



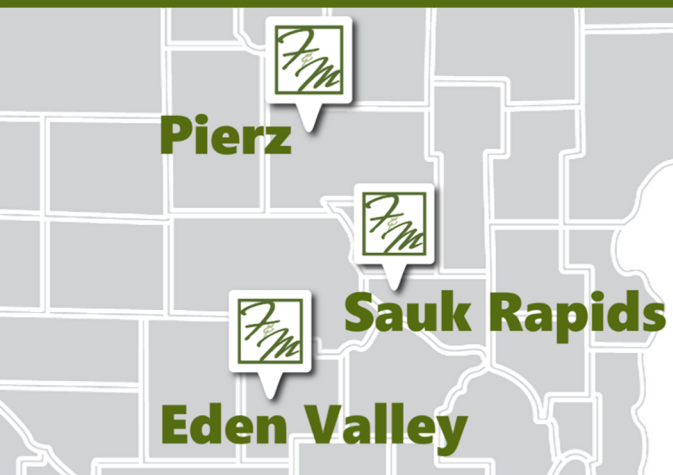
**FARMERS &
MERCHANTS**

STATE BANK



2025 **Community Impact** *Giving Report*

Published February 11, 2026



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Helping
small towns, farms, families
and rural businesses

thrive.

A Year of Family Succession, Customer Appreciation & Increased Giving

Dear Friends and Neighbors,

For nearly 120 years, Farmers & Merchants State Bank (F&M) has proudly been locally owned and operated—rooted in the same small towns, farms, and neighborhoods we serve. This year we celebrated our 30th anniversary in Sauk Rapids with a customer and community appreciation event. This past March, my younger brother, Steve, joined

F&M as President, beginning a carefully planned family succession designed to ensure continuity, stability and growth into the future. It has been a joy and a blessing to step into this next chapter together as brothers in leadership, and carry on the legacy started by our father, Dennis, nearly 40 years ago.



A Simple, Meaningful Mission

Our mission has always been simple: to provide the friendly service and respect our customers expect from a small-town bank, while offering the modern banking solutions they need for every season of life.

At Farmers & Merchants, we believe in empowering the people who make our communities strong—the farmers, families, and small businesses. Whether it's helping a young couple purchase their first home, partnering with a local entrepreneur to launch a small business, or supporting a farmer investing in new equipment for the next growing season, our goal is to find a way to the future for every customer we serve. We take great pride in knowing that the same bank that served their grandparents is here to serve them today—and will continue to serve the generations to follow.

Mindful, Impactful Involvement & Giving

This Community Giving Report is a reflection of our community commitment. It highlights not just our financial contributions, but the partnerships, volunteer efforts, and shared values that keep our communities thriving. This year, we were able to give even more back, thanks in large part to the generous 3-to-1 match from FHLB of Des Moines, which multiplied the impact of our hard work and dedication. Knowing that our efforts helped more neighbors, local businesses, and families thrive is something we are incredibly proud of and grateful for.

Thank you for trusting us to be part of our communities' stories. Together, we are investing in a stronger, more vibrant future. We are honored to be one of the reasons our local small towns, farms, families, and businesses continue to grow and prosper.

With gratitude,



Todd Zaun

Todd Zaun, CEO

Steve Zaun

Steve Zaun, President



Our Giving MISSION

At Farmers & Merchants State Bank, our vision is to be the reason small towns, farms, families, rural businesses, and communities continue to thrive. Guided by our core principle of doing the right thing, we believe that meaningful growth must include giving back. Our charitable giving program reflects this belief — designed to be thoughtful, deliberate, and impactful in supporting the people and places we serve.

We view philanthropy not as a duty, but as an ongoing partnership with our communities. Through open dialogue with employees, customers, community leaders and members, we work to ensure that our giving reflects the priorities and passions of the people and communities we employ and serve.



Our Giving PRIORITIES (in no particular order)

- **SCHOLARSHIP PROGRAMS** for graduating seniors (traditional and home-schooled students) from the Pierz, Eden-Valley Watkins, and Sauk Rapids school districts.
- **EDUCATION AND SCHOOL PROGRAMS** such as Future Farmers of America, 4-H, high-school sports, extra-curricular programs and community-based educational organizations and associations.
- **HUNGER AND HOUSING** such as our local food shelves, Second Harvest Heartland, and Habitat for Humanity.
- **RURAL COMMUNITY BUILDING** such as Initiative Foundation, Community Foundations, local service organizations and programmatic activities of local faith-based groups.

