 50% of the total asset growth for the year. This higher growth rate in the first quarter could be associated with employer groups funding employee’s HSAs at the beginning of the year. However, we have seen the average growth occurring in Q1 slow over time.

The number of credit unions that offer a health savings account continues to grow incrementally while the total number of credit unions decreases over time.



At the end of 2020, 863 credit unions held HSA assets. Of those 863 credit unions, 79 had over \$5 million in HSA deposit assets.

79

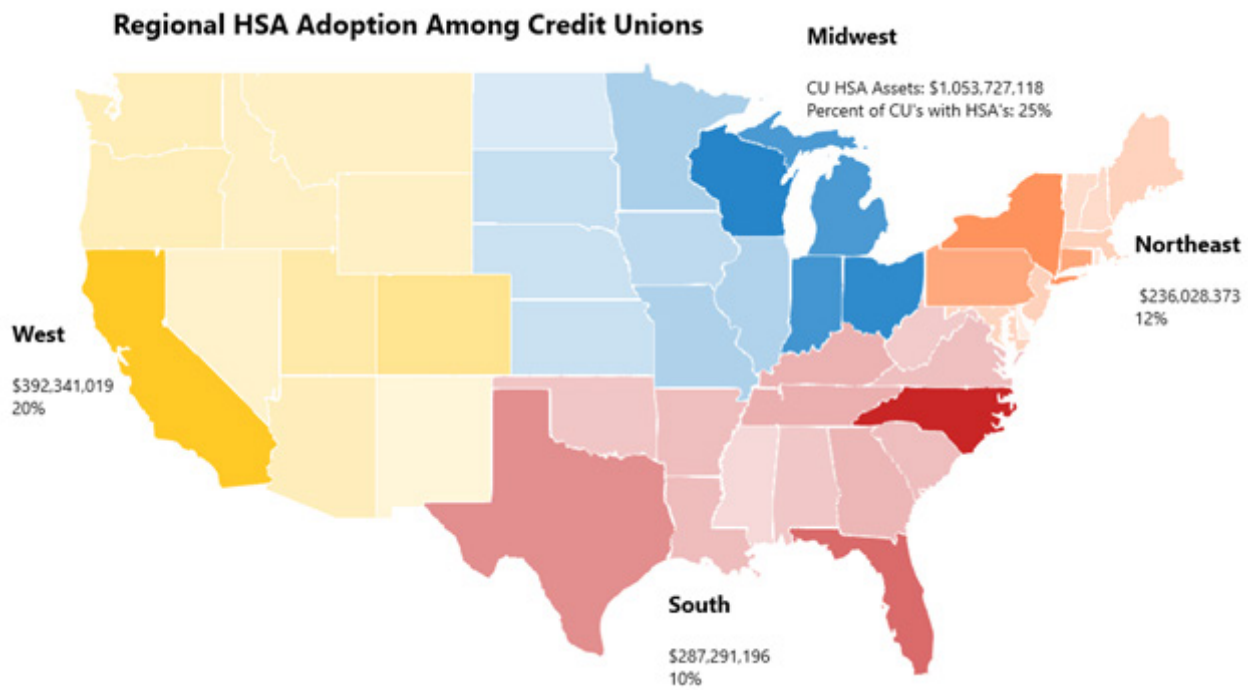
credit unions with over \$5 million in HSA deposits

272

credit unions with over \$1 million in HSA deposits

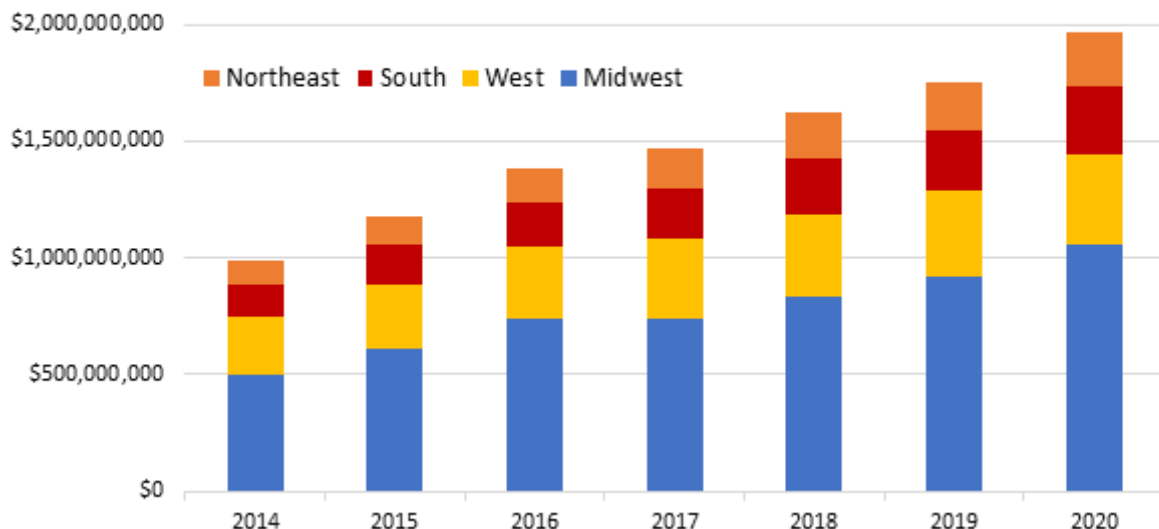
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credit unions with over \$500 thousand in HSA deposits



HSA adoption among credit unions continues to show strong regional trends. The Midwest leads the U.S., passing the billion-dollar milestone for total HSA assets at credit unions while no other region has passed the \$400 million asset mark. The Midwest holds approximately 53% of all HSA assets within credit unions and Wisconsin holds about 23% of the total assets in that region. California has almost 51% of the West's total credit union HSA assets and North Carolina has the highest percentage in the South with almost 38% of the region's total HSA assets. In the Northeast, New York has about 29% of the region's total credit union HSA assets.

Regional Credit Union HSA Asset Growth



About Devenir

Devenir is a national leader in providing customized investment solutions for HSAs and the consumer directed health care market. When health savings accounts first emerged in 2004, Devenir built its expertise around delivering cutting-edge investment solutions. As the consumer driven health care industry grew, so did Devenir's reputation as a leading researcher and award-winning investment consultant. Today, Devenir continues to lead the way in the rapidly growing HSA market. A research driven perspective makes Devenir the go-to investment advisor, HSA investment platform and consultant to employers, banks, third party administrators, health plans, and technology providers. Learn more at devenir.com.

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