

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): October 16, 2018**

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**BANKFINANCIAL CORPORATION**

(Exact Name of Registrant as Specified in Charter)

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**Maryland**  
(State or Other Jurisdiction  
of Incorporation)

**0-51331**  
(Commission  
File No.)

**75-3199276**  
(I.R.S. Employer  
Identification No.)

**15W060 North Frontage Road, Burr Ridge, Illinois**  
(Address of Principal Executive Offices)

**60527**  
(Zip Code)

**Registrant's telephone number, including area code: (800) 894-6900**

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Regulation FD Disclosure**

On October 16, 2018, BankFinancial Corporation (Nasdaq – BFIN) issued a press release announcing the results for the third quarter and nine-months ending September 30, 2018 and issued the Third Quarter 2018 Quarterly Financial and Statistical Supplement for the latest five quarters. The press release and Quarterly Financial and Statistical Supplement are included as Exhibits 99.1 and 99.2 to this report.

BankFinancial Corporation (the “Company”) will review third quarter 2018 results in a conference call and webcast for stockholders and analysts on Thursday, October 18, 2018 at 9:30 a.m. Chicago, Illinois Time.

The conference call may be accessed by calling (844) 413-1780 using participant passcode 9859628. The conference call will be simultaneously webcast at [www.bankfinancial.com](http://www.bankfinancial.com), “Investor Relations” page.

**Item 901 Financial Statements and Exhibits.**

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Not Applicable.
- (d) Exhibits.

**Exhibit No.    Description**

[99.1](#) Press Release dated October 16, 2018

[99.2](#) Quarterly Financial and Statistical Supplement

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

**BANKFINANCIAL CORPORATION**

Dated: October 16, 2018

By: /s/ F. Morgan Gasior  
F. Morgan Gasior  
Chairman of the Board, Chief Executive Officer and President



**FOR IMMEDIATE RELEASE**

**BankFinancial Corporation Reports Financial Results for the Third Quarter 2018 and  
Will Host Conference Call and Webcast on Thursday, October 18, 2018**

**Burr Ridge, Illinois** - (October 16, 2018) BankFinancial Corporation (Nasdaq - BFIN) (the "Company") announced today that the Company reported net income of \$3.7 million, or \$0.22 per common share, for the three months ended September 30, 2018, compared to net income of \$3.6 million, or \$0.20 per common share, for the three months ended September 30, 2017. The Company reported net income of \$11.9 million, or \$0.68 per common share, for the nine months ended September 30, 2018, compared to \$8.0 million, or \$0.44 per common share, for the nine months ended September 30, 2017.

For the third quarter of 2018, commercial and industrial loans increased by \$3.6 million (2.2%) and multi-family residential real estate loans increased by \$10.0 million (1.7%), compared to June 30, 2018. Commercial leases decreased by \$19.5 million (6.1%), primarily due to the scheduled amortization of lower-yielding investment-grade leases in excess of investment-grade lease originations. Residential and commercial real estate loan balances declined due to portfolio amortization and prepayments.

The Company's asset quality remained favorable. The ratio of nonperforming loans to total loans was 0.12% and the ratio of non-performing assets to total assets was 0.16% at September 30, 2018. Non-performing commercial-related loans represented 0.01% of total commercial-related loans.

Retail and commercial core transaction deposit accounts were stable with some seasonal fluctuations. Retail certificate of deposit accounts increased by \$23.2 million (9.2%) to provide greater interest rate risk protection compared to retail money market deposit accounts given current and anticipated market conditions. Money market deposit accounts declined by \$15.4 million (5.5%) primarily due to our interest rate risk management practices and moderate competitive posture. Total wholesale deposits and borrowings declined by \$31.7 million (22.1%) during the third quarter of 2018. The Company's liquid assets exceeded 12% of total assets at September 30, 2018.

