

Banks & Thrifts

Price:	\$20.75
Fair Value Estimate:	23.50
52-Week Range:	\$15.00 - \$22.98
Market Cap (MM):	\$156
Shr.O/S-Diluted (mm):	7.5
Average Daily Volume:	40,202
Dividend (Quarter):	\$0.10
Yield:	1.9%
Tang Book Value:	\$25.52
Price/Tangible Book:	0.81x

FYE: Dec	2025A	2026E	2027E
EPS - non-GAAP	\$1.82A	\$2.12E	\$2.35E
Adjusted: Prior EPS - non-GAAP	\$1.85	\$2.05	\$2.28
Adjusted:			

Quarterly EPS - non-GAAP Adjusted:			
Q1	\$0.25A	\$0.45E	\$0.52E
Q2	\$0.54A	\$0.51E	\$0.58E
Q3	\$0.57A	\$0.57E	\$0.62E
Q4	\$0.46A	\$0.59E	\$0.64E
EPS - non-GAAP	\$1.82A	\$2.12E	\$2.35E
Adjusted:			

MainStreet Bancshares, Inc. is a community bank in Northern Virginia and the Washington, D.C. MSA serving local commercial business and individual customers with deposit, credit, and cash management products. The company has a specialty Banking-as-a-Service (BaaS) technology initiative to attract new business deposits and customers.



January 29, 2026

MainStreet Bancshares, Inc. (MNSB) - BUY

MNSB in VA: Modest Increases to Our EPS Estimates and Price Outlook for Next 8 Quarters Thru 2027.

PORTFOLIO MANAGER BRIEF

We are modestly raising our EPS estimates and price objective on MNSB shares after recent 4Q25 EPS results ([read our original review of the 4th quarter](#)). Our new EPS model is highlighted on page 5.

The stock trades at a discount to tangible book value (\$25.52 at 12-31-25) and TBV per share should exceed \$27.00 at year-end 2026 and be above \$29.00 in 2027. The company should continue to repurchase shares within its existing authorization worth \$6M (see page 6).

Our price outlook is \$23.50 - This is a minor Deposit premium on Franchise Deposits (excluding brokered CDs). The valuation translates into 87% of forward tangible book and 11x P/E. Historical charts explain the ranges for MNSB shares since 2019 and compared with peer banks the past 24 months.

ANALYST NOTES

Within our earnings forecast are the following items:

- Loan growth near 5% in both 2026 and 2027.
- NIM is a tight range of 3.48% to 3.52%. We expect Funding costs moderate in line with a 30% Beta as Fed Funds rate drops 50 basis points over the next several quarters (i.e., limited change anticipated in the near-term).
- Expenses-to-Assets should be stable near 2.40% and the efficiency ratio improves from the 4Q25 level with increased revenue.
- Share buybacks are 45% to 50% of net income. These are a priority given the discount Price-to-Tangible Book ratio at 81% currently and the accretive status for any repurchases.
- Credit costs are expected to be small, less than 0.15% of average loans. Loan loss provision expense should be slightly above net charge-offs and lead to small Reserve building, which supports ongoing Loan growth.

Our Price Objective and Valuation Metrics Used To Illustrate Upside In MNSB Shares

Janney Research Rating: "BUY"

Fair Value: \$23.50

	2026	Multiple	Price
GAAP EPS	\$2.12	10.9x	\$23.10
Dividends	\$0.40	1.0x	\$0.40
		Combined	\$23.50
Tangible Book 12/26	\$27.14	0.87x	\$23.50

Implied Gain/Loss versus Current Price: **13.2%**

Alternative			
2027 EPS	\$2.35	9.8x	\$23.10
Cash Dividends	\$0.40	1.0x	\$0.40
			\$23.50
Tangible Book 12/27	\$29.36	0.80x	\$23.50

Source: Janney Research (FIG Group) & Forward Estimates

Deposit Franchise Valuation (with Fair Value Marks)

