

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 26, 2017

BANKFINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

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)

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 7.01. Regulation FD Disclosure

BankFinancial Corporation (the “Company”) will review first quarter 2017 results in a conference call and webcast for stockholders and analysts on Friday, April 28, 2017 at 9:30 a.m. Chicago, Illinois Time.

The conference call may be accessed by calling (844) 413-1780 using participant passcode 11965565. The conference call will be simultaneously webcast at www.bankfinancial.com, under Investor Relations.

Item 8.01. Other Events

On April 26, 2017, the Company issued a press release announcing the filing of its Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and issued the Quarterly Financial and Statistical Supplement for the latest five quarters. The press release also reported earnings for the three months ended March 31, 2017. The press release and Quarterly Financial and Statistical Supplement are included as Exhibits 99.1 and 99.2 to this report.

Item 9.01. Financial Statements and Exhibits.

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

Exhibit No. Description

99.1 Press Release dated April 26, 2017

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: April 26, 2017

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

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--------------------|
|--------------------|--------------------|

| | |
|------|------------------------------------|
| 99.1 | Press Release dated April 26, 2017 |
|------|------------------------------------|

| | |
|------|--|
| 99.2 | Quarterly Financial and Statistical Supplement |
|------|--|



FOR IMMEDIATE RELEASE

**BankFinancial Corporation Reports Financial Results for the First Quarter 2017 and
Will Host Conference Call and Webcast on Friday, April 28, 2017**

Burr Ridge, Illinois – (April 26, 2017) BankFinancial Corporation (Nasdaq – BFIN) filed its Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and a Quarterly Financial and Statistical Supplement on Form 8-K with the U.S. Securities and Exchange Commission (the “SEC”) today.

BankFinancial reported net income of \$1.9 million, or \$0.10 per common share, for both the three months ended March 31, 2017 and 2016. At March 31, 2017, BankFinancial had total assets of \$1.603 billion, total loans of \$1.319 billion, total deposits of \$1.329 billion and stockholders' equity of \$202 million.

The Quarterly Report on Form 10-Q and the Quarterly Financial and Statistical Supplement will be available today on BankFinancial's website, www.bankfinancial.com, at the “Investor Relations” page, and through the EDGAR database on the SEC's website, 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 first quarter 2017 results in a conference call and webcast for stockholders and analysts on Friday, April 28, 2017 at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (844) 413-1780 using participant passcode 11965565. The conference call will be simultaneously webcast at www.bankfinancial.com, “Investor Relations” page. For those persons unable to participate in the conference call, the webcast will be archived through Friday, May 12, 2017 on our website.

BankFinancial Corporation is the holding company for BankFinancial, NA, a full-service, community-oriented bank providing financial services to individuals, families and businesses through 19 full-service banking offices, located in Cook, DuPage, Lake and Will Counties, Illinois. 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 web site, 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. 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 or on BankFinancial's web site at 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

FIRST QUARTER 2017

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)