The average yield on our loan and lease portfolio at September 30, 2018 was 4.43%, compared to an average loan and lease portfolio yield of 4.34% at June 30, 2018. The average yield on our securities portfolio was 2.20% at September 30, 2018, compared to an average yield of 2.04% at June 30, 2018. The total average cost of funds was 0.72%, compared to the total average cost of funds of 0.61% at June 30, 2018. Our net interest margin expanded to 3.51% at September 30, 2018, compared to 3.49% at June 30, 2018.

The Company's capital position remained strong with a Tier 1 leverage ratio of 12.06%. During the third quarter of 2018, the Company increased its quarterly dividend rate by 11.1% to \$0.10 per share and repurchased 254,785 common shares, which represented 1.5% of the common shares that were outstanding at June 30, 2018. The Company's tangible book value per share increased in the third quarter of 2018 by 0.4% to \$11.16 per share.

"Our third quarter 2018 financial results reflect our continued successful execution of key business plan objectives, including the expansion of our commercial and industrial loan portfolio, maintaining strong asset quality, prudent interest rate risk and liquidity management, and improving our overall efficiency. We look forward to further enhancements to these positive trends during the remainder of 2018," said F. Morgan Gasior, the Chairman and CEO of the Company.

The Company's Quarterly Financial and Statistical Supplement will be available today on BankFinancial's website, [www.bankfinancial.com](http://www.bankfinancial.com) on the "Stockholder Information" page, and through the EDGAR database on the SEC's website, [www.sec.gov](http://www.sec.gov). The Quarterly Financial and Statistical Supplement includes comparative GAAP and non-GAAP performance data and financial measures for the most recent five quarters.

BankFinancial's management will review third quarter 2018 results in a conference call and webcast for stockholders and analysts on Thursday, October 18, 2018 at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (844) 413-1780 using participant passcode 9859628. The conference call will be simultaneously webcast at [www.bankfinancial.com](http://www.bankfinancial.com), "Investor Relations" page. For those unable to participate in the conference call, the webcast will be archived through Thursday, November 1, 2018 on our website.

BankFinancial Corporation is the holding company for BankFinancial, NA, a national bank providing financial services to individuals, families and businesses through 19 full-service banking offices, located in Cook, DuPage, Lake and Will Counties, Illinois and to selected commercial loan and deposit customers on a regional or national basis. BankFinancial Corporation's common

stock trades on the Nasdaq Global Select Market under the symbol BFIN. Additional information may be found at the company's website, [www.bankfinancial.com](http://www.bankfinancial.com).

This release includes “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. A variety of factors could cause BankFinancial’s actual results to differ from those expected at the time of this release. For a discussion of some of the factors that may cause actual results to differ from expectations, please refer to BankFinancial’s most recent Annual Report on Form 10-K as filed with the SEC, as supplemented by subsequent filings with the SEC. Investors are urged to review all information contained in these reports, including the risk factors discussed therein. Copies of these filings are available at no cost on the SEC’s web site at [www.sec.gov](http://www.sec.gov) or on BankFinancial’s web site at [www.bankfinancial.com](http://www.bankfinancial.com). Forward looking statements speak only as of the date they are made, and we do not undertake to update them to reflect changes.

**For Further Information Contact:**

Shareholder, Analyst and Investor Inquiries:	Media Inquiries:
Elizabeth A. Doolan	Gregg T. Adams
Senior Vice President – Finance	President – Marketing & Sales
BankFinancial Corporation	BankFinancial, NA
Telephone: 630-242-7151	Telephone: 630-242-7234

**BANKFINANCIAL CORPORATION**

**THIRD QUARTER 2018**

**QUARTERLY FINANCIAL AND STATISTICAL SUPPLEMENT**

**FOR THE LATEST FIVE QUARTERS**

Note: Certain reclassifications have been made in the prior period's financial statements and reflected in the Selected Quarterly Financial and Statistical Data tables to conform to the current period's presentation.

The information and statistical data contained herein have been prepared by BankFinancial Corporation and have been derived or calculated from selected quarterly and period-end historical financial statements prepared in accordance with accounting principles generally accepted in the United States. BankFinancial Corporation is under no obligation to update, keep current, or continue to provide the information contained herein. This information is provided solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or establish any business relationships with BankFinancial Corporation or its subsidiary.

