

Banks & Thrifts

Price:	\$18.57
Fair Value Estimate:	23.25
52-Week Range:	\$15.00 - \$22.98
Market Cap (MM):	\$143
Shr.O/S-Diluted (mm):	7.7
Average Daily Volume:	35,552
Dividend (Quarter):	\$0.10
Yield:	2.2%
Tang Book Value:	\$24.81
Price/Tangible Book:	0.75x

FYE: Dec	2025E	2026E	2027E
EPS - non-GAAP	\$1.85E	\$2.05E	\$2.28E
Adjusted: Prior EPS - non-GAAP	\$1.86	\$2.30	NC
Adjusted:			

Quarterly EPS - non-GAAP Adjusted:

Q1	\$0.25A	\$0.46E	\$0.52E
Q2	\$0.54A	\$0.50E	\$0.56E
Q3	\$0.57A	\$0.53E	\$0.59E
Q4	\$0.49E	\$0.55E	\$0.61E
EPS - non-GAAP	\$1.85E	\$2.05E	\$2.28E
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.



October 29, 2025

MainStreet Bancshares, Inc.

(MNSB) - BUY

MNSB in VA: Expect Rising TBV by \$2/Share in Each of Next Two Years. This Supports a Higher Stock Price and Our \$23.25 Fair Value.

PORTFOLIO MANAGER BRIEF

We see core EPS of \$0.49 or better in 4Q25 and then \$2.05 in 2026 and \$2.28 is our new 2027 forecast. We include modestly higher provision expense to cover net charge-offs of 0.10% to 0.12% (less than small-cap Bank averages expected in future periods).

Tangible book value (TBV) should rise \$2 per share in each of 2026 and 2027, which supports a higher stock price even if the P-to-TBV discount stays intact. We think a higher ROA greater than 0.85% to 0.95% is necessary to enhance the valuation beyond our outlook.

MNSB's discount deposit premium after fair value rate and credit marks has room to rise as core deposits grow and profitability rises. Reduced use of wholesale and municipal funds also engages a stronger valuation.

ANALYST NOTES

- Core NIM is expected to be low to mid-350s and then approach 3.60% in 2027 as lower interest rates reduce funding costs and further asset repricing benefits spreads and NII-Net Interest Income dollars.
- Expense efficiency should drop (i.e., improve) from 70% in the recent quarter to sub-67% in the next 8 quarters. The company's near-term monthly expense guide is reasonable and included in our page 2 forecast.
- TBV per share expansion has been +5.6% compound annual since late 2021 or slightly less than the small-cap median of +6.3%. We are confident that future TBV growth at MNSB is much stronger.
- Share repurchases should continue as capital ratios stay in a range of 8.5% to 9.0% on TCE-tangible common ratio.
- The company is properly anticipating credit risk and stressed capital levels if real estate losses surprise in the future and/or government shutdowns are prolonged into 1Q26.
- Peer valuation data is available on page 4 with pricing history on pages 5 and 6.