Focus will be given to programs and activities that support Pierz, Eden Valley, Sauk Rapids and surrounding rural communities.



Our Giving CATEGORIES

There are three MAIN categories of our giving:

1. Charitable Donations (Tax Deductible & Non-Tax Deductible)
2. Community Events & Sponsorships
3. Scholarships



Our Giving Through VOLUNTEERISM

At Farmers & Merchants State Bank, volunteerism sits at the heart of our philanthropy/giving mission, and every employee plays a vital role in that impact.

Each year, every employee receives dedicated Paid Volunteer Time to use in their communities. Full-time employees (those working 30+ hours per week) get up to 20 hours of Paid Volunteer Time during the calendar year; part-time employees (those working less than 30 hours per week) up to 12 hours.

Our 2025 Volunteerism, Events & Donations at a GLANCE



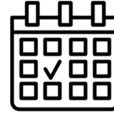
About 1,000

Hours In Paid Time Off Provided to Team Members for Volunteer Activities



95%

Of Team Members Volunteered for at Least ONE Community Event



154

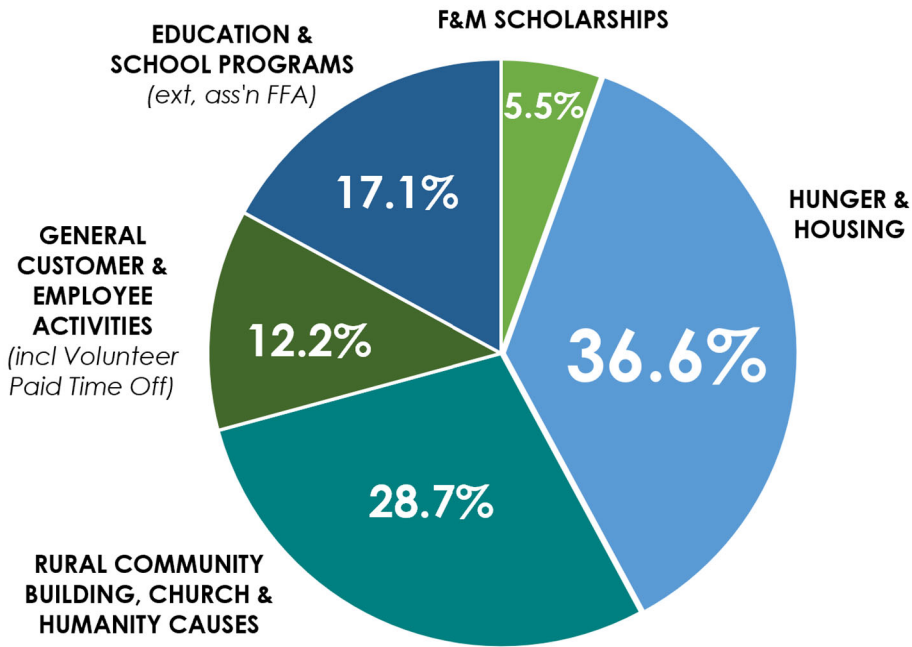
Community Events & Causes Supported



Over 2%

Of Pre-Tax Profits Given in Monetary Donations & Paid Volunteer Time

Giving by PRIORITY



Our Giving TRIPLLED by FHLB Des Moines Impact Fund



DONATION	FUND MATCH	COMBINED
\$80K	\$240K	\$320K
\$320,000 in Total Award to Programs & Projects in the Pierz, Eden Valley & Sauk Rapids Areas		

In 2025, the Federal Home Loan Bank of Des Moines (FHLB Des Moines) awarded \$20 million to hundreds of eligible not-for-profit and government organizations in Minnesota. Farmers & Merchants State Bank was one of the 174 financial institution members who applied for and received funding through the program.

We selected projects across our communities. Our contributions along with the FHLB Des Moines matching grant resulted in \$320,000 in total being awarded--\$80,000 from F&M and \$240,000 from FHLB Des Moines.

Our People: A Spirit of VOLUNTEERISM

Farmers & Merchants State Bank believes that providing Paid Volunteer Hours sends a clear message to our team members that volunteerism is not just something to squeeze in around work; rather it is strongly valued and encouraged. Whether it is mentoring students, supporting local shelters, teaching financial literacy classes at the local schools, or lending professional skills to nonprofits, employees are empowered to choose causes that matter to them personally and to show up fully.