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**  
(Dollars in thousands; except per share) – (Unaudited)

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>PERFORMANCE MEASUREMENTS</b>					
Return on assets (ratio of net income to average total assets) <sup>(1)</sup>	0.97%	1.18%	0.90%	0.24%	0.88%
Return on equity (ratio of net income to average equity) <sup>(1)</sup>	7.68	9.39	7.13	1.97	7.07
Net interest rate spread <sup>(1)</sup>	3.30	3.31	3.38	3.26	3.10
Net interest margin <sup>(1)</sup>	3.51	3.49	3.53	3.41	3.23
Efficiency ratio	64.84	63.55	68.40	62.37	72.19
Noninterest expense to average total assets <sup>(1)</sup>	2.45	2.61	2.52	2.28	2.51
Average interest-earning assets to average interest-bearing liabilities	133.23	133.62	132.29	131.68	131.23
Number of full service offices	19	19	19	19	19
Employees (full time equivalents) <sup>(2)</sup>	245	250	237	236	238
<b>SUMMARY STATEMENT OF FINANCIAL CONDITION</b>					
<b>ASSETS</b>					
Cash and due from other financial institutions	\$ 12,473	\$ 11,738	\$ 10,613	\$ 13,572	\$ 10,620
Interest-bearing deposits in other financial institutions	74,461	80,457	81,963	114,020	115,041
Securities, at fair value	103,921	112,452	102,661	93,383	98,787
Loans receivable, net	1,267,787	1,287,823	1,277,553	1,314,651	1,335,631
Other real estate owned, net	985	1,187	1,802	2,351	3,569
Stock in Federal Home Loan Bank and Federal Reserve Bank, at cost	8,026	8,311	8,290	8,290	8,290
Premises held-for-sale	—	—	5,581	5,667	—
Premises and equipment, net	24,473	24,441	24,628	24,856	30,774
Intangible assets	123	143	164	286	408
Bank owned life insurance	18,781	18,746	22,925	22,859	22,790
Deferred taxes	8,911	10,199	11,363	12,563	20,214
Other assets	12,543	12,001	12,386	13,060	8,145
<b>Total assets</b>	<b>\$ 1,532,484</b>	<b>\$ 1,567,498</b>	<b>\$ 1,559,929</b>	<b>\$ 1,625,558</b>	<b>\$ 1,654,269</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Deposits	\$ 1,295,770	\$ 1,295,853	\$ 1,278,007	\$ 1,340,051	\$ 1,371,089
Borrowings	21,232	50,901	60,983	60,768	60,928
Other liabilities	23,399	26,516	22,587	27,105	22,474
Total liabilities	1,340,401	1,373,270	1,361,577	1,427,924	1,454,491
Stockholders' equity	192,083	194,228	198,352	197,634	199,778
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,532,484</b>	<b>\$ 1,567,498</b>	<b>\$ 1,559,929</b>	<b>\$ 1,625,558</b>	<b>\$ 1,654,269</b>

(1) Annualized

(2) Second quarter 2018 full time equivalents employees include summer interns. These employees typically work from May through August.

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**  
(Dollars in thousands; except per share) – (Unaudited)

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>SUMMARY STATEMENT OF OPERATIONS</b>					
Total interest income	\$ 15,373	\$ 15,020	\$ 14,748	\$ 15,047	\$ 14,121
Total interest expense	2,408	2,039	1,727	1,742	1,615
Net interest income before provision (recovery)	12,965	12,981	13,021	13,305	12,506
Provision for (recovery of) loan losses	(23)	23	(258)	(72)	(225)
Net interest income	12,988	12,958	13,279	13,377	12,731
Noninterest income	1,570	3,094	1,539	1,634	1,623
Noninterest expense	9,425	10,215	9,959	9,318	10,200
Income before income tax	5,133	5,837	4,859	5,693	4,154
Income tax expense <sup>(1)</sup>	1,396	1,207	1,300	4,702	594
Net income	\$ 3,737	\$ 4,630	\$ 3,559	\$ 991	\$ 3,560
Basic earnings per common share	\$ 0.22	\$ 0.26	\$ 0.20	\$ 0.06	\$ 0.20
Diluted earnings per common share	\$ 0.22	\$ 0.26	\$ 0.20	\$ 0.06	\$ 0.20