	Dec-25	Dec-26	Dec-27	
Market-Cap.	155.6	166.6	160.5	
TCE in \$\$	191.3	195.7	200.6	
Residual Premium	(35.8)	(29.1)	(40.0)	
TOTAL DEPOSITS	1,899.0	1,997.9	2,071.8	
Brokered	498.5	488.5	478.6	removes reciprocal deposits
Govt/Municipal	<u>136.0</u>	<u>130.6</u>	<u>127.8</u>	
Franchise Deposits	1,264.5	1,378.8	1,465.4	
Cost of Funds	3.01%	2.86%	2.79%	
Advantage vs Fed Funds	0.88%	0.54%	0.36%	Fed Funds 3.40% by '26, 3.14% by '27
Value: 2x to 2.5x multiple	1.8%	1.2%	0.9%	
Franchise Value	22.3	17.1	13.0	
Gov/Muni Value (1x)	1.2	0.7	0.5	
Gross Deposit Value	23.5	17.8	13.5	
less: AOCI	(5.8)	(5.2)	(4.6)	AOCI improves 10% by '26, 20% by '27
less: HTM marks	(0.1)	(0.1)	(0.0)	
less: 2.0% Credit mark	(29.8)	(31.4)	(32.5)	FAS 107, marks for unforeseen risks
Net Deposit Value	(12.2)	(18.8)	(23.7)	
per share	(\$1.63)	(\$2.61)	(\$3.48)	
Add: TBV per share	\$25.52	\$27.14	\$29.36	
Add: AOCI per share	\$0.77	\$0.72	\$0.68	add-back to avoid double counting
TOTAL FAIR VALUE	\$24.66	\$25.25	\$26.56	
Gross Deposit Premium	1.7%	1.2%	0.8%	
Net Deposit Premium	(0.9%)	(1.2%)	(1.5%)	

