

Banks & Thrifts

Price:	\$23.52
Price Target:	\$27.50
52-Week Range:	\$16.46 - \$25.14
Market Cap (MM):	\$172
Shr.O/S-Diluted (mm):	7.3
Average Daily Volume:	48,043
Dividend (Quarter):	\$0.10
Yield:	1.7%
Tang Book Value:	\$25.63
Price/Tangible Book:	0.92x

FYE: Dec	2025A	2026E	2027E
EPS - non-GAAP	\$1.82A	\$2.25E	\$2.40E
Adjusted: Prior EPS - non-GAAP		\$2.12	\$2.35

Quarterly EPS - non-GAAP Adjusted:			
Q1	\$0.25A	\$0.55A	\$0.55E
Q2	\$0.54A	\$0.53E	\$0.59E
Q3	\$0.57A	\$0.57E	\$0.62E
Q4	\$0.46A	\$0.60E	\$0.64E
EPS - non-GAAP	\$1.82A	\$2.25E	\$2.40E

MainStreet Bancshares, Inc. is a \$2.2B Asset 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 focused professionals servicing and attracting business deposits and related customers.



April 22, 2026

MainStreet Bancshares, Inc. (MNSB) - BUY

MNSB: Raising EPS and TBV Outlook Following Solid 1Q26 Earnings. Active Buybacks Reduce Shares While TBV Still Expands Q/Q and 8% In Our Forecast.

PORTFOLIO MANAGER BRIEF

We are increasing our EPS forecast to \$2.25 in 2026 and \$2.40 in 2027. New price target of \$27.50 represents just over 100% price-to-tangible book ratio.

Recent 1Q26 EPS: Reported \$0.48 / Core \$0.48 / Street \$0.45 / Brean \$0.45. MNSB beat our estimate by \$0.03. Results were highlighted by better spread income, lower provision, lower fee income, and lower expenses.

MNSB repurchased 273,448 shares worth \$6.1M in 1st quarter. We feel 100K shares each quarter is possible and the TCE (tangible common equity) ratio can remain above 8.0% and permit ongoing balance sheet growth. Company was productive on share buybacks below TBV per share. Future TBV forecast above \$27.00 at year end 2026 and \$29.00+ by late 2027. This forecast supports a rising stock price and our new target (see page 2 analysis).

ANALYST NOTES

1Q-2026 Earnings Recap:

- NII-Net Interest Income +2.1% Q/Q to 17.5M and NIM-Net Interest Margin +11bps to 3.47%. Cost of funds -17bps to 2.84% and cost of deposits -19bps to 2.81%. Loan yields -11bps to 6.42%. Earning asset yields -4bps to 6.19%.
- Avg Loans +2.4% Q/Q to \$1.86B and Avg Deposits +1.0% to \$1.89B. DDAs at 19.0% of Avg Deposits down from 20.2% in 4Q25. Period-end Loans +\$9.1M to \$1.85B. P-E Deposits +\$15.5M to \$1.91B, 96.7% Loan-to Deposits ratio.
- Fee Income 1.1M or 0.20% of Assets. Expenses were 2.36% of Avg Assets matching 4Q25, and the Efficiency ratio for the quarter was 68.2%.
- TBV rose by 0.4% Q/Q to \$25.63. TBV ex. AOCI +0.6% Q/Q to \$26.44. TCE ratio (Tang.Common Equity) -20 bps to 8.44%. Share count fell -1.1% in the past quarter alone.
- Classified Loans with OREO are 3.15% of Loans at 3-31-26. Reserves with unfunded commitments 1.03% of gross loans vs. 1.06% in 4Q25. NCOs-Net Charge-Offs \$0.3M, or 0.06% of average loans, compared to zero in 4Q25.