**NONINTEREST INCOME AND EXPENSE**

**Noninterest Income**

Deposit service charges and fees	\$ 1,003	\$ 989	\$ 978	\$ 989	\$ 1,018
Loan fee income	71	90	70	114	89
Commercial mortgage brokerage fees	12	85	41	—	—
Residential mortgage banking fees	34	24	30	43	41
Loss on sales of equity securities	—	(14)	—	—	—
Gain on disposition of premises and equipment	—	93	—	—	—
Trust insurance commissions and annuities income	207	250	213	267	210
Earnings on bank owned life insurance	35	45	66	69	67
Bank-owned life insurance death benefit	—	1,389	—	—	—
Other	208	143	141	152	198
<b>Total noninterest income</b>	<b>\$ 1,570</b>	<b>\$ 3,094</b>	<b>\$ 1,539</b>	<b>\$ 1,634</b>	<b>\$ 1,623</b>

**Noninterest Expense**

Compensation and benefits	\$ 5,120	\$ 5,790	\$ 5,322	\$ 4,975	\$ 5,330
Office occupancy and equipment	1,629	1,662	1,731	1,709	1,693
Advertising and public relations	194	274	143	197	167
Information technology	717	708	641	673	638
Supplies, telephone, and postage	341	396	333	339	337
Amortization of intangibles	20	21	122	122	123
Nonperforming asset management	60	51	202	125	84
Loss (gain) on sales of other real estate owned	(12)	47	21	(55)	69
Valuation adjustments of other real estate owned	1	1	25	32	227
Operations of other real estate owned	70	87	115	85	107
FDIC insurance premiums	115	104	119	125	150
Other	1,170	1,074	1,185	991	1,275
<b>Total noninterest expense</b>	<b>\$ 9,425</b>	<b>\$ 10,215</b>	<b>\$ 9,959</b>	<b>\$ 9,318</b>	<b>\$ 10,200</b>

(1) 2017 Q4 income tax expense includes valuation of \$2.5 million related to Tax Cuts and Jobs Act of 2017.



**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**  
(Dollars in thousands; except per share) – (Unaudited)

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>LOANS</b>					
One-to-four family residential real estate	\$ 77,591	\$ 84,048	\$ 92,056	\$ 97,814	\$ 105,186
Multi-family mortgage	581,880	571,886	578,144	588,383	576,425
Nonresidential real estate	148,010	155,627	163,856	169,971	176,301
Construction and land	1,130	1,316	1,328	1,358	2,827
Commercial loans	167,547	163,925	162,564	152,552	147,079
Commercial leases	297,103	316,555	285,222	310,076	333,120
Consumer	1,416	1,469	1,494	1,597	1,747
	1,274,677	1,294,826	1,284,664	1,321,751	1,342,685
Net deferred loan origination costs	1,213	1,176	1,230	1,266	1,320
Allowance for loan losses	(8,103)	(8,179)	(8,341)	(8,366)	(8,374)
<b>Loans, net</b>	\$ 1,267,787	\$ 1,287,823	\$ 1,277,553	\$ 1,314,651	\$ 1,335,631
<b>LOAN ORIGINATIONS <sup>(1)</sup></b>					
One-to-four family residential real estate	\$ 1,290	\$ 987	\$ 964	\$ 1,103	\$ 1,654
Multi-family mortgage	31,633	21,838	14,339	26,830	40,695
Nonresidential real estate	1,166	1,310	2,011	2,311	2,462
Construction and land	—	—	—	—	646
Commercial loans	164,974	164,048	150,804	100,667	90,617
Commercial leases	27,296	77,744	20,771	42,700	27,199
Consumer	695	672	584	781	1,002
	\$ 227,054	\$ 266,599	\$ 189,473	\$ 174,392	\$ 164,275
<b>Weighted average rate</b>	5.96%	5.62%	5.61%	5.12%	4.77%
<b>LOAN PAYMENTS and PAYOFFS <sup>(2)</sup></b>					
One-to-four family residential real estate	\$ 7,135	\$ 8,959	\$ 6,453	\$ 7,611	\$ 11,931
Multi-family mortgage	19,804	27,911	24,524	14,998	19,966
Nonresidential real estate	8,890	9,499	8,148	9,577	3,658
Construction and land	184	15	31	31	67
Commercial loans	161,359	162,544	140,449	94,996	71,481
Commercial leases	46,885	47,417	45,790	65,707	57,061
Consumer	762	704	631	732	1,159
	\$ 245,019	\$ 257,049	\$ 226,026	\$ 193,652	\$ 165,323
<b>Weighted average rate</b>	5.56%	5.28%	4.97%	4.67%	4.30%