| | 2017 | | 2016 | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| PERFORMANCE MEASUREMENTS | | | | | |
| Return on assets (ratio of net income to average total assets) ⁽¹⁾ | 0.47% | 0.57% | 0.66% | 0.22% | 0.50% |
| Return on equity (ratio of net income to average equity) ⁽¹⁾ | 3.66 | 4.41 | 4.86 | 1.59 | 3.59 |
| Net interest rate spread ⁽¹⁾ | 3.15 | 3.01 | 3.23 | 3.21 | 3.30 |
| Net interest margin ⁽¹⁾ | 3.26 | 3.11 | 3.33 | 3.31 | 3.39 |
| Efficiency ratio | 82.66 | 76.23 | 73.60 | 79.80 | 80.98 |
| Noninterest expense to average total assets ⁽¹⁾ | 2.82 | 2.59 | 2.62 | 2.78 | 2.89 |
| Average interest-earning assets to average interest-bearing liabilities | 132.57 | 133.71 | 134.36 | 136.17 | 136.26 |
| Number of full service offices | 19 | 19 | 19 | 19 | 19 |
| Employees (full time equivalents) | 242 | 246 | 242 | 253 | 255 |
| SUMMARY STATEMENT OF FINANCIAL CONDITION | | | | | |
| ASSETS | | | | | |
| Cash and due from other financial institutions | \$ 10,247 | \$ 13,053 | \$ 9,499 | \$ 11,509 | \$ 10,238 |
| Interest-bearing deposits in other financial institutions | 65,219 | 83,631 | 91,031 | 74,048 | 55,705 |
| Securities, at fair value | 110,230 | 107,212 | 99,899 | 105,698 | 111,386 |
| Loans receivable, net | 1,319,287 | 1,312,952 | 1,241,808 | 1,207,553 | 1,232,485 |
| Other real estate owned, net | 5,301 | 3,895 | 4,381 | 5,373 | 5,629 |
| Stock in Federal Home Loan Bank and Federal Reserve Bank, at cost | 8,147 | 11,650 | 6,257 | 6,257 | 6,257 |
| Premises and equipment, net | 31,149 | 31,413 | 31,856 | 32,021 | 32,308 |
| Intangible assets | 653 | 782 | 911 | 1,040 | 1,169 |
| Bank owned life insurance | 22,657 | 22,594 | 22,538 | 22,484 | 22,438 |
| Deferred taxes | 22,103 | 22,411 | 23,715 | 25,187 | 25,641 |
| Other assets | 8,480 | 10,444 | 8,378 | 8,661 | 8,552 |
| Total assets | \$ 1,603,473 | \$ 1,620,037 | \$ 1,540,273 | \$ 1,499,831 | \$ 1,511,808 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Deposits | \$ 1,329,282 | \$ 1,339,390 | \$ 1,316,695 | \$ 1,268,602 | \$ 1,264,689 |
| Borrowings | 52,046 | 51,069 | 1,406 | 1,469 | 17,621 |
| Other liabilities | 20,124 | 24,798 | 18,505 | 23,053 | 20,010 |
| Total liabilities | 1,401,452 | 1,415,257 | 1,336,606 | 1,293,124 | 1,302,320 |
| Stockholders' equity | 202,021 | 204,780 | 203,667 | 206,707 | 209,488 |
| Total liabilities and stockholders' equity | \$ 1,603,473 | \$ 1,620,037 | \$ 1,540,273 | \$ 1,499,831 | \$ 1,511,808 |

(1) Annualized

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

| | 2017 | | 2016 | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| SUMMARY STATEMENT OF OPERATIONS | | | | | |
| Total interest income | \$ 13,362 | \$ 12,743 | \$ 12,845 | \$ 12,581 | \$ 12,759 |
| Total interest expense | 1,276 | 1,148 | 1,014 | 952 | 856 |
| Net interest income before provision (recovery) | 12,086 | 11,595 | 11,831 | 11,629 | 11,903 |
| Provision for (recovery of) loan losses | 161 | (539) | (525) | 1,315 | (490) |
| Net interest income | 11,925 | 12,134 | 12,356 | 10,314 | 12,393 |
| Noninterest income | 1,544 | 1,777 | 1,637 | 1,537 | 1,594 |
| Noninterest expense | 11,266 | 10,194 | 9,912 | 10,506 | 10,930 |
| Income before income tax | 2,203 | 3,717 | 4,081 | 1,345 | 3,057 |
| Income tax expense | 322 | 1,458 | 1,573 | 514 | 1,153 |
| Net income | \$ 1,881 | \$ 2,259 | \$ 2,508 | \$ 831 | \$ 1,904 |
| Basic earnings per common share | \$ 0.10 | \$ 0.12 | \$ 0.13 | \$ 0.04 | \$ 0.10 |
| Diluted earnings per common share | \$ 0.10 | \$ 0.12 | \$ 0.13 | \$ 0.04 | \$ 0.10 |

NONINTEREST INCOME AND EXPENSE

Noninterest Income

| | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Deposit service charges and fees | \$ 529 | \$ 563 | \$ 583 | \$ 541 | \$ 567 |
| Other fee income | 481 | 574 | 478 | 505 | 495 |
| Insurance commissions and annuities income | 77 | 122 | 53 | 72 | 55 |
| Gain on sales of loans, net | 7 | 16 | 38 | 3 | 18 |
| Gain on sale of securities | — | — | — | — | 46 |
| Gain on other assets | — | 38 | — | — | — |
| Loan servicing fees | 68 | 62 | 66 | 75 | 73 |
| Amortization of servicing assets | (31) | (32) | (28) | (40) | (28) |
| Recovery (impairment) of servicing assets | — | 16 | — | 3 | (3) |
| Earnings on bank owned life insurance | 63 | 56 | 54 | 46 | 51 |
| Trust income | 172 | 182 | 167 | 165 | 160 |
| Other | 178 | 180 | 226 | 167 | 160 |
| Total noninterest income | \$ 1,544 | \$ 1,777 | \$ 1,637 | \$ 1,537 | \$ 1,594 |