Price Target: We See MNSB Shares Reaching \$27.50 in the Next 18 Months, Near 1x TBV per Share

Brean Research Rating: "BUY"

Price Target: **\$27.50**

	2026	Multiple	Price
GAAP EPS	\$2.25	12.0x	\$27.10
Dividends	\$0.40	1.0x	\$0.40
		Combined	\$27.50
Tangible Book 12/26	\$27.14	1.01x	\$27.50

Implied Gain/Loss versus Current Price: **16.9%**

Alternative			
2027 EPS	\$2.40	11.2x	\$27.10
Cash Dividends	\$0.40	1.0x	\$0.40
			\$27.50
Tangible Book 12/27	\$29.30	0.94x	\$27.50

Source: Brean Research & Forward Estimates

Deposit Franchise Valuation (with Fair Value Marks)

	MAR '26	DEC '26	DEC '27	
Market-Cap.	172.3	190.7	183.1	
TCE in \$\$	187.7	191.0	195.1	
Residual Premium	(15.5)	(0.3)	(12.0)	
TOTAL DEPOSITS	1,914.7	1,992.3	2,066.0	
Brokered	515.0	504.7	494.4	removes reciprocal deposits
Govt/Municipal	<u>136.0</u>	<u>130.6</u>	<u>127.8</u>	
Franchise Deposits	1,263.7	1,357.0	1,443.8	BETA '27 29%
Cost of Funds	2.84%	2.84%	2.77%	
Advantage vs Fed Funds	0.80%	0.80%	0.64%	Fed Funds 3.64% in '26, 3.40% in '27
Value: 2x to 2.5x multiple	1.8%	2.0%	1.6%	
Franchise Value	22.7	27.1	22.9	
Gov/Muni Value (1x)	1.1	1.0	0.8	
Gross Deposit Value	23.8	28.2	23.7	
less: AOCI	(5.9)	(5.5)	(4.8)	AOCI improves 10% by '26, 20% by '27
less: HTM marks	(0.1)	(0.1)	(0.0)	
less: 2.0% Credit mark	(29.6)	(30.8)	(32.0)	FAS 107, marks for unforeseen risks
Net Deposit Value	(11.8)	(8.1)	(13.1)	
per share	(\$1.61)	(\$1.16)	(\$1.96)	
Add: TBV per share	\$25.63	\$27.14	\$29.30	
Add: AOCI per share	\$0.81	\$0.78	\$0.72	add-back to avoid double counting
TOTAL FAIR VALUE	\$24.83	\$26.75	\$28.06	
Gross Deposit Premium	1.7%	1.9%	1.5%	
Net Deposit Premium	(0.8%)	(0.5%)	(0.8%)	

Factors earnings/balance sheet projections thru December 2027

Credit Mark per share	<u>\$3.84</u>	<u>\$4.38</u>	<u>\$4.80</u>
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Source: Brean Research and future forecasts (see page 3)