Earnings Model

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

					2025 Quarterly				2026 Quarterly				2026 Quarterly			
	2024	2025E	2026E	2027E	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	1Q26E	2Q26E	3Q26E	4Q26E
Income Data: (\$Mil.)																
Net Interest Income	\$62.57	\$70.19	\$72.53	\$75.53	\$16.51	\$18.79	\$17.10	\$17.79	\$17.56	\$17.98	\$18.40	\$18.59	\$18.26	\$18.73	\$19.17	\$19.37
Loan Loss Provision	\$6.76	\$0.18	\$2.54	\$3.07	\$0.00	(\$0.54)	\$0.14	\$0.58	\$0.56	\$0.61	\$0.70	\$0.68	\$0.62	\$0.73	\$0.87	\$0.85
Non-Interest Income	\$3.30	\$3.85	\$3.92	\$4.03	\$0.94	\$0.96	\$0.98	\$0.97	\$0.97	\$0.98	\$0.99	\$0.99	\$1.00	\$1.00	\$1.01	\$1.02
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	\$0.00
Gain/Loss on Securities	(\$0.05)	\$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	(\$20.45)	(\$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	\$52.52	\$52.71	\$52.19	\$53.76	\$14.31	\$12.95	\$12.67	\$12.79	\$12.93	\$12.99	\$13.08	\$13.18	\$13.32	\$13.39	\$13.47	\$13.57
Pre-Tax Income	(\$13.90)	\$19.59	\$21.73	\$22.74	\$3.14	\$5.65	\$5.41	\$5.39	\$5.05	\$5.36	\$5.60	\$5.72	\$5.32	\$5.62	\$5.83	\$5.97
Taxes (w/ FTE adj.)	(\$3.92)	\$3.69	\$4.24	\$4.43	\$0.68	\$1.06	\$0.90	\$1.05	\$0.98	\$1.04	\$1.09	\$1.12	\$1.04	\$1.10	\$1.14	\$1.16
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	\$0.00
Net Income	(\$9.98)	\$15.90	\$17.49	\$18.30	\$2.45	\$4.59	\$4.52	\$4.34	\$4.06	\$4.31	\$4.51	\$4.61	\$4.28	\$4.52	\$4.70	\$4.80
Preferred Dividend	\$2.16	\$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	(\$12.14)	\$13.74	\$15.33	\$16.15	\$1.91	\$4.05	\$3.98	\$3.80	\$3.52	\$3.77	\$3.97	\$4.07	\$3.74	\$3.98	\$4.16	\$4.26
Avg. Shares O/S	7.6	7.7	7.5	7.1	7.6	7.7	7.7	7.7	7.6	7.5	7.4	7.3	7.2	7.1	7.0	7.0
Earnings Per Share (EPS)	(\$1.60)	\$1.79	\$2.05	\$2.28	\$0.25	\$0.53	\$0.52	\$0.49	\$0.46	\$0.50	\$0.53	\$0.55	\$0.52	\$0.56	\$0.59	\$0.61
Per Share Data:																
Reported Book Value	\$23.77	\$25.22	\$27.13	\$29.32	\$23.67	\$24.17	\$24.81	\$25.22	\$25.65	\$26.11	\$26.61	\$27.13	\$27.62	\$28.16	\$28.73	\$29.32
Tangible Book Value	\$23.77	\$25.22	\$27.13	\$29.32	\$23.67	\$24.17	\$24.81	\$25.22	\$25.65	\$26.11	\$26.61	\$27.13	\$27.62	\$28.16	\$28.73	\$29.32
Dividends	\$0.40	\$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	\$1.76	\$2.78	\$3.25	\$3.64	\$0.41	\$0.73	\$0.77	\$0.78	\$0.74	\$0.79	\$0.85	\$0.87	\$0.82	\$0.89	\$0.95	\$0.98
CORE GAAP EPS	\$0.48	\$1.85	\$2.05	\$2.28	\$0.25	\$0.54	\$0.57	\$0.49	\$0.46	\$0.50	\$0.53	\$0.55	\$0.52	\$0.56	\$0.59	\$0.61
KEY Ratios:																
Net Interest Margin	3.10%	3.43%	3.54%	3.56%	3.30%	3.49%	3.42%	3.52%	3.52%	3.54%	3.55%	3.55%	3.54%	3.56%	3.56%	3.57%
CORE Return on Avg Asset	0.23%	0.82%	0.82%	0.84%	0.47%	0.78%	0.85%	0.81%	0.78%	0.81%	0.83%	0.84%	0.80%	0.83%	0.85%	0.86%
Return on Avg Equity	-5.75%	7.38%	7.86%	8.08%	4.23%	8.82%	8.47%	7.91%	7.28%	7.76%	8.12%	8.26%	7.56%	8.01%	8.30%	8.46%
Pre-Tax Pre-Provision ROA	0.64%	1.01%	1.14%	1.19%	0.60%	1.05%	1.10%	1.12%	1.07%	1.12%	1.16%	1.17%	1.11%	1.17%	1.21%	1.22%
Efficiency Ratio	78.2%	71.2%	68.3%	67.6%	82.0%	65.5%	70.1%	68.2%	69.8%	68.5%	67.5%	67.3%	69.2%	67.8%	66.8%	66.6%
Overhead Ratio	2.52%	2.50%	2.46%	2.48%	2.69%	2.43%	2.39%	2.42%	2.45%	2.44%	2.43%	2.44%	2.46%	2.46%	2.44%	2.45%
TCE Ratio	8.1%	9.0%	8.8%	8.6%	8.2%	8.8%	9.0%	9.0%	9.0%	8.9%	8.8%	8.8%	8.8%	8.7%	8.6%	8.6%
Period-End Balances: (\$Mil.)																
Earning Assets	\$2,121	\$2,011	\$2,083	\$2,157	\$2,120	\$1,979	\$1,998	\$2,011	\$2,025	\$2,042	\$2,064	\$2,083	\$2,097	\$2,115	\$2,138	\$2,157
Total Assets	\$2,228	\$2,135	\$2,246	\$2,363	\$2,223	\$2,115	\$2,125	\$2,135	\$2,150	\$2,182	\$2,222	\$2,246	\$2,262	\$2,296	\$2,337	\$2,363
Net Loans	\$1,811	\$1,804	\$1,871	\$1,940	\$1,812	\$1,767	\$1,788	\$1,804	\$1,817	\$1,832	\$1,854	\$1,871	\$1,884	\$1,900	\$1,923	\$1,940
Total Deposits	\$1,908	\$1,827	\$1,895	\$1,965	\$1,908	\$1,799	\$1,811	\$1,827	\$1,840	\$1,856	\$1,878	\$1,895	\$1,908	\$1,924	\$1,947	\$1,965
Intangibles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Common Equity	\$181	\$193	\$198	\$202	\$182	\$186	\$191	\$193	\$194	\$195	\$196	\$198	\$198	\$200	\$201	\$202