Noninterest Expense

| | | | | | |
|--|------------------|------------------|-----------------|------------------|------------------|
| Compensation and benefits | \$ 6,352 | \$ 5,734 | \$ 5,315 | \$ 5,713 | \$ 5,993 |
| Office occupancy and equipment | 1,622 | 1,611 | 1,487 | 1,635 | 1,647 |
| Advertising and public relations | 381 | 252 | 144 | 252 | 222 |
| Information technology | 753 | 762 | 707 | 699 | 724 |
| Supplies, telephone, and postage | 332 | 346 | 345 | 297 | 376 |
| Amortization of intangibles | 129 | 129 | 129 | 129 | 136 |
| Nonperforming asset management | 104 | 99 | 89 | 127 | 84 |
| Loss (gain) on sales of other real estate owned | 16 | (113) | (15) | (38) | 38 |
| Valuation adjustments of other real estate owned | 20 | 70 | 115 | 10 | 119 |
| Operations of other real estate owned | 177 | 121 | 143 | 177 | 219 |
| FDIC insurance premiums | 187 | 64 | 238 | 236 | 217 |
| Other | 1,193 | 1,119 | 1,215 | 1,269 | 1,155 |
| Total noninterest expense | \$ 11,266 | \$ 10,194 | \$ 9,912 | \$ 10,506 | \$ 10,930 |

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

| | 2017 | | 2016 | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| LOANS | | | | | |
| One-to-four family residential real estate loans | \$ 122,310 | \$ 135,218 | \$ 142,130 | \$ 147,876 | \$ 154,588 |
| Multi-family mortgage loans | 549,829 | 542,887 | 505,369 | 504,158 | 513,450 |
| Nonresidential real estate loans | 179,896 | 182,152 | 186,504 | 191,685 | 219,339 |
| Construction and land loans | 1,354 | 1,302 | 1,005 | 1,767 | 1,799 |
| Commercial loans | 105,671 | 103,063 | 106,878 | 84,951 | 76,325 |
| Commercial leases | 364,768 | 352,539 | 304,753 | 282,629 | 272,849 |
| Consumer loans | 1,896 | 2,255 | 1,846 | 1,744 | 1,890 |
| | <u>1,325,724</u> | <u>1,319,416</u> | <u>1,248,485</u> | <u>1,214,810</u> | <u>1,240,240</u> |
| Net deferred loan origination costs | 1,534 | 1,663 | 1,657 | 1,658 | 1,661 |
| Allowance for loan losses | (7,971) | (8,127) | (8,334) | (8,915) | (9,416) |
| Loans, net | <u>\$ 1,319,287</u> | <u>\$ 1,312,952</u> | <u>\$ 1,241,808</u> | <u>\$ 1,207,553</u> | <u>\$ 1,232,485</u> |
| LOAN ORIGINATIONS ⁽¹⁾ | | | | | |
| One-to-four family residential real estate loans | \$ 1,141 | \$ 1,426 | \$ 2,322 | \$ 2,279 | \$ 1,637 |
| Multi-family mortgage loans | 25,613 | 54,954 | 25,062 | 18,017 | 24,385 |
| Nonresidential real estate loans | 8,376 | 9,033 | 3,518 | 3,587 | 5,002 |
| Construction and land loans | 76 | 359 | 92 | — | 198 |
| Commercial loans | 48,899 | 49,385 | 67,919 | 54,149 | 35,771 |
| Commercial leases ⁽³⁾ | 61,550 | 87,855 | 54,717 | 54,633 | 39,303 |
| Consumer loans | 636 | 611 | 883 | 1,025 | 588 |
| | <u>\$ 146,291</u> | <u>\$ 203,623</u> | <u>\$ 154,513</u> | <u>\$ 133,690</u> | <u>\$ 106,884</u> |
| LOAN PAYMENTS and PAYOFFS ⁽²⁾ | | | | | |
| One-to-four family residential real estate loans | \$ 12,770 | \$ 8,698 | \$ 7,245 | \$ 8,500 | \$ 6,413 |
| Multi-family mortgage loans | 18,464 | 16,999 | 24,276 | 27,188 | 17,082 |
| Nonresidential real estate loans | 9,834 | 12,697 | 8,740 | 30,024 | 11,878 |
| Construction and land loans | 24 | 24 | 852 | 33 | 57 |
| Commercial loans | 46,291 | 53,147 | 45,990 | 45,528 | 39,030 |
| Commercial leases | 47,695 | 35,984 | 31,437 | 48,774 | 31,552 |
| Consumer loans | 600 | 633 | 801 | 1,080 | 664 |
| | <u>\$ 135,678</u> | <u>\$ 128,182</u> | <u>\$ 119,341</u> | <u>\$ 161,127</u> | <u>\$ 106,676</u> |
| LOAN PAYMENTS and PAYOFFS (Loans rated 5 or higher) ⁽²⁾ | | | | | |
| One-to-four family residential real estate loans | \$ 5 | \$ 350 | \$ 220 | \$ 778 | \$ 441 |
| Multi-family mortgage loans | 770 | 1,131 | 1,155 | 4,163 | 5,117 |
| Nonresidential real estate loans | 1,792 | 1,690 | 500 | 19,164 | 409 |
| Construction and land loans | — | — | 828 | — | 24 |
| Commercial loans | 5,941 | 5,681 | 6,037 | 12,243 | 7,861 |
| Commercial leases | 498 | 177 | 203 | 197 | 194 |
| | <u>\$ 9,006</u> | <u>\$ 9,029</u> | <u>\$ 8,943</u> | <u>\$ 36,545</u> | <u>\$ 14,046</u> |