Earnings Model

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

	2025			2025 Quarterly				2026 Quarterly				2027 Quarterly			
	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Income Data: (\$Mil.)															
Net Interest Income	\$69.54	\$72.83	\$75.17	\$16.51	\$18.79	\$17.10	\$17.14	\$17.49	\$18.11	\$18.52	\$18.70	\$18.28	\$18.65	\$19.06	\$19.18
Loan Loss Provision	(\$0.07)	\$2.02	\$3.01	\$0.00	(\$0.54)	\$0.14	\$0.33	(\$0.13)	\$0.73	\$0.72	\$0.70	\$0.64	\$0.70	\$0.85	\$0.82
Non-Interest Income	\$3.78	\$4.35	\$4.44	\$0.94	\$0.96	\$0.98	\$0.90	\$1.09	\$1.08	\$1.09	\$1.09	\$1.10	\$1.10	\$1.12	\$1.12
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	(\$0.69)	\$0.00	\$0.00	\$0.10	\$0.15	\$0.00	(\$0.69)	\$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	\$51.55	\$53.20	\$14.31	\$12.95	\$12.67	\$12.83	\$12.67	\$12.85	\$12.98	\$13.04	\$13.18	\$13.25	\$13.33	\$13.43
Pre-Tax Income	\$19.09	\$22.92	\$23.41	\$3.14	\$5.65	\$5.41	\$4.89	\$5.36	\$5.60	\$5.91	\$6.05	\$5.55	\$5.81	\$6.00	\$6.05
Taxes (w/ FTE adj.)	\$3.48	\$4.92	\$4.74	\$0.68	\$1.06	\$0.90	\$0.84	\$1.26	\$1.18	\$1.24	\$1.24	\$1.17	\$1.16	\$1.20	\$1.21
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	\$18.00	\$18.67	\$2.45	\$4.59	\$4.52	\$4.05	\$4.10	\$4.43	\$4.67	\$4.81	\$4.39	\$4.64	\$4.80	\$4.84
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	\$15.85	\$16.51	\$1.91	\$4.05	\$3.98	\$3.51	\$3.56	\$3.89	\$4.13	\$4.27	\$3.85	\$4.11	\$4.26	\$4.30
Avg. Shares O/S	7.7	7.3	6.9	7.6	7.7	7.7	7.6	7.5	7.3	7.2	7.1	7.0	6.9	6.8	6.7
Earnings Per Share (EPS)	\$1.76	\$2.18	\$2.40	\$0.25	\$0.53	\$0.52	\$0.46	\$0.48	\$0.53	\$0.57	\$0.60	\$0.55	\$0.59	\$0.62	\$0.64
Per Share Data:															
Reported Book Value	\$25.52	\$27.14	\$29.30	\$23.67	\$24.17	\$24.81	\$25.52	\$25.63	\$26.09	\$26.60	\$27.14	\$27.62	\$28.15	\$28.72	\$29.30
Tangible Book Value	\$25.52	\$27.14	\$29.30	\$23.67	\$24.17	\$24.81	\$25.52	\$25.63	\$26.09	\$26.60	\$27.14	\$27.62	\$28.15	\$28.72	\$29.30
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	\$3.52	\$3.84	\$0.41	\$0.73	\$0.77	\$0.69	\$0.79	\$0.87	\$0.92	\$0.95	\$0.88	\$0.94	\$1.00	\$1.02
CORE GAAP EPS	\$1.82	\$2.25	\$2.40	\$0.25	\$0.54	\$0.57	\$0.46	\$0.55	\$0.53	\$0.57	\$0.60	\$0.55	\$0.59	\$0.62	\$0.64
KEY Ratios:															
Net Interest Margin	3.39%	3.49%	3.50%	3.30%	3.49%	3.42%	3.36%	3.47%	3.49%	3.50%	3.51%	3.49%	3.50%	3.51%	3.51%
CORE Return on Avg Assets	0.81%	0.83%	0.84%	0.47%	0.78%	0.85%	0.75%	0.77%	0.81%	0.84%	0.86%	0.80%	0.84%	0.84%	0.85%
Pre-Tax Pre-Provision ROA	0.97%	1.18%	1.19%	0.60%	1.05%	1.10%	0.97%	1.11%	1.16%	1.19%	1.21%	1.14%	1.17%	1.20%	1.20%
Efficiency Ratio	71.9%	66.8%	66.8%	82.0%	65.5%	70.1%	71.1%	68.2%	67.0%	66.2%	65.9%	68.0%	67.1%	66.1%	66.2%
Overhead Ratio	2.50%	2.37%	2.40%	2.69%	2.43%	2.39%	2.39%	2.34%	2.36%	2.35%	2.35%	2.38%	2.38%	2.37%	2.37%
TCE Ratio	8.6%	8.2%	8.0%	8.2%	8.8%	9.0%	8.6%	8.4%	8.4%	8.3%	8.2%	8.2%	8.1%	8.0%	8.0%
Period-End Balances: (\$Mil.)															
Earning Assets	\$2,088	\$2,164	\$2,220	\$2,120	\$1,979	\$1,998	\$2,088	\$2,101	\$2,131	\$2,150	\$2,164	\$2,175	\$2,188	\$2,206	\$2,220
Total Assets	\$2,213	\$2,323	\$2,438	\$2,223	\$2,115	\$2,125	\$2,213	\$2,223	\$2,257	\$2,297	\$2,323	\$2,334	\$2,369	\$2,412	\$2,438
Net Loans	\$1,842	\$1,926	\$1,997	\$1,812	\$1,767	\$1,788	\$1,842	\$1,851	\$1,886	\$1,909	\$1,926	\$1,939	\$1,956	\$1,979	\$1,997
Total Deposits	\$1,899	\$1,992	\$2,066	\$1,908	\$1,799	\$1,811	\$1,899	\$1,915	\$1,951	\$1,975	\$1,992	\$2,006	\$2,023	\$2,048	\$2,066
Intangibles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Common Equity	\$191	\$191	\$195	\$182	\$186	\$191	\$191	\$188	\$189	\$190	\$191	\$192	\$193	\$194	\$195