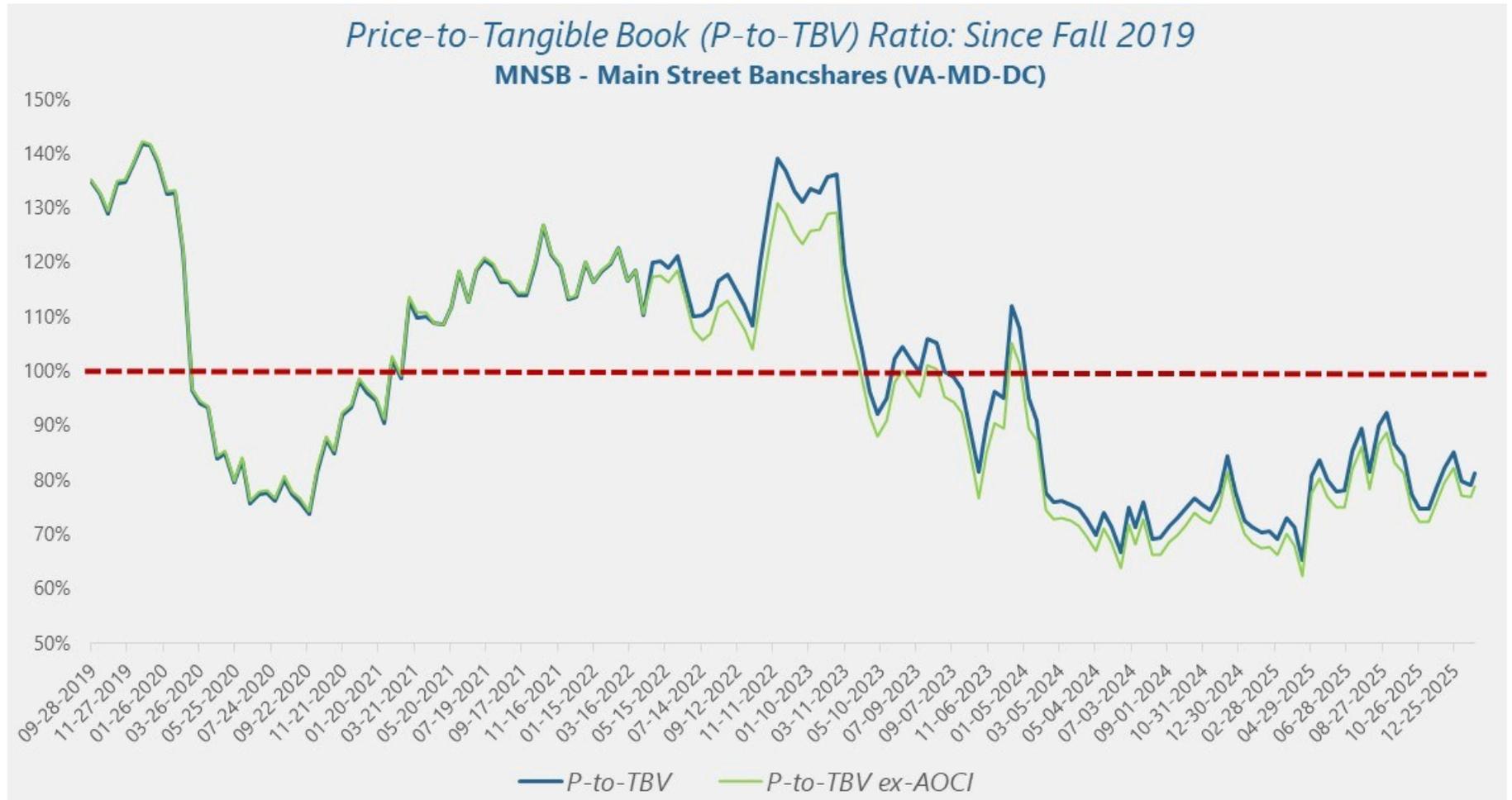
BETA '26

31%

Factors earnings/balance sheet projections thru December 2027

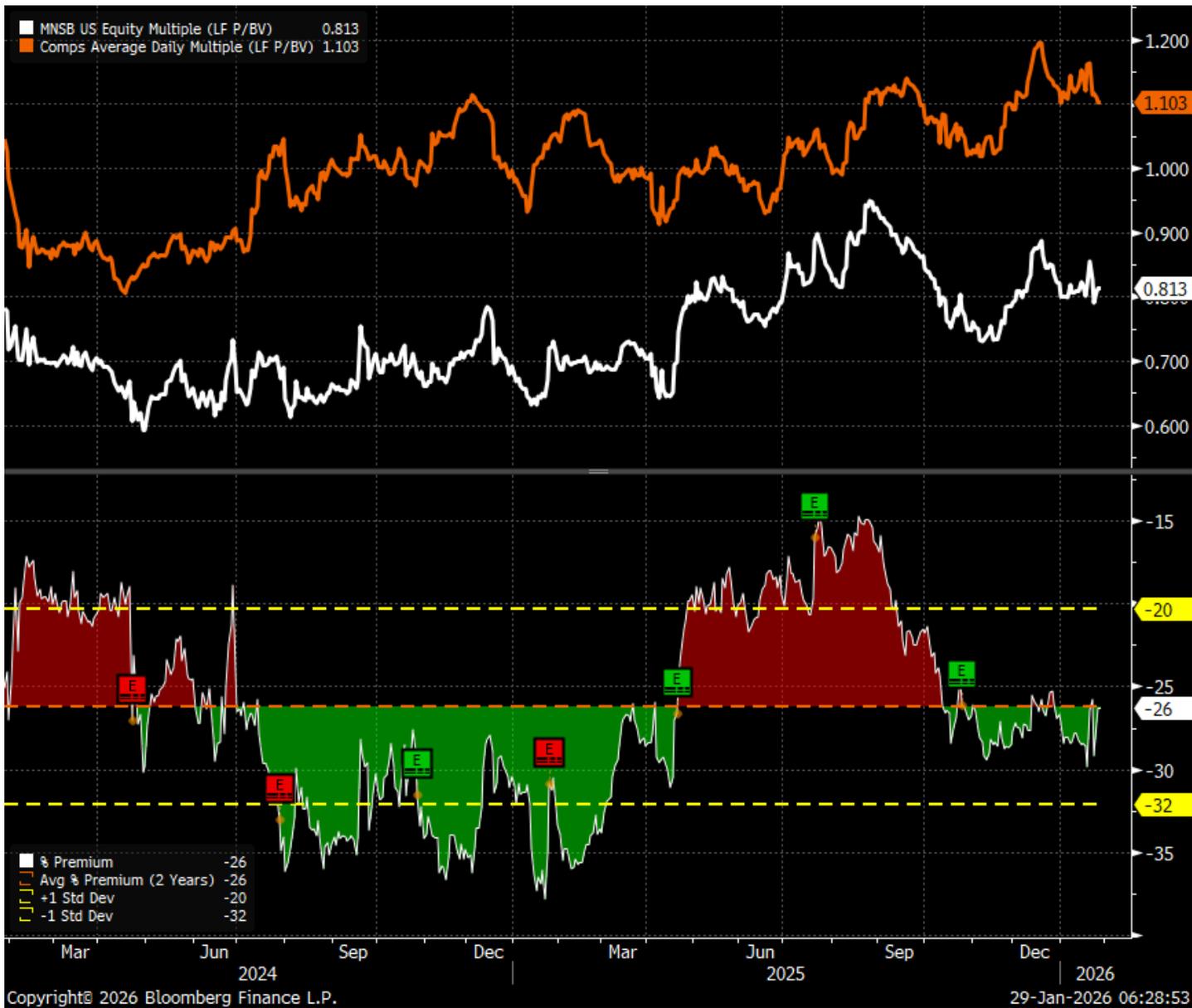
Credit Mark per share	<u>\$3.87</u>	<u>\$4.35</u>	<u>\$4.76</u>
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Tangible Book Value Pricing History Since Fall 2019