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

(2) Loan payments and payoffs exclude loan renewals.

(3) Commercial lease originations include \$20.4 and \$55.0 million purchased investment grade commercial leases for the quarters ended March 31, 2017 and December 31, 2016, respectively.

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

| | 2017 | | 2016 | | |
|---|-----------------|-----------------|-----------------|------------------|------------------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| CREDIT QUALITY: | | | | | |
| Nonperforming Assets: | | | | | |
| Nonaccrual loans ⁽¹⁾ : | | | | | |
| One-to-four family residential real estate loans | \$ 2,296 | \$ 2,851 | \$ 2,691 | \$ 2,625 | \$ 3,370 |
| Multi-family mortgage loans | 106 | 185 | 508 | 1,021 | 953 |
| Nonresidential real estate loans | — | 260 | 717 | 754 | 295 |
| Construction and land loans | — | — | — | — | 803 |
| Nonaccrual loans | 2,402 | 3,296 | 3,916 | 4,400 | 5,421 |
| Loans past due over 90 days, still accruing | — | — | — | 828 | — |
| Other real estate owned: | | | | | |
| One-to-four family residential real estate loans | 1,986 | 1,565 | 2,281 | 2,433 | 2,619 |
| Multi-family real estate | 615 | 370 | 393 | 737 | 737 |
| Nonresidential real estate | 1,808 | 1,066 | 780 | 1,065 | 1,135 |
| Land | 892 | 894 | 927 | 1,138 | 1,138 |
| Other real estate owned | 5,301 | 3,895 | 4,381 | 5,373 | 5,629 |
| Nonperforming assets | \$ 7,703 | \$ 7,191 | \$ 8,297 | \$ 10,601 | \$ 11,050 |
| Asset Quality Ratios | | | | | |
| Nonperforming assets to total assets | 0.48% | 0.44% | 0.54% | 0.71% | 0.73% |
| Nonperforming loans to total loans | 0.18 | 0.25 | 0.31 | 0.43 | 0.44 |
| Nonperforming commercial-related loans to total commercial-related loans ⁽²⁾ | 0.01 | 0.04 | 0.11 | 0.24 | 0.19 |
| Nonperforming residential and consumer loans to total residential and consumer loans | 1.85 | 2.08 | 1.87 | 1.75 | 2.15 |
| Allowance for loan losses to nonperforming loans | 331.85 | 246.57 | 212.82 | 170.52 | 173.69 |
| Concentrations of Credit | | | | | |
| Commercial Real Estate for FFIEC Concentration Limits | \$ 696,933 | \$ 690,879 | \$ 658,887 | \$ 662,493 | \$ 685,732 |
| % FFIEC Total Capital | 386.37% | 410.96% | 399.18% | 410.28% | 392.73% |
| Multi-family mortgage loans - 50% risk based capital qualified (included above) | \$ 308,653 | \$ 305,436 | \$ 269,641 | \$ 246,117 | \$ 238,922 |
| % FFIEC Total Capital | 171.11% | 181.68% | 163.36% | 152.42% | 136.84% |
| Commercial Leases - Investment Grade | \$ 279,235 | \$ 268,022 | \$ 215,237 | \$ 199,020 | \$ 182,057 |
| Commercial Leases - Other | 85,533 | 84,517 | 89,516 | 83,609 | 90,792 |