Source: Brean Research, S&P Capital IQ

Alternative Bank Stocks: MNSB Valuation vs Nearby Financial Institutions In DC-MD-VA-PA

04-21-26

** FDIC data 12/31 **

Co. Name	Ticker	Stock Price	Market Cap. (\$M)	Dividend Yield (%)	P-to-TBV	ROA:	ROA:	P/E 2026	P/E 2027	% LOANS	CUM ABSORPTION		FUNDING	CRE "all in"	C&I focus
						2026 est.	2027 est.	RESERVES (%, all-in)	PPNR post div: next 24-Mth, % Loans	24-Month Losses % (2026 to 2027)	Advantage: Funding vs FedFunds (3.64%)	(% Loans)	(% Loans)		
Bank Peers															
MainStreet Bcshs	MNSB	\$23.52	\$167	1.70	92%	0.82	0.84	11.1x	10.0x	1.06	2.1		(0.64)	83%	4%
Atlantic Union Bkshs Corp.	AUB	\$37.56	\$5,373	3.94	188%	1.40	1.40	10.1x	9.4x	1.16	3.8	0.26	(1.62)	56%	19%
Burke & Herbert Finl Svcs Corp	BHRB	\$64.58	\$971	3.41	126%	1.51	1.56	7.9x	7.3x	1.32	6.4	0.22	(1.58)	70%	8%
Carter Bankshares	CARE	\$24.44	\$542	0.00	129%	1.90	1.05	4.5x	9.8x	1.92	6.9	0.18	(1.39)	70%	5%
Chain Bridge Bancorp Inc.	CBNA	\$35.81	\$235	NA	139%	1.39	1.15	8.6x	10.7x	1.49	23.5	0.00	(3.29)	19%	1%
Capital Bancorp Inc.	CBNK	\$31.59	\$515	1.52	143%	1.48	1.45	9.4x	8.6x	1.89	5.6	0.99	(1.22)	50%	24%
Eagle Financial Services Inc.	EFSI	\$39.07	\$209	3.17	111%	0.99	1.04	10.8x	10.4x	1.04	2.7	0.37	(1.66)	52%	15%
Eagle Bancorp Inc	EGBN	\$27.46	\$837	0.15	74%	0.48	0.75	16.9x	10.3x	2.26	3.4	1.66	(0.60)	75%	13%
Freedom Finl Holdings Inc.	FDVA	\$12.00	\$85	NA	99%	NA	NA	na	na	na			(0.62)	47%	22%
Primis Financial Corp.	FRST	\$14.00	\$346	2.86	105%	0.91	1.07	9.1x	7.3x	1.43	2.9	0.32	(1.10)	39%	16%
Fulton Financial Corp.	FULT	\$21.86	\$4,204	3.48	147%	1.18	1.28	10.3x	9.4x	1.57	3.6	0.42	(1.67)	41%	12%
FVCBankcorp Inc.	FVCB	\$15.44	\$278	1.81	112%	1.12	1.19	10.8x	9.7x	1.00	3.2	0.14	(0.88)	61%	22%
First National Corp.	FXNC	\$28.66	\$259	2.37	152%	1.05	1.07	12.0x	11.4x	1.02	3.3	0.37	(2.30)	53%	8%
John Marshall Bancorp Inc.	JMSB	\$21.24	\$300	1.69	114%	1.03	1.16	12.1x	10.5x	1.00	2.8	0.10	(1.06)	71%	3%
M&T Bank Corp.	MTB	\$218.90	\$32,160	2.74	189%	1.30	1.32	11.7x	10.5x	1.62	4.9	0.78	(1.91)	24%	24%
Potomac Bancshares Inc.	PTBS	\$20.06	\$83	2.59	101%	NA	NA	na	na	na			(1.91)	54%	10%
Truist Financial Corp.	TFC	\$51.07	\$63,627	4.07	154%	1.03	1.07	11.3x	10.0x	1.63	3.7	1.10	(1.71)	16%	23%
TowneBank	TOWN	\$35.65	\$3,248	3.03	163%	1.44	1.51	10.2x	9.2x	1.10	3.7	0.14	(1.95)	58%	10%
United Bankshares Inc.	UBSI	\$43.61	\$6,091	3.49	177%	1.44	1.44	12.4x	11.6x	1.34	3.7	0.31	(1.59)	57%	10%
WesBanco Inc.	WSBC	\$35.73	\$3,435	4.25	159%	1.28	1.34	9.7x	8.7x	1.18	3.5	0.29	(1.61)	55%	12%