(1) Loan originations include purchased loans, draws on revolving lines of credit and exclude loan renewals.

(2) Loan payments and payoffs exclude loan renewals.

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**  
(Dollars in thousands; except per share) – (Unaudited)

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>CREDIT QUALITY:</b>					
<b>Nonperforming Assets:</b>					
Nonaccrual loans:					
One-to-four family residential real estate	\$ 1,369	\$ 1,538	\$ 1,589	\$ 2,027	\$ 2,234
Multi-family mortgage	102	92	369	363	371
Consumer loans	—	6	—	—	—
Nonaccrual loans	1,471	1,636	1,958	2,390	2,605
Other real estate owned:					
One-to-four family residential real estate	634	833	935	827	1,748
Multi-family real estate	276	276	—	—	—
Nonresidential real estate	74	74	863	1,520	1,551
Land	1	4	4	4	270
Other real estate owned	985	1,187	1,802	2,351	3,569
<b>Nonperforming assets</b>	<b>\$ 2,456</b>	<b>\$ 2,823</b>	<b>\$ 3,760</b>	<b>\$ 4,741</b>	<b>\$ 6,174</b>
<b>Asset Quality Ratios</b>					
Nonperforming assets to total assets	0.16%	0.18%	0.24%	0.29%	0.37%
Nonperforming loans to total loans	0.12	0.13	0.15	0.18	0.19
Nonperforming commercial-related loans to total commercial-related loans <sup>(1)</sup>	0.01	0.01	0.03	0.03	0.03
Nonperforming residential and consumer loans to total residential and consumer loans	1.73	1.81	1.70	2.04	2.09
Allowance for loan losses to nonperforming loans	550.85	499.94	426.00	350.04	321.46
<b>Concentrations of Credit</b>					
Commercial Real Estate for FFIEC Concentration Limits	\$ 697,843	\$ 694,555	\$ 706,488	\$ 721,587	\$ 723,797
% FFIEC Total Capital	378.64%	378.45%	370.18%	382.64%	392.91%
Multi-family mortgage loans - 50% risk based capital qualified (included above)					
	\$ 357,947	\$ 299,138	\$ 353,686	\$ 365,713	\$ 330,181
% FFIEC Total Capital	194.22%	162.99%	185.32%	193.93%	179.24%
Commercial Leases - Investment Grade	\$ 181,131	\$ 197,746	\$ 186,052	\$ 207,460	\$ 230,931
Commercial Leases - Other	115,972	118,809	99,170	102,616	102,189

(1) Commercial-related loans include Multi-family mortgage, Nonresidential, Construction, Land and Commercial loans and Leases.