(1) Purchased impaired loans are combined with nonaccrual loans in the above table.

(2) 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)

| | 2017 | | 2016 | | |
|---|----------|----------|----------|----------|----------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| SUBSTANDARD PERFORMING LOANS | | | | | |
| One-to-four family residential real estate loans | \$ 726 | \$ 670 | \$ 475 | \$ 335 | \$ 440 |
| Multi-family mortgage loans | 769 | 1,048 | 2,119 | 2,025 | 3,347 |
| Nonresidential real estate loans | 108 | 1,845 | 2,407 | 3,194 | 4,981 |
| Construction and land loans | — | — | — | 830 | — |
| Commercial loans | 14 | 66 | 75 | 225 | 137 |
| Consumer loans | — | — | — | 2 | — |
| | \$ 1,617 | \$ 3,629 | \$ 5,076 | \$ 6,611 | \$ 8,905 |
| PERFORMING LOANS GREATER THAN 30 DAYS PAST DUE | | | | | |
| 30 – 59 days past due | \$ 4,008 | \$ 2,237 | \$ 685 | \$ 171 | \$ 3,012 |
| 60 – 89 days past due | 3 | 617 | 419 | 71 | 30 |
| Matured Loans | 315 | 270 | 784 | 277 | 1,387 |
| | \$ 4,326 | \$ 3,124 | \$ 1,888 | \$ 519 | \$ 4,429 |
| ALLOWANCE FOR LOAN LOSSES | | | | | |
| Beginning balance | \$ 8,127 | \$ 8,334 | \$ 8,915 | \$ 9,416 | \$ 9,691 |
| Charge offs: | | | | | |
| One-to-four family residential real estate loans | (171) | (30) | (102) | (355) | (52) |
| Multi-family mortgage loans | (3) | (28) | — | (6) | (45) |
| Nonresidential real estate loans | (165) | (3) | (55) | (1,657) | (3) |
| Consumer loans | — | (1) | (6) | (2) | (16) |
| | (339) | (62) | (163) | (2,020) | (116) |
| Recoveries: | | | | | |
| One-to-four family residential real estate loans | 6 | 229 | 5 | 6 | 81 |
| Multi-family mortgage loans | 11 | 6 | 10 | 9 | 137 |
| Nonresidential real estate loans | — | — | 39 | 161 | — |
| Construction and land loans | — | — | — | — | 35 |
| Commercial loans | 5 | 159 | 45 | 28 | 77 |
| Commercial leases | — | — | 7 | — | — |
| Consumer loans | — | — | 1 | — | 1 |
| | 22 | 394 | 107 | 204 | 331 |
| Net (charge-offs) recoveries | (317) | 332 | (56) | (1,816) | 215 |
| Provision for (recovery of) loan losses | 161 | (539) | (525) | 1,315 | (490) |
| Ending balance | \$ 7,971 | \$ 8,127 | \$ 8,334 | \$ 8,915 | \$ 9,416 |
| Allowance for loan losses to total loans | 0.60 % | 0.62% | 0.67 % | 0.73 % | 0.76% |
| Net (charge-off) recovery ratio ⁽¹⁾ | (0.10) | 0.11 | (0.02) | (0.60) | 0.07 |

(1) Annualized

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

| | 2017 | | 2016 | | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| DEPOSITS | | | | | |
| Noninterest-bearing demand | \$ 234,415 | \$ 249,539 | \$ 234,652 | \$ 231,928 | \$ 238,848 |
| Savings deposits | 161,938 | 160,002 | 155,199 | 158,669 | 161,554 |
| Money market accounts | 304,981 | 311,183 | 320,814 | 315,615 | 323,197 |
| Interest-bearing NOW accounts | 266,157 | 267,054 | 263,286 | 258,083 | 247,434 |
| Certificates of deposits - retail | 219,068 | 220,602 | 223,642 | 223,948 | 221,101 |
| Certificates of deposits - wholesale | 142,723 | 131,010 | 119,102 | 80,359 | 72,555 |
| | <u>\$ 1,329,282</u> | <u>\$ 1,339,390</u> | <u>\$ 1,316,695</u> | <u>\$ 1,268,602</u> | <u>\$ 1,264,689</u> |