Source (table and chart): Janney Research (FIG Group), S&P Capital IQ data via SEC filings

P-to-TBV Ratio Past Two Years s Comparable Community Banks (Bloomberg)



Source: Janney Research (FIG Group), Bloomberg LP ** comparables are small-cap community bank stocks tracked in Bloomberg's database **

Earnings Model

one-time NII: \$1.5M 2Q25, (\$0.6M) 3Q25, (\$0.6M) 4Q25

				2025 Quarterly				2026 Quarterly				2027 Quarterly			
	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Income Data: (\$Mil.)															
Net Interest Income	\$69.54	\$73.28	\$76.04	\$16.51	\$18.79	\$17.10	\$17.14	\$17.61	\$18.20	\$18.64	\$18.83	\$18.44	\$18.84	\$19.30	\$19.46
Loan Loss Provision	(\$0.07)	\$2.74	\$2.98	\$0.00	(\$0.54)	\$0.14	\$0.33	\$0.63	\$0.80	\$0.66	\$0.64	\$0.63	\$0.69	\$0.84	\$0.81
Non-Interest Income	\$3.78	\$3.65	\$3.75	\$0.94	\$0.96	\$0.98	\$0.90	\$0.90	\$0.91	\$0.92	\$0.92	\$0.93	\$0.93	\$0.94	\$0.95
Gain/Loss on Loan Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gain/Loss on Securities	\$0.25	\$0.00	\$0.00	\$0.00	\$0.10	\$0.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
One-Time Items	(\$1.80)	\$0.00	\$0.00	\$0.00	(\$1.80)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Interest Expense	\$52.75	\$52.34	\$53.91	\$14.31	\$12.95	\$12.67	\$12.83	\$12.97	\$13.03	\$13.12	\$13.22	\$13.36	\$13.43	\$13.51	\$13.61
Pre-Tax Income	\$19.09	\$21.86	\$22.90	\$3.14	\$5.65	\$5.41	\$4.89	\$4.92	\$5.27	\$5.77	\$5.89	\$5.37	\$5.65	\$5.90	\$5.98
Taxes (w/ FTE adj.)	\$3.48	\$4.11	\$4.31	\$0.68	\$1.06	\$0.90	\$0.84	\$1.03	\$0.98	\$1.04	\$1.06	\$1.13	\$1.05	\$1.06	\$1.08
Extraordinary Items	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Income	\$15.61	\$17.75	\$18.59	\$2.45	\$4.59	\$4.52	\$4.05	\$3.89	\$4.30	\$4.73	\$4.83	\$4.24	\$4.61	\$4.84	\$4.90
Preferred Dividend	\$2.16	\$2.16	\$2.16	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54	\$0.54
Net Income Avail. Common	\$13.46	\$15.59	\$16.43	\$1.91	\$4.05	\$3.98	\$3.51	\$3.35	\$3.76	\$4.19	\$4.29	\$3.70	\$4.07	\$4.30	\$4.36
Avg. Shares O/S	7.7	7.4	7.0	7.6	7.7	7.7	7.6	7.5	7.4	7.3	7.2	7.1	7.0	6.9	6.8
Earnings Per Share (EPS)	\$1.76	\$2.12	\$2.35	\$0.25	\$0.53	\$0.52	\$0.46	\$0.45	\$0.51	\$0.57	\$0.59	\$0.52	\$0.58	\$0.62	\$0.64
Per Share Data:															
Reported Book Value	\$25.52	\$27.14	\$29.36	\$23.67	\$24.17	\$24.81	\$25.52	\$25.60	\$26.06	\$26.59	\$27.14	\$27.62	\$28.16	\$28.75	\$29.36
Tangible Book Value	\$25.52	\$27.14	\$29.36	\$23.67	\$24.17	\$24.81	\$25.52	\$25.60	\$26.06	\$26.59	\$27.14	\$27.62	\$28.16	\$28.75	\$29.36
Dividends	\$0.40	\$0.40	\$0.40	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Pre-Tax, Pre-Provision EPS	\$2.69	\$3.34	\$3.70	\$0.41	\$0.73	\$0.77	\$0.69	\$0.74	\$0.82	\$0.88	\$0.90	\$0.84	\$0.90	\$0.97	\$0.99
CORE GAAP EPS	\$1.82	\$2.12	\$2.35	\$0.25	\$0.54	\$0.57	\$0.46	\$0.45	\$0.51	\$0.57	\$0.59	\$0.52	\$0.58	\$0.62	\$0.64
KEY Ratios:															
Net Interest Margin	3.39%	3.50%	3.50%	3.30%	3.49%	3.42%	3.36%	3.48%	3.49%	3.50%	3.51%	3.49%	3.50%	3.51%	3.51%
CORE Return on Avg Assets	0.81%	0.82%	0.84%	0.47%	0.78%	0.85%	0.75%	0.73%	0.80%	0.86%	0.87%	0.78%	0.83%	0.86%	0.87%
Return on Avg Equity	7.24%	8.07%	8.30%	4.23%	8.82%	8.47%	7.37%	6.99%	7.81%	8.66%	8.81%	7.55%	8.26%	8.66%	8.74%
Pre-Tax Pre-Provision ROA	0.97%	1.14%	1.17%	0.60%	1.05%	1.10%	0.97%	1.05%	1.13%	1.17%	1.18%	1.11%	1.15%	1.19%	1.20%
Efficiency Ratio	71.9%	68.0%	67.6%	82.0%	65.5%	70.1%	71.1%	70.0%	68.2%	67.1%	66.9%	69.0%	67.9%	66.7%	66.7%
Overhead Ratio	2.50%	2.43%	2.45%	2.69%	2.43%	2.39%	2.39%	2.42%	2.41%	2.40%	2.41%	2.43%	2.43%	2.41%	2.42%
TCE Ratio	8.6%	8.4%	8.2%	8.2%	8.8%	9.0%	8.6%	8.6%	8.5%	8.4%	8.4%	8.4%	8.3%	8.2%	8.2%
Period-End Balances: (\$Mil.)															
Earning Assets	\$2,088	\$2,185	\$2,257	\$2,120	\$1,979	\$1,998	\$2,088	\$2,106	\$2,146	\$2,168	\$2,185	\$2,198	\$2,215	\$2,239	\$2,257
Total Assets	\$2,213	\$2,332	\$2,451	\$2,223	\$2,115	\$2,125	\$2,213	\$2,232	\$2,266	\$2,306	\$2,332	\$2,346	\$2,382	\$2,425	\$2,451
Net Loans	\$1,842	\$1,938	\$2,009	\$1,812	\$1,767	\$1,788	\$1,842	\$1,862	\$1,897	\$1,920	\$1,938	\$1,951	\$1,968	\$1,991	\$2,009
Total Deposits	\$1,899	\$1,998	\$2,072	\$1,908	\$1,799	\$1,811	\$1,899	\$1,920	\$1,957	\$1,980	\$1,998	\$2,012	\$2,029	\$2,053	\$2,072
Intangibles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Common Equity	\$191	\$196	\$201	\$182	\$186	\$191	\$191	\$192	\$193	\$194	\$196	\$197	\$198	\$199	\$201

Source: Janney Research (FIG Group), S&P Capital IQ

Company Disclosures At 12-31-2025 That Investors Should Know About the MNSB Story



The team continues to focus on core revenue generation and expense control

2026 first half expectations

- We anticipate that the first and second quarter expense run rate will remain consistent with the Q4 2025 run rate.
- We anticipate a 3% to 4% loan growth through Q2 of 2026.