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**  
(Dollars in thousands; except per share) – (Unaudited)

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>SUBSTANDARD PERFORMING LOANS</b>					
One-to-four family residential real estate	\$ 409	\$ 295	\$ 362	\$ 295	\$ 297
Multi-family mortgage	310	218	222	225	480
Nonresidential real estate	99	100	149	154	162
Commercial loans	4,699	3,820	2,258	2,248	982
Consumer	10	1	—	—	—
	<u>\$ 5,527</u>	<u>\$ 4,434</u>	<u>\$ 2,991</u>	<u>\$ 2,922</u>	<u>\$ 1,921</u>
<b>ALLOWANCE FOR LOAN LOSSES</b>					
Beginning balance	\$ 8,179	\$ 8,341	\$ 8,366	\$ 8,374	\$ 8,122
Charge offs:					
One-to-four family residential real estate	(84)	(33)	(97)	(36)	(89)
Multi-family mortgage	—	(35)	—	—	(7)
Commercial loans	—	(140)	—	—	—
Consumer	(6)	(1)	—	(3)	(7)
	<u>(90)</u>	<u>(209)</u>	<u>(97)</u>	<u>(39)</u>	<u>(103)</u>
Recoveries:					
One-to-four family residential real estate	25	6	99	45	15
Multi-family mortgage	8	10	8	8	11
Nonresidential real estate	—	—	—	7	10
Construction and land loans	2	—	—	—	—
Commercial loans	2	2	223	42	542
Commercial leases	—	5	—	—	2
Consumer	—	1	—	1	—
	<u>37</u>	<u>24</u>	<u>330</u>	<u>103</u>	<u>580</u>
Net (charge-offs) recoveries	(53)	(185)	233	64	477
Provision for (recovery of ) loan losses	(23)	23	(258)	(72)	(225)
Ending balance	<u>\$ 8,103</u>	<u>\$ 8,179</u>	<u>\$ 8,341</u>	<u>\$ 8,366</u>	<u>\$ 8,374</u>
Allowance for loan losses to total loans	0.64 %	0.63 %	0.65%	0.63%	0.62%
Net (charge-off) recovery ratio <sup>(1)</sup>	(0.02)	(0.06)	0.07	0.02	0.14

(1) Annualized

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**  
(Dollars in thousands; except per share) – (Unaudited)

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>DEPOSITS</b>					
Noninterest-bearing demand	\$ 225,446	\$ 229,717	\$ 232,593	\$ 234,354	\$ 231,049
Interest-bearing NOW accounts	283,561	281,603	283,311	289,657	283,411
Money market accounts	266,070	281,493	290,575	299,581	301,905
Savings deposits	155,232	158,731	160,093	160,501	158,696
Certificates of deposits - retail	275,160	251,974	232,910	224,401	219,478
Certificates of deposits - wholesale	90,301	92,335	78,525	131,557	176,550
	<u>\$ 1,295,770</u>	<u>\$ 1,295,853</u>	<u>\$ 1,278,007</u>	<u>\$ 1,340,051</u>	<u>\$ 1,371,089</u>

**SELECTED AVERAGE BALANCES**

Total average assets	\$ 1,540,522	\$ 1,565,996	\$ 1,581,833	\$ 1,637,309	\$ 1,624,437
Total average interest-earning assets	1,463,404	1,492,824	1,496,682	1,549,746	1,535,843
Average loans	1,274,788	1,291,339	1,294,387	1,330,276	1,331,302
Average securities	113,234	107,384	103,928	95,065	108,050
Average stock in FHLB & FRB	8,125	8,411	8,289	8,290	8,290
Average other interest-earning assets	67,257	85,690	90,078	116,115	88,201
Total average interest-bearing liabilities	1,098,424	1,117,188	1,131,372	1,176,898	1,170,322
Average interest-bearing deposits	1,059,929	1,055,228	1,070,635	1,116,057	1,112,210
Average borrowings	38,495	61,960	60,737	60,841	58,112
Average stockholders' equity	194,745	197,314	199,672	201,604	201,420