SELECTED AVERAGE BALANCES

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Total average assets | \$ 1,595,191 | \$ 1,576,345 | \$ 1,511,475 | \$ 1,510,115 | \$ 1,513,683 |
| Total average interest-earning assets | 1,502,146 | 1,481,775 | 1,414,736 | 1,413,161 | 1,414,008 |
| Average loans | 1,313,299 | 1,253,224 | 1,225,480 | 1,210,726 | 1,238,270 |
| Average securities | 113,756 | 99,767 | 106,904 | 108,865 | 118,557 |
| Average stock in FHLB & FRB | 9,158 | 8,133 | 6,257 | 6,257 | 6,257 |
| Average other interest-earning assets | 65,933 | 120,651 | 76,095 | 87,313 | 50,924 |
| Total average interest-bearing liabilities | 1,133,098 | 1,108,181 | 1,052,916 | 1,037,781 | 1,037,730 |
| Average interest-bearing deposits | 1,083,792 | 1,088,265 | 1,050,935 | 1,034,674 | 962,823 |
| Average borrowings | 49,306 | 19,916 | 1,981 | 3,107 | 74,907 |
| Average stockholders' equity | 205,379 | 205,071 | 206,237 | 209,231 | 212,322 |

SELECTED YIELDS AND COST OF FUNDS ⁽¹⁾:

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Total average interest-earning assets | 3.61% | 3.42% | 3.61% | 3.58% | 3.63% |
| Average loans | 3.94 | 3.87 | 4.02 | 4.02 | 4.01 |
| Average securities | 1.24 | 1.20 | 1.14 | 1.13 | 1.07 |
| Average other interest-earning assets | 0.95 | 0.78 | 0.73 | 0.75 | 0.69 |
| Total average interest-bearing liabilities | 0.46 | 0.41 | 0.38 | 0.37 | 0.33 |
| Average interest-bearing deposits | 0.44 | 0.41 | 0.38 | 0.37 | 0.33 |
| Average borrowings | 0.79 | 0.64 | 0.40 | 0.26 | 0.37 |
| Net interest rate spread | 3.15 | 3.01 | 3.23 | 3.21 | 3.30 |
| Net interest margin | 3.26 | 3.11 | 3.33 | 3.31 | 3.39 |