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

Discount Price-to-Tangible Book Can Change With Higher EPS and ROA, Cumulative TBV Build Does Help.

Franchise Deposits Exclude Brokered, Muni/Govt Accounts, Focus on Funding Costs less Fed Funds

Janney Research Rating: "BUY"

Fair Value: \$23.25

	2026	Multiple	Price
GAAP EPS	\$2.05	11.1x	\$22.85
Dividends	\$0.40	1.0x	\$0.40
		Combined	\$23.25
Tangible Book 12/26	\$27.13	0.86x	\$23.25

Implied Gain/Loss versus Current Price: **25.5%**

<u>Alternative</u>			
2027 EPS	\$2.28	10.0x	\$22.85
Cash Dividends	\$0.40	1.0x	\$0.40
			\$23.25
Tangible Book 12/27	\$29.32	0.79x	\$23.25

Source: Janney Research (FIG Group) & Forward Estimates

TBV per share rises over \$2 by late '26 and another \$2 by year-end '27. This supports a higher stock price.

Definitions:

Implied Deposit Premium: Market capitalization less tangible book ex-AOCI, divided by Core Franchise Deposits

Franchise "Core" Deposits: Deposits excluding all Brokered, Government/Municipal accounts (FDIC quarterly disclosures)

Funding Cost Advantage: Total funding costs (Deposits w/ DDAs and all Borrowings) less the average Fed Funds rate

Deposit Franchise Valuation (with Fair Value Marks)

	Sep-25	Dec-26	Dec-27	
Market-Cap.	142.7	166.4	160.4	
TCE in \$\$	191.1	197.5	202.3	
Residual Premium	(48.4)	(31.2)	(41.9)	
TOTAL DEPOSITS	1,798.0	1,894.7	1,964.8	
Brokered	520.9	500.1	479.2	removes reciprocal deposits
Govt/Municipal	125.0	118.8	112.5	
Franchise Deposits	1,152.1	1,275.9	1,373.1	
Cost of Funds	3.20%	2.98%	2.90%	
Advantage vs Fed Funds	1.09%	0.61%	0.43%	Fed Funds 3.58% by '26, 3.33% by '27
Value @ 2.0x multiple	2.2%	1.2%	0.9%	
Franchise Value	25.1	15.4	11.8	
Gov/Muni Value (1x)	1.4	0.7	0.5	
Gross Deposit Value	26.5	16.2	12.3	
less: AOCI	(6.4)	(5.7)	(5.1)	AOCI improves 11% by '26, 20% by '27
less: HTM marks	(0.2)	(0.2)	(0.1)	
less: 2.0% Credit mark	(29.0)	(30.1)	(31.2)	FAS 107 and related marks
Net Deposit Value	(9.1)	(19.8)	(24.2)	
per share	(\$1.18)	(\$2.72)	(\$3.51)	
Add: TBV per share	\$24.81	\$27.13	\$29.32	
Add: AOCI per share	\$0.83	\$0.79	\$0.74	add-back to avoid double counting
TOTAL FAIR VALUE	\$24.46	\$25.20	\$26.56	
Gross Deposit Premium	2.1%	1.2%	0.8%	
Net Deposit Premium	(0.7%)	(1.4%)	(1.6%)	

