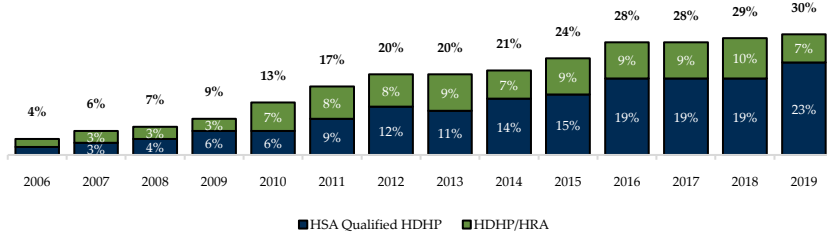
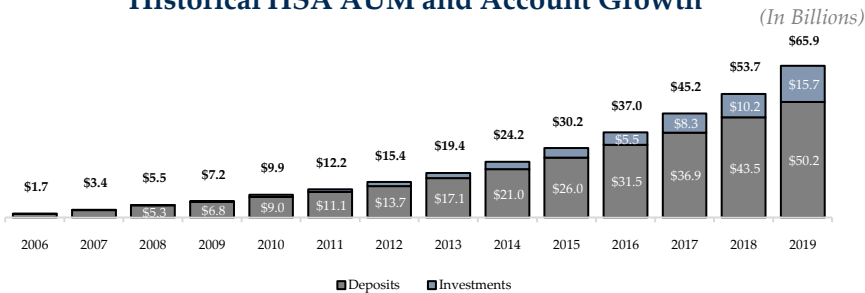


1H 2020 HSA Market Overview

Percentage of Covered Workers Enrolled in CDH



Historical HSA AUM and Growth



Notable HSA Transactions

Date Announced	Target	Acquirer	Added AUM (MM)	Deal Commentary
April 20, 2020	HSA Portfolio of State Farm Automobile Insurance Company	Webster Financial Corporation (NYSE: WBS)	\$140	Under the agreement, roughly 24,000 accounts will transition from State Farm Bank to HSA Bank (a subsidiary of Webster). The terms of the deal were not disclosed.
April 29, 2019	WageWorks, Inc.	HealthEquity, Inc. (NASDAQ: HQY)	\$1,800 ¹	This transaction brings HealthEquity's consolidated assets to over \$10B and total HSA members to nearly five million. The deal value was \$2.14B.
March 15, 2016	Health Savings Account and Medical Savings Account Portfolio of Assurant, Inc. (NYSE: AIZ)	Stella/BCBSMN	\$57	Saint Paul, Minnesota based Stella/BCBSMN acquired the complete HSA portfolio of New York based Assurant, Inc. The terms of the deal were undisclosed.
September 23, 2014	HSA Portfolio of JPMorgan Chase & Co. (NYSE: JPM)	Webster Financial Corporation (NYSE: WBS)	\$1,475	JPMorgan's roughly 700,000 HSA accounts will transition to Webster's subsidiary, HSA Bank. The terms of the deal were undisclosed.

Business Overview

- The total addressable market for Consumer Directed Healthcare ("CDH") is large and underpenetrated. Only 28 million of an estimated 70 million CDH population hold an HSA. CDH headcount is projected at 96 million for 2021.
- The percentage of covered workers enrolled in CDH and industry-wide AUM have risen at 16.8 percent and 32.5 percent CAGR, respectively, since 2006.
- Most providers derive revenue from three sources: i) account maintenance fees, ii) debit card interchange fees, and iii) net interest earned on HSA accounts.
- Participants include banks, investment firms, TPAs, and technology platforms.
- At 2Q2019, 71 percent of HSA accounts were held by the top ten providers.

Name	HSA Accounts	Asset Market Share	Total Assets (MM)
Optum Bank (UnitedHealth – NYSE: UNH)	4,023,000	17.9%	\$11,052
HealthEquity (NASDAQ: HQY)	4,820,000	16.2%	\$9,999
HSA Bank (Webster – NYSE: WBS)	2,964,000	13.0%	\$8,029
Fidelity Investments (FMR LLC)	1,345,000	7.8%	\$4,830
UMB Banking (NASDAQ: UMBF)	1,465,000	5.1%	\$3,163
Bank of America (NYSE: BAC)	926,000	4.5%	\$2,752
BenefitWallet (Conduent – NASDAQ: CNDT)	926,417	4.2%	\$2,570
PayFlex (CVS – NYSE: CVS)	1,015,000	4.0%	\$2,465
Further (Stella/BCBSMN)	499,000	2.2%	\$1,367
Discovery Benefits (WEX – NYSE: WEX)	701,000	1.7%	\$1,075
Other Players (~385)	7,576,583	23.4%	\$14,424
Industry Total	26,261,000	100%	\$61,726

Market Commentary

- HSAs reside at the intersection of managed care and retirement markets. Hence the presence and interest from major players on both sides.
- The prospect of deposit rates remaining at or near zero per Federal Reserve policy may provide a sale catalyst for non-strategic owners of HSA assets.

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