(1) Annualized

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

| | 2017 | | 2016 | | |
|--|------------|------------|------------|------------|------------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| CAPITAL RATIOS | | | | | |
| BankFinancial Corporation | | | | | |
| Equity to total assets (end of period) | 12.60% | 12.64% | 13.22% | 13.78% | 13.86% |
| Tangible equity to tangible total assets (end of period) | 12.56 | 12.60 | 13.17 | 13.72 | 13.79 |
| Risk-based total capital ratio | 16.65 | 16.96 | 17.64 | 18.09 | 17.80 |
| Common Tier 1 (CET1) | 15.96 | 16.25 | 16.87 | 17.26 | 16.95 |
| Risk-based tier 1 capital ratio | 15.96 | 16.25 | 16.87 | 17.26 | 16.95 |
| Tier 1 leverage ratio | 11.58 | 11.92 | 12.28 | 12.41 | 12.53 |
| Tier 1 capital | \$ 182,508 | \$ 185,718 | \$ 183,092 | \$ 184,695 | \$ 186,964 |
| BankFinancial, NA | | | | | |
| Risk-based total capital ratio | 15.76% | 14.72% | 15.21% | 15.09% | 15.83% |
| Common Tier 1 (CET1) | 15.06 | 14.01 | 14.44 | 14.26 | 14.98 |
| Risk-based tier 1 capital ratio | 15.06 | 14.01 | 14.44 | 14.26 | 14.98 |
| Tier 1 leverage ratio | 10.94 | 10.27 | 10.51 | 10.25 | 11.08 |
| Tier 1 capital | \$ 172,410 | \$ 159,986 | \$ 156,725 | \$ 152,559 | \$ 165,183 |
| COMMON STOCK AND DIVIDENDS | | | | | |
| Stock Prices: | | | | | |
| Close | \$ 14.52 | \$ 14.82 | \$ 12.70 | \$ 11.99 | \$ 11.82 |
| High | 15.24 | 15.12 | 12.80 | 12.89 | 13.29 |
| Low | 13.13 | 12.15 | 11.75 | 11.38 | 11.42 |
| Common shares outstanding | 18,440,440 | 19,233,760 | 19,271,211 | 19,678,697 | 19,939,500 |
| Book value per share | \$ 10.96 | \$ 10.65 | \$ 10.57 | \$ 10.50 | \$ 10.51 |
| Tangible book value per share | \$ 10.92 | \$ 10.61 | \$ 10.52 | \$ 10.45 | \$ 10.45 |
| Cash dividends declared on common stock | \$ 0.06 | \$ 0.06 | \$ 0.05 | \$ 0.05 | \$ 0.05 |
| Dividend payout ratio | 61.42% | 51.09% | 38.82% | 119.60% | 53.50% |
| Stock repurchases | \$ 3,379 | \$ 520 | \$ 5,022 | \$ 3,280 | \$ 4,393 |
| Stock repurchases – shares | 232,045 | 37,451 | 407,486 | 260,803 | 357,817 |
| EARNINGS PER SHARE COMPUTATIONS | | | | | |
| Net income | \$ 1,881 | \$ 2,259 | \$ 2,508 | \$ 831 | \$ 1,904 |
| Average common shares outstanding | 19,243,941 | 19,257,435 | 19,460,022 | 19,827,581 | 20,155,541 |
| Less: Unearned ESOP shares | (600,947) | (645,751) | (670,351) | (694,773) | (719,109) |
| Unvested restricted stock shares | (940) | (940) | (940) | (2,690) | (7,881) |
| Weighted average common shares outstanding | 18,642,054 | 18,610,744 | 18,788,731 | 19,130,118 | 19,428,551 |
| Plus: Dilutive common shares equivalents | 5,462 | 170,683 | 323 | 317 | 2,939 |
| Weighted average dilutive common shares outstanding | 18,647,516 | 18,781,427 | 18,789,054 | 19,130,435 | 19,431,490 |
| Basic earnings per common share | \$ 0.10 | \$ 0.12 | \$ 0.13 | \$ 0.04 | \$ 0.10 |
| Diluted earnings per common share | \$ 0.10 | \$ 0.12 | \$ 0.13 | \$ 0.04 | \$ 0.10 |
| Number of anti-dilutive stock options excluded from the diluted earnings per share calculation | — | — | 536,459 | 536,459 | 1,752,156 |
| Weighted average exercise price of anti-dilutive options | \$ — | \$ — | \$ 12.99 | \$ 12.99 | \$ 12.30 |

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)

FOR THE LATEST FIVE QUARTERS

| | 2017 | | 2016 | | |
|--|----------|----------|----------|----------|----------|
| | IQ | IVQ | IIIQ | IIQ | IQ |
| Pre-tax pre-provision earnings from adjusted operations | | | | | |
| Income before income taxes | \$ 2,203 | \$ 3,717 | \$ 4,081 | \$ 1,345 | \$ 3,057 |
| Provision for (recovery of) loan losses | 161 | (539) | (525) | 1,315 | (490) |
| | 2,364 | 3,178 | 3,556 | 2,660 | 2,567 |
| Adjustments: | | | | | |
| Equity-based compensation | 1,076 | 107 | 107 | 391 | 377 |
| Nonperforming asset management | 104 | 99 | 89 | 127 | 84 |
| Loss (gain) on sale of other real estate owned | 16 | (113) | (15) | (38) | 38 |
| Valuation adjustments of other real estate owned | 20 | 70 | 115 | 10 | 119 |
| Operations of other real estate owned | 177 | 121 | 143 | 177 | 219 |
| | 1,393 | 284 | 439 | 667 | 837 |
| Pre-tax pre-provision earnings from adjusted operations | \$ 3,757 | \$ 3,462 | \$ 3,995 | \$ 3,327 | \$ 3,404 |
| Pre-tax pre-provision earnings from adjusted operations to average total assets ⁽¹⁾ | 0.94% | 0.88% | 1.06% | 0.88% | 0.90% |

(1) Annualized