Source: Brean Research, S&P Capital IQ

Highlighted Disclosure: MNSB Increased the Top End of its Loan Growth Guidance to 5%



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

2026 expectations

- Forward looking expense run rate to stay under \$13 million per quarter through remainder of the year.
- Loan growth for 2026 expected to be between 3% and 5%.



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Source: Brean Research, Company SEC 8-K filing

Highlighted Disclosure: *Deposit Costs Continue to Decrease*

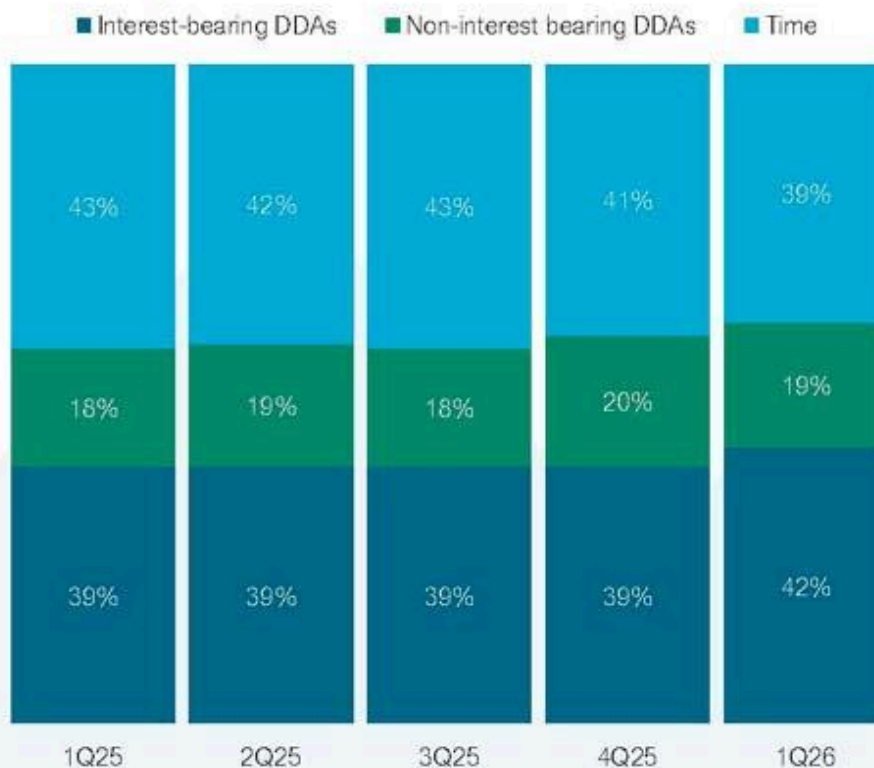
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decrease in deposit cost year-on-year