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Source (all): Company SEC 8-K filing Jan-26-2026

Active share buyback program

Beginning buyback Availability	\$10,000,000
Shares Repurchased	209,000
Share Repurchase Price	\$18.54
Total Repurchase Price	\$3,875,000
Year-end buyback Availability	\$6,125,000

28%

Accretion to tangible book value from repurchase

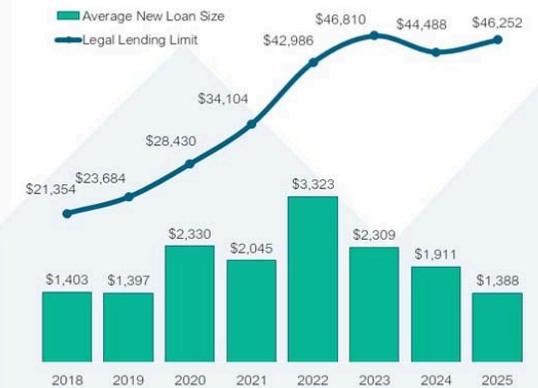


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Good loan metrics



The average new loan size is indicative of well-distributed credit risk management process



Average loan size excludes consumer loans



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IMPORTANT DISCLOSURES

Valuation and Risks

MNSB

Our fair value estimate is derived by applying a multiple on both forward EPS and tangible book value (TBV) estimates in the next year. Janney coordinates fair value with the underlying deposit valuation via the relationship between funding costs, the fed funds rate, and tenure of customer relationships.

Bank stock prices are dependent on confidence in quarterly and annual tangible book value (TBV) growth coupled with consistent progress on core deposit relationships. Credit quality impacts TBV success in addition to managing interest rate risk, expenses, and a balanced revenue stream.

Research Analyst Certification

I, Christopher Marinac, the Primarily Responsible Analyst for this research report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers. No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views I expressed in this research report.

Janney Montgomery Scott LLC ("Janney") Equity Research Disclosure Legend

Janney Montgomery Scott LLC currently acts as a market maker in the securities of MainStreet Bancshares, Inc..

Janney Montgomery Scott LLC expects to receive or intends to seek compensation for investment banking services from MainStreet Bancshares, Inc. in the next three months.

The research analyst is compensated based on, in part, Janney Montgomery Scott's profitability, which includes its investment banking revenues.

Definition of Ratings

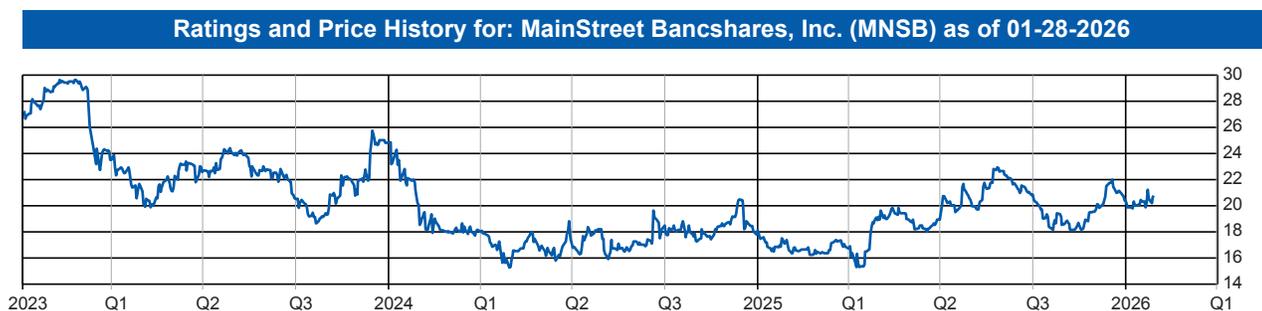
BUY: Janney expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

NEUTRAL: Janney believes that the subject company is fairly valued and will perform in line with comparable companies within its sector. Investors may add to current positions on short-term weakness and sell on strength as the valuations or fundamentals become more or less attractive.

SELL: Janney expects that the subject company will likely decline in value and will underperform comparable companies within its sector.

EXTENDED REVIEW: Janney's rating and/or fair value estimate have been temporarily suspended due to applicable regulations and/or Janney management discretion. Previously published research reports, including ratings, fair values, and estimates, should no longer be relied upon when making investment decisions.

Price Charts



Created by: BlueMatrix

Janney Montgomery Scott Ratings Distribution as of 12-31-2025

IB Serv./Past 12 Mos.*

Rating	Count	Percent	IB Serv./Past 12 Mos.*	
			Count	Percent
BUY [B]	128	55.90	28	21.88
NEUTRAL [N]	101	44.10	16	15.84
SELL [S]	0	0.00	0	0.00
EXTENDED REVIEW [EXTRE]	0	0.00	0	0.00

*Percentages of each rating category where Janney has performed Investment Banking services over the past 12 months.

Other Disclosures

Janney Montgomery Scott LLC, is a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the New York Stock Exchange, the Financial Industry Regulatory Authority and the Securities Investor Protection Corp.

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