BETA '26
31%

Factors earnings/balance sheet projections thru December 2027

Credit Mark per share	<u>\$3.76</u>	<u>\$4.14</u>	<u>\$4.53</u>
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Source: Janney Research (FIG Group) and forward projections, S&P Capital IQ data via SEC filings

MNSB vs Peer Alternatives: *Small-Cap Bank Peers Alongside Larger In-Market Peers in Northern VA/DC Metro*

10-28-25

10-28-25									% LOANS	CUM ABSORPTION		FUNDING		** FDIC data 6/30 **	
Co. Name	Ticker	Stock Price	Market Cap. (\$M)	Dividend Yield (%)	P-to-TBV	P-to-TBV ex-AOCI	ROA: 2026 est.	P/E 2026	RESERVES (% all-in)	PPNR post div: next 24-Mth. % Loans	24-Month Losses % (2025 to 2026)	Advantage: Funding vs FedFunds (4.29%)	CRE "all in" (% Loans)	C&I focus (% Loans)	
Bank Peers															
MainStreet Bcsbs	MNSB	\$18.57	\$143	2.09	75%	72%	0.90	8.1x	1.08	2.2	na	na	83%	4%	
Burke & Herbert Finl Svcs	BHRB	\$59.91	\$921	3.59	123%	112%	1.41	7.9x	na	4.2	0.26	(2.14)	67%	10%	
Blue Ridge Bankshares	BRBS	\$4.39	\$387	0.00	109%	101%	na	na	1.16	0.0	na	(1.66)	47%	16%	
Carter Bankshares	CARE	\$17.35	\$403	0.00	95%	85%	1.06	7.3x	1.97	2.4	0.14	na	69%	5%	
Eagle Bancorp Inc	EGBN	\$16.68	\$534	0.23	45%	41%	0.34	10.6x	2.44	2.8	3.77	(1.10)	79%	10%	
Freedom Finl Holdings	FDVA	\$11.40	\$81	na	95%	79%	na	na	na	0.0	na	(1.11)	48%	20%	
F.N.B.	FNB	\$15.48	\$5,551	3.07	135%	132%	1.18	9.1x	1.30	3.7	0.45	(2.04)	36%	19%	
FVCBankcorp	FVCB	\$12.16	\$226	1.92	91%	83%	1.02	9.4x	0.99	2.8	0.09	(1.49)	62%	20%	
First National	FXNC	\$22.35	\$202	2.75	128%	116%	1.03	9.5x	1.05	3.4	0.52	(2.85)	52%	8%	
John Marshall Bancorp	JMSB	\$18.69	\$272	1.56	102%	99%	1.07	10.4x	na	2.9	0.10	(1.64)	72%	2%	
Shore Bancshares	SHBI	\$15.57	\$536	2.99	108%	107%	1.01	8.1x	1.25	3.1	0.26	(2.18)	59%	4%	
Atlantic Union Bkshs	AUB	\$32.74	\$4,652	4.07	172%	156%	1.36	9.0x	1.21	3.8	0.31	(1.98)	56%	19%	
Fulton Financial	FULT	\$17.51	\$3,250	4.01	122%	112%	1.15	8.5x	1.64	3.3	0.43	(2.18)	42%	12%	
TowneBank	TOWN	\$32.55	\$2,592	3.24	151%	145%	1.42	9.0x	1.09	0.5	0.10	(2.50)	58%	11%	
United Bankshares	UBSI	\$35.73	\$5,143	4.05	149%	141%	1.39	10.6x	1.43	3.5	0.28	(2.08)	57%	10%	
WesBanco	WSBC	\$29.91	\$2,948	4.82	140%	131%	1.30	7.9x	1.22	3.6	0.27	(2.12)	55%	12%	
Median				2.01	102%	99%	1.03	9.1x	1.20	2.84	0.26	(1.66)	62%	10%	
Average				1.82	101%	94%	1.00	8.9x	1.41	2.51	0.70	(1.80)	61%	11%	

