TOI FOUNDATION

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Media release
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Toi Foundation to proceed with sale of TSB shares

Toi Foundation's Trustees have decided to proceed with the proposed sale of the Foundation's shares in TSB to Heartland Group Holdings, to enable the merger of TSB and Heartland Bank.

The decision follows a community submissions process where the Foundation received 1,159 submissions from Taranaki residents in the first submission period and 108 in the second. Trustees read and considered every submission and sought additional independent and expert advice where necessary, particularly where submitters put forward alternative proposals.

In reaching their decision, Trustees considered all eligible submissions alongside the independent and expert advice received and the Foundation's Trust Deed.

"Some submissions provided detailed perspectives that helped Trustees test the proposal and consider whether any matters had not previously been considered or given appropriate weight," Toi Foundation Chair, Chris Ussher, said.

"We know how much TSB means to Taranaki, and we have taken our responsibilities in making this decision seriously. Every submission has been considered and in some cases we sought further advice on the issues and alternatives raised."

"After considering all the information available to us, Trustees believe proceeding is the best long-term decision for Toi Foundation, the Taranaki community and TSB."

The Trustees thank everyone who took the time to make a submission, attend information meetings, ask questions or share their view.

Further information about the decision will be shared in the coming weeks.

Market commentary

Mr Ussher said Toi Foundation was aware of comments in the market from other parties.

"In the interests of addressing speculation I can confirm that Toi Foundation proactively engaged with a range of parties at the beginning of this process, but following some initial information sharing, not all elected to make an offer."

"From the proposals we received, Heartland Group Holdings is the best deal. This is both in terms of value and – given TSB and Heartland's complementary strengths – in meeting key concerns for the community, such as job retention, branch retention and TSB presence in the Taranaki region. We also believe that the Heartland Group Holdings proposal is a better option than retaining TSB as a standalone bank in Toi Foundation ownership."

"The sale will enable Toi Foundation to accelerate diversification of its investment portfolio, increase sustainable, long-term cash returns available for community distribution, and will ensure TSB can continue operating successfully in a challenging banking environment while maintaining a strong connection to, and presence in, Taranaki."

Next steps

The decision allows the proposed sale to move to the next stage. Further approvals and implementation steps are still required before any sale could be completed.

"We encourage customers to continue supporting and banking with TSB. It is business as usual for customers," Mr Ussher said.

"Ultimately, the Toi Foundation's purpose is to invest and use the trust fund to support charitable, cultural, philanthropic, recreational and other activities that will benefit Taranaki communities. Trustees believe the proposal provides the strongest pathway to achieve that both now and for future generations."

Toi Foundation currently distributes around $30 million annually in grants and expects this could increase to approximately $50 million a year over time if the sale proceeds, benefiting communities across Taranaki.

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About Toi Foundation

Toi Foundation is a philanthropic organisation investing in the success and wellbeing of Taranaki and its people. Through strategic funding, partnerships, and community investment, the Foundation supports initiatives that create long-term, meaningful impact across the region. Our funding is directed to where it's needed most and where it will have the greatest impact, supporting our communities to build a thriving, inclusive and equitable Taranaki.