**SELECTED YIELDS AND COST OF FUNDS <sup>(1)</sup>:**

Total average interest-earning assets	4.17%	4.04%	4.00%	3.85%	3.65%
Average loans	4.43	4.34	4.33	4.22	3.98
Average securities	2.20	2.04	1.81	1.58	1.43
Average other interest-earning assets	2.28	1.81	1.62	1.60	1.29
Total average interest-bearing liabilities	0.87	0.73	0.62	0.59	0.55
Average interest-bearing deposits	0.85	0.70	0.58	0.55	0.51
Average borrowings	1.34	1.36	1.35	1.35	1.34
Average cost of total deposits	0.70	0.57	0.48	0.45	0.42
Average cost of funds	0.72	0.61	0.52	0.49	0.46
Net interest rate spread	3.30	3.31	3.38	3.26	3.10
Net interest margin	3.51	3.49	3.53	3.41	3.23

(1) Annualized

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**  
(Dollars in thousands; except per share) – (Unaudited)

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>CAPITAL RATIOS</b>					
<b>BankFinancial Corporation</b>					
Equity to total assets (end of period)	12.53%	12.39%	12.72%	12.16%	12.08%
Tangible equity to tangible total assets (end of period)	12.53	12.38	12.71	12.14	12.05
Risk-based total capital ratio	17.40	16.73	17.72	17.06	16.43
Common Tier 1 (CET1)	16.67	16.02	16.98	16.33	15.71
Risk-based tier 1 capital ratio	16.67	16.02	16.98	16.33	15.71
Tier 1 leverage ratio	12.06	11.93	12.03	11.49	11.36
Tier 1 capital	\$ 185,015	\$ 185,836	\$ 189,152	\$ 187,005	\$ 182,683
<b>BankFinancial, NA</b>					
Risk-based total capital ratio	16.61%	15.83%	17.13%	16.48%	15.85%
Common Tier 1 (CET1)	15.88	15.12	16.38	15.74	15.13
Risk-based tier 1 capital ratio	15.88	15.12	16.38	15.74	15.13
Tier 1 leverage ratio	11.49	11.26	11.60	11.08	10.94
Tier 1 capital	\$ 176,199	\$ 175,349	\$ 182,464	\$ 180,216	\$ 175,838
<b>COMMON STOCK AND DIVIDENDS</b>					
Stock Prices:					
Close	\$ 15.94	\$ 17.65	\$ 16.98	\$ 15.34	\$ 15.89
High	18.08	18.62	17.20	17.00	16.89
Low	15.32	15.07	15.07	14.79	14.66
Common shares outstanding	17,206,303	17,461,088	17,877,223	17,958,723	18,063,623
Book value per share	\$ 11.16	\$ 11.12	\$ 11.10	\$ 11.00	\$ 11.06
Tangible book value per share	\$ 11.16	\$ 11.12	\$ 11.09	\$ 10.99	\$ 11.04
Cash dividends declared on common stock	\$ 0.10	\$ 0.09	\$ 0.08	\$ 0.08	\$ 0.07
Dividend payout ratio	46.65%	34.20%	40.35%	145.59%	35.69%
Stock repurchases	\$ 4,103	\$ 7,167	\$ 1,323	\$ 1,671	\$ 2,581
Stock repurchases – shares	254,785	415,889	81,500	104,900	166,237
<b>EARNINGS PER SHARE COMPUTATIONS</b>					
Net income	\$ 3,737	\$ 4,630	\$ 3,559	\$ 991	\$ 3,560
Average common shares outstanding	17,365,679	17,634,190	17,931,579	18,017,708	18,140,599
Unvested restricted stock shares	—	(375)	(940)	(940)	(940)
Weighted average common shares outstanding	17,365,679	17,633,815	17,930,639	18,016,768	18,139,659
Plus: Dilutive common shares equivalents	—	—	461	461	450
Weighted average dilutive common shares outstanding	17,365,679	17,633,815	17,931,100	18,017,229	18,140,109
Basic earnings per common share	\$ 0.22	\$ 0.26	\$ 0.20	\$ 0.06	\$ 0.20
Diluted earnings per common share	\$ 0.22	\$ 0.26	\$ 0.20	\$ 0.06	\$ 0.20