In 2025, 95% of our employee base volunteered for at least one community event.

This commitment transforms volunteerism from a one-off event into an ongoing, shared mission. When employees use their Paid Volunteer Time, they become ambassadors of our values, building relationships in the community and making our corporate giving tangible and human.

The impact stretches in both directions. Communities gain reliable, skilled support that helps local organizations do more and reach further. At the same time, employees return from their volunteer experiences more energized, connected, and proud of where they work, knowing their company stands behind their desire to make a difference.

Here are a few pictures of our team members in action in 2025.



Donation Helped Fund Build of Annmarie Lyon's New Home

Pictured here (left to right): Kathy Lange, Executive Director, Habitat for Humanity of Morrison County; Zoe, Paisley (front) and Annmarie Lyon.



Annmarie Lyon, a mom with two girls and two jobs, felt like she won the lottery back in June 2025 when the Habitat for Humanity of Morrison County selected her as a partner. For her and her girls, it means they are now living in a 3-bedroom, 1 ½-bath patio home in Little Falls, designed specifically for their needs.

"We applied in March, and prayed and wished on every eyelash, every dandelion and rainbow that we'd be selected," said Annmarie. "We're so grateful to Habitat for Humanity because we couldn't do this without them."

High School Stadium & MAC Gym Video Scoreboards

Farmers & Merchants State Bank made a multi-year commitment to helping the Pierz High School replace the current scoreboards in the football stadium and MAC gym with video scoreboards.

"We saw this as a great project to support," said Doug Virnig, Controller for Farmers & Merchants State Bank and Pierz Football Club Treasurer.

The Pierz HS Football Club is pictured here. Left to right are Doug Virnig, Club Treasurer and Controller for Farmers & Merchants State Bank; Dave Rocheleau, Assistant Varsity Coach - Pierz HS Football; Dan Saehr, Head Coach - Pierz HS Football, T. J. Hoheisel, Club Secretary and Coach - Pierz Junior HS from Edina Realty; and Nick Henderson, Club President from Stearns County, Human Services.



"It will help improve the student and fan experience at the stadium and gym, making the school activities more enjoyable and accessible to all while providing a platform to share important community messages."

Lil' Eagles/Eagle Kids Child Care Bank Building Renovation

This donation helped fund the critical upgrades needed to transform the bank building donated by Farmers & Merchants State Bank into a state-licensed daycare.

Pictured here in front of Lil' Eagles/Eagle Kids Child Care are (left to right): Amanda Arens and Jody Bauer from Farmers & Merchants State Bank and Kayla Schmitz, Lil' Eagles/Eagle Kids Coordinator, Eden Valley-Watkins School.



The school-run daycare in Eden Valley moved to the bank building which was donated to them by Farmers & Merchants State Bank. To be licensed by the state, the building required new flooring, the installation of two new bathrooms, and the renovation of the existing bathrooms.

The goal: to create a vibrant and well-maintained place of play and learning for the community's children. It's a win-win for parents with young kids and the community as a whole, increasing daycare accessibility for young working families while improving city aesthetics.

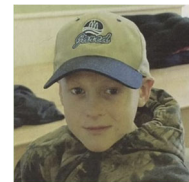
As of mid-year, 49 children were enrolled.

Annual Tradition of Giving Results in More Than \$32K of Financial Support for Local Causes, Charities, Food Shelves

Donations Made by Bank & Local Community Members

Each year, Farmers & Merchants State Bank holds a Tradition of Giving from mid-November through our Customer Open House in mid-December. In 2025, each location chose a charity/cause to support. In past years, the bank matched donations received \$1 for \$1 (or dollar for pound of food donated), up to \$2,000 per location. This year, because of the rise in food shelf need and traffic, we increased the amount of our match to up to \$7,000 per location with the match amount going to the location's selected charity/cause, and the balance to the local food shelves.

At right is a summary of the results of this year's Tradition of Giving, along with the causes, charities and food shelves supported.



Jared Tomala
Toy Drive



Christmas
For Kids Drive



Central
Minnesota

Donation Source	Donation Amount
Members of Community	\$ 11,242.19
F&M Charities Match	\$ 5,900.00
F&M Food Shelf Donations <i>(Pierz, Eden Valley, St. Cloud Catholic Charities)</i>	\$ 15,100.00
TOTAL	\$ 32,242.19