Source: Janney Research (FIG Group), S&P Capital IQ Street consensus, SEC filings, FDIC disclosures

We see ROA improving at MNSB in future quarters which could support a better P/E and Price-to-Tangible Book valuation.

The stock trades at a discount to nearby community bank peers.

MNSB's Tangible Book Value Growth and Pricing Since Late 2021 and 2019

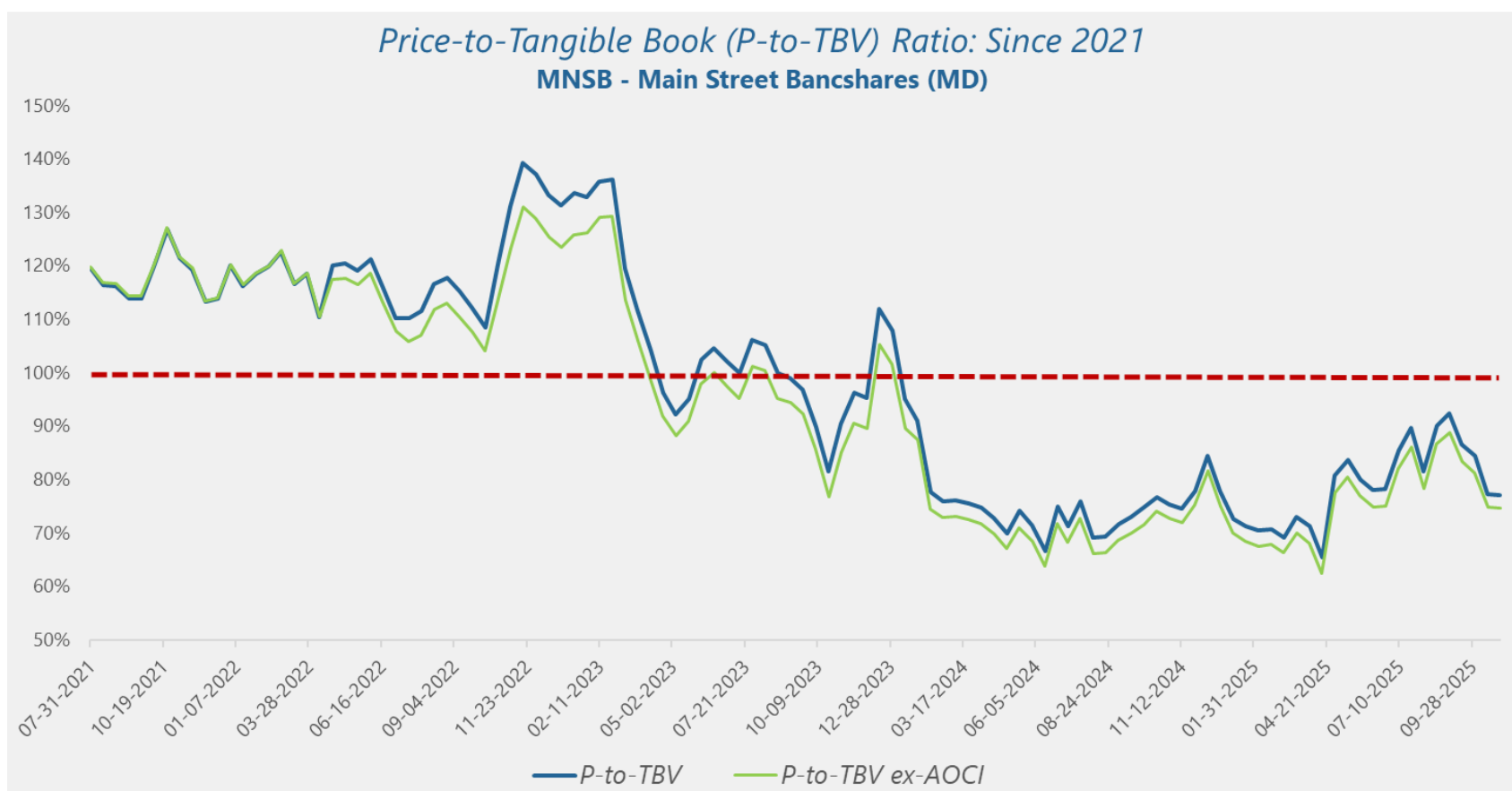
Investors should be focused on cumulative TBV per share, particularly excluding the impact of AOCI or unrealized securities marks. MNSB has 5.6% compound annual TBV growth since 2021 or just behind the median small-cap Bank stock's +6.3%.