Our market's clients are sophisticated and financially astute which translates to a higher cost of deposits. We continue to focus on building relationships that maximize our returns.

Optimizing funding costs within a competitive market



Cost of Total Deposits	3.45%	3.24%	3.20%	3.00%	2.81%
Total Deposits (\$000)	\$1,908,325	\$1,798,547	\$1,810,835	\$1,899,184	\$1,914,725



Source: Brean Research, Company SEC 8-K filing

Highlighted Disclosure: Relationships in Nonaccrual Status Increased +3 Q/Q to 10 Total

Positive outcomes for nonaccrual and work-out loans expected to continue

	Classified Loans	Nonaccrual Loans	OREO
Relationships	8	10	1
Balances	\$57.8 million	\$53.8 million	\$1.1 million
As a % of Gross Loans	3.09%	2.88%	0.06%

Nonaccrual loans

	millions	Probable Outcome
Relationship A	\$20.9	Properties in process of orderly liquidation. Nominal-to-no principal loss anticipated
Relationship B	\$14.9	Pursuing liquidation with strong guarantor recourse
Remaining 8 relationships	\$18.0	Pursuing liquidation or credit upgrade. Nominal principal loss anticipated
Total	\$53.8	



IMPORTANT DISCLOSURES

Valuation and Risks

MNSB

Our price target is derived by applying a multiple on both forward EPS and tangible book value (TBV) estimates in the next year. Brean 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.

Brean Capital LLC ("Brean") Equity Research Disclosure Legend

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Brean Capital 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, Brean Capital's profitability, which includes its investment banking revenues.

Definition of Ratings

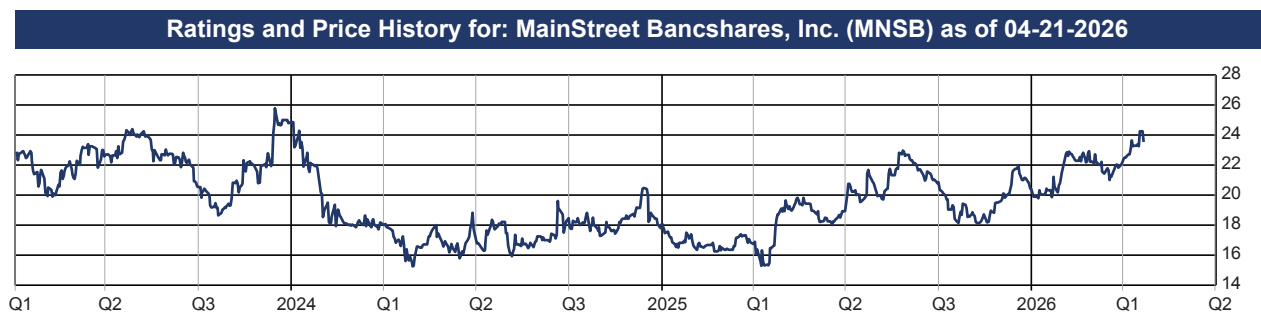
BUY: Brean Capital LLC expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

NEUTRAL: Brean Capital LLC 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: Brean Capital LLC expects that the subject company will likely decline in value and will underperform comparable companies within its sector.

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Price Charts



Created by: BlueMatrix

Brean Capital Ratings Distribution as of 2-1-2026

IB Serv./Past 12 Mos.*

Rating	Count	Percent	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 Brean Capital has performed Investment Banking services over the past 12 months.

Other Disclosures

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