**BANKFINANCIAL CORPORATION**  
**NON-GAAP FINANCIAL MEASURES**

BankFinancial Corporation, a Maryland corporation (“the Company”) utilizes a number of different financial measures, both GAAP and non-GAAP, in making operating, budgeting and planning decisions for future periods. Generally, a non-GAAP financial measure is a numerical measure of a company’s performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States, or GAAP. The Company believes that the use of the non-GAAP financial measures described below provides the Board of Directors and management, and may provide some investors, with a more complete understanding of the Company’s operating results and trends, and facilitate comparisons to historical and peer performance. The Company’s non-GAAP financial measures should be considered supplemental in nature and should not be considered in isolation, or as superior to or a substitute for, financial measures that are prepared in accordance with GAAP. In addition, the Company’s non-GAAP financial measures may differ from similar non-GAAP financial measures that are used by other companies, thus limiting their usefulness as a comparative tool.

These measures include pre-tax pre-provision earnings from adjusted operations and pre-tax pre-provision earnings from adjusted operations to average total assets. Management believes that by excluding equity-based compensation expense, other real estate owned related income and expense items and nonperforming asset management expenses from noninterest expense, these measures better reflect our adjusted operating performance.

**BANKFINANCIAL CORPORATION**  
**NON-GAAP FINANCIAL MEASURES**  
(Dollars in thousands, except per share) - (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Pre-tax pre-provision earnings from adjusted operations</b>				
Income before income taxes	\$ 5,133	\$ 4,154	\$ 15,829	\$ 10,501
Recovery of loan losses	(23)	(225)	(258)	(15)
	5,110	3,929	15,571	10,486
<b>Adjustments:</b>				
Equity-based compensation	—	—	—	1,076
Bank-owned life insurance death benefit	—	—	(1,389)	—
Nonperforming asset management	60	84	313	215
Loss (gain) on sale of other real estate owned	(12)	69	56	100
Valuation adjustments of other real estate owned	1	227	27	301
Operations of other real estate owned	70	107	272	460
Adjustments	119	487	(721)	2,152
<b>Pre-tax pre-provision earnings from adjusted operations</b>	<b>\$ 5,229</b>	<b>\$ 4,416</b>	<b>\$ 14,850</b>	<b>\$ 12,638</b>
Pre-tax pre-provision earnings from adjusted operations to average total assets <sup>(1)</sup>	1.36%	1.09%	1.27%	1.05%

(1) Annualized

**BANKFINANCIAL CORPORATION**  
**NON-GAAP FINANCIAL MEASURES**  
(Dollars in thousands, except per share) - (Unaudited)

**FOR THE LATEST FIVE QUARTERS**

	2018			2017	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>Pre-tax pre-provision earnings from adjusted operations</b>					
Income before income taxes	\$ 5,133	\$ 5,837	\$ 4,859	\$ 5,693	\$ 4,154
Provision for (recovery of) loan losses	(23)	23	(258)	(72)	(225)
	5,110	5,860	4,601	5,621	3,929
<b>Adjustments:</b>					
Bank-owned life insurance death benefit	—	(1,389)	—	—	—
Nonperforming asset management	60	51	202	125	84
Loss (gain) on sale of other real estate owned	(12)	47	21	(55)	69
Valuation adjustments of other real estate owned	1	1	25	32	227
Operations of other real estate owned	70	87	115	85	107
	119	(1,203)	363	187	487
<b>Pre-tax pre-provision earnings from adjusted operations</b>	<b>\$ 5,229</b>	<b>\$ 4,657</b>	<b>\$ 4,964</b>	<b>\$ 5,808</b>	<b>\$ 4,416</b>
Pre-tax pre-provision earnings from adjusted operations to average total assets <sup>(1)</sup>	1.36%	1.19%	1.26%	1.42%	1.09%

(1) Annualized