Prior fintech costs slowed TBV in 2022 to 2025, P-to-TBV ratio was impacted. Now future EPS should improve this track record and support a higher stock price

Annual TBV-g ex-AOCI - compound

Median by Mkt Cap.	TBV-g ex-AOCI since 2019	TBV-g ex-AOCI since 2021
LARGE	6.2%	6.6%
MID	7.2%	6.9%
SMALL	7.3%	6.3%

# or % Banks	Above 7% TBV-g ex-AOCI
20	LARGE 30%
106	MID 53%
258	SMALL 50%



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

Price-to-Tangible Book Ratio: OCT-2005 to OCT-2025

NASDAQ Bank Index & KRE members (median, 310 Bank list)



Source: Janney Research (FIG Group), SEC filings and company disclosures thru 10-29-2025

Average Bank valuations are 139% since 2005 versus today's 122% median P-to-TBV ratio for member banks.

In Fall 2016 (pre-election), Banks' median TBV multiple rose from 145% to 190% (excluding AOCI marks on unrealized securities losses or gains).

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

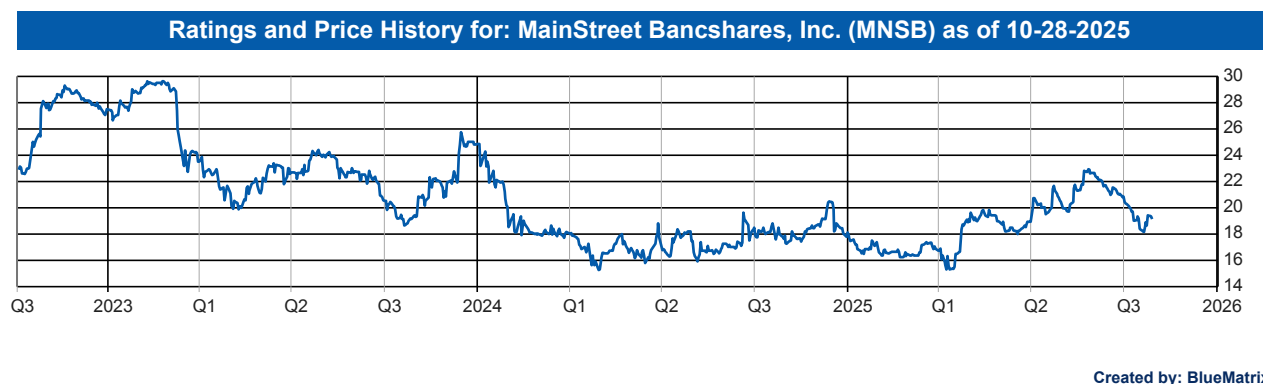
BUY: Janney expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

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



Janney Montgomery Scott Ratings Distribution as of 09-30-2025

IB Serv./Past 12 Mos.*

Rating	Count	Percent	Count	Percent
BUY [B]	141	52.22	32	22.70
NEUTRAL [N]	104	38.52	11	10.58
SELL [S]	0	0.00	0	0.00
EXTENDED REVIEW [EXTRE]	25	9.26	5	20.00

*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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