TSB AND HEARTLAND BANK MERGER PROPOSAL

LATEST UPDATE: SEPTEMBER 9TH, 2026

Recent months have brought significant conversation about TSB and its future. We know people across Taranaki hold strong views about the proposed merger with Heartland Bank. Across the two public submissions periods, Toi Foundation received 1,267 submissions from Taranaki residents. Trustees carefully read and considered every eligible submission alongside independent and expert advice, and in the context of their duties as trustees and the purposes as set out in the Foundation's Trust Deed.

Submissions reflected a wide range of views, including support for the proposal, concerns and questions, challenges to aspects of the proposal, and alternative options. There were a number of recurring themes coming through in the concerns and questions raised, including points relating to local ownership, TSB's identity and presence in Taranaki, jobs and branches, future community funding, and bank governance. Where new considerations or alternative proposals were raised, Trustees sought additional advice from experts and independent advisors to ensure they were properly assessed.

Having weighed all available information, Trustees determined proceeding with the merger was the best available option to further the Foundation's purpose.

On 26 August, the nine Foundation Trustees unanimously voted to proceed.

WHAT HAPPENS NEXT?

The parties will progress the proposed transaction which will involve seeking the remaining approvals before any sale can be completed. We will update our website as those steps progress.

WHAT STAYS THE SAME?

Toi Foundation's purpose remains unchanged. The Foundation exists to fund charitable, cultural, philanthropic, recreational and other activities that benefit the Taranaki community (as defined in the Trust Deed). That purpose continues to guide how we make grants and work alongside our communities and organisations in the region. The proposed merger changes the nature of one of the Foundation's investments. It does not change the purpose the Foundation exists to serve.
The Foundation's investment focus is on managing our investments responsibly so we can continue to advance the Foundation's purpose, and support Taranaki, now and for generations to come.

QUESTIONS WE'RE BEING ASKED

Will Toi Foundation funding and grant-making leave Taranaki if the merger proceeds?

No, our funding and grant making is principally for the specified legislated area – that is, Taranaki. The rationale for the transaction was to ensure the sustainability and growth of our grant-making activities in Taranaki over the long-term.

Does the decision change Toi Foundation's role in Taranaki?

No. While Toi Foundation will no longer own 100% of the shares in TSB if the proposed transaction proceeds, our fundamental role will remain to support the community in line with our purpose. The Foundation will continue to manage our investments in a manner that advances the Foundation's purpose over the long term and use the income generated by our investments to support people, projects, organisations and communities across Taranaki.

Where does Toi Foundation's money come from?

Each year, the Foundation's assets (currently TSB and Fisher Funds) pay dividends to the Foundation's holding company. The holding company then pays dividends to Toi Foundation. These dividends enable the Foundation to complete its philanthropic work.

How much money does Toi Foundation distribute each year?

Toi Foundation currently distributes around $30 million annually in grants and expects this could increase.Based on our careful consideration of the options, supported by a range of expert advisors, we believe that proceeding with the transaction will better enable sustainable growth of the funds available for distribution over the longer-term benefiting Taranaki people, places, organisations and projects. Through our funding, the Foundation supports thousands of organisations and hundreds of jobs.
We have provided further information on our funding over the page.

How are the Trustees appointed?

Trustees are ministerially appointed in accordance with the Foundation's Trust Deed and the Community Trusts Act 1999.

Why did you update the Trust Deed in 2021?

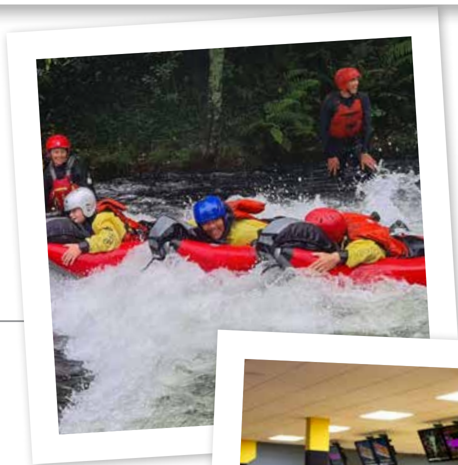
Toi Foundation's Trust Deed was updated as part of a broader governance review undertaken collectively by all New Zealand Community Trusts, to ensure the trust deeds reflected the requirements of the new Trusts Act 2019, which came into force in January 2021, as well as contemporary governance practices and other developments in the philanthropic sector.

Why did you change from TSB Community Trust to Toi Foundation?

Our name change followed the adoption of a new strategic framework in 2020, which broadened the Foundation's focus beyond traditional grant-making to include strategic philanthropy, impact investment, innovation and long-term outcomes for Taranaki.
The new name reflected that wider role and the Foundation's increasingly diversified asset base, including its investment in Fisher Funds. It also helped distinguish Toi Foundation as an independent philanthropic foundation focused on supporting the long-term wellbeing of Taranaki.

TOI FOUNDATION

Supporting Taranaki now... and for generations to come.



38+ years
supporting Taranaki

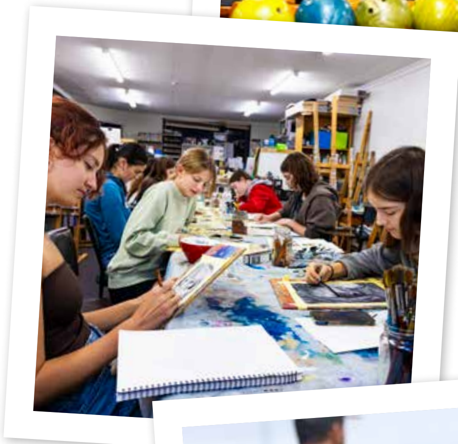
Every year, Toi Foundation supports more than a thousand projects, ideas, events, organisations, and individuals across Taranaki. This funding is made possible by Toi Foundation's investments.

$30+ million
distributed annually

1,000+
projects, people and places supported each year

Last year alone, Toi Foundation invested the equivalent of $282.74 for every person living in our region. This represents one of the highest levels of community giving per person by any of the Community Trusts across New Zealand.

Toi Foundation receives more funding requests than it is currently able to support. By strengthening and diversifying our investments, we aim to grow the funding available to Taranaki, helping to support more people today, back the ideas and aspirations emerging from our communities, respond to challenges early, and build the strength and resilience Taranaki will need for generations.



Greater capacity could mean...

- more restoration of the places that matter to us
- stronger pathways into housing and opportunity
- more locally led solutions for whānau and communities
- greater access to mental health support for young people
- stronger support and connection for older people
- greater access to learning, training, and technology
- more people employed by community organisations that deliver the services and support Taranaki relies on

INVESTING FOR THE LONG TERM

Toi Foundation invests for the long term, building its capacity to continue supporting Taranaki today and for generations to come.

Alongside funding, Toi Foundation's team works with communities, people, projects and organisations to understand needs, strengthen ideas and connect people and opportunities.

For close to four decades, Toi Foundation has helped make meaningful change possible across Taranaki. The opportunity now is to build on that legacy for a thriving, inclusive and equitable Taranaki today and for generations to come.

A THRIVING, INCLUSIVE AND EQUITABLE TARANAKI

TOIFOUNDATION.ORG.NZ