

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): October 26, 2016

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 or former address, 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))

Item 7.01. Regulation FD Disclosure

BankFinancial Corporation (the “Company”) will review third quarter 2016 results in a conference call and webcast for stockholders and analysts on Friday, October 28, 2016 at 9:30 a.m. Chicago, Illinois Time.

The conference call may be accessed by calling (844) 413-1780 using participant passcode 3130224. The conference call will be simultaneously webcast at www.bankfinancial.com, under Investor Relations.

Item 8.01. Other Events

On October 26, 2016, the Company issued a press release announcing the filing of its Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and issued the Quarterly Financial and Statistical Supplement for the latest five quarters. The press release also reported earnings for the three months and nine months ended September 30, 2016. 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 October 26, 2016
- 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 26, 2016

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>
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- | | |
|------|--|
| 99.1 | Press Release dated October 26, 2016 |
| 99.2 | Quarterly Financial and Statistical Supplement |



FOR IMMEDIATE RELEASE

**BankFinancial Corporation Reports Financial Results for the Third Quarter 2016 and
Will Host Conference Call and Webcast on Friday, October 28, 2016**

Burr Ridge, Illinois – (October 26, 2016) BankFinancial Corporation (Nasdaq – BFIN) filed its Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 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 \$2.5 million, or \$0.13 per common share, for the three months ended September 30, 2016, compared to \$2.3 million, or \$0.12 per common share, for the three months ended September 30, 2015. BankFinancial reported net income of \$5.2 million, or \$0.27 per common shares, for the nine months ended September 30, 2016, compared to \$6.6 million, or \$0.33 per common share, for the nine months ended September 30, 2015. The decline in net income was due in part to a pre-tax charge off of \$1.6 million resulting from our decision to sell three performing loans to a single borrower with a total carrying value of \$16.2 million. At September 30, 2016, BankFinancial had total assets of \$1.540 billion, total loans of \$1.242 billion, total deposits of \$1.317 billion and stockholders' equity of \$204 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 third quarter 2016 results in a conference call and webcast for stockholders and analysts on Friday, October 28, 2016 at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (844) 413-1780 using participant passcode 3130224. 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, November 11, 2016 on our website.

BankFinancial Corporation is the holding company for BankFinancial, F.S.B., 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 F.S.B.
Telephone: 630-242-7151	Telephone: 630-242-7234

BANKFINANCIAL CORPORATION

THIRD QUARTER 2016

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)

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
PERFORMANCE MEASUREMENTS					
Return on assets (ratio of net income to average total assets) ⁽¹⁾	0.66%	0.22%	0.50%	0.58%	0.65%
Return on equity (ratio of net income to average equity) ⁽¹⁾	4.86	1.59	3.59	3.96	4.41
Net interest rate spread ⁽¹⁾	3.23	3.21	3.30	3.35	3.33
Net interest margin ⁽¹⁾	3.33	3.31	3.39	3.43	3.40
Efficiency ratio	73.60	79.80	80.98	83.16	77.77
Noninterest expense to average total assets ⁽¹⁾	2.62	2.78	2.89	3.08	2.85
Average interest-earning assets to average interest-bearing liabilities	134.36	136.17	136.26	138.91	134.89
Number of full service offices	19	19	19	19	19
Employees (full time equivalents)	242	253	255	251	264
SUMMARY STATEMENT OF FINANCIAL CONDITION					
ASSETS					
Cash and due from other financial institutions	\$ 9,499	\$ 11,509	\$ 10,238	\$ 13,192	\$ 8,809
Interest-bearing deposits in other financial institutions	91,031	74,048	55,705	46,185	52,661
Securities, at fair value	99,899	105,698	111,386	114,753	104,242
Loans receivable, net	1,241,808	1,207,553	1,232,485	1,232,257	1,162,298
Other real estate owned, net	4,381	5,373	5,629	7,011	4,809
Stock in Federal Home Loan Bank, at cost	6,257	6,257	6,257	6,257	6,257
Premises and equipment, net	31,856	32,021	32,308	32,726	33,063
Intangible assets	911	1,040	1,169	1,305	1,441
Bank owned life insurance	22,538	22,484	22,438	22,387	22,335
Deferred taxes	23,715	25,187	25,641	26,695	27,733
Other assets	8,378	8,661	8,552	9,675	7,775
Total assets	\$ 1,540,273	\$ 1,499,831	\$ 1,511,808	\$ 1,512,443	\$ 1,431,423
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits	\$ 1,316,695	\$ 1,268,602	\$ 1,264,689	\$ 1,212,919	\$ 1,181,534
Borrowings	1,406	1,469	17,621	64,318	18,048
Other liabilities	18,505	23,053	20,010	22,842	18,767
Total liabilities	1,336,606	1,293,124	1,302,320	1,300,079	1,218,349
Stockholders' equity	203,667	206,707	209,488	212,364	213,074
Total liabilities and stockholders' equity	\$ 1,540,273	\$ 1,499,831	\$ 1,511,808	\$ 1,512,443	\$ 1,431,423

(1) Annualized

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

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
SUMMARY STATEMENT OF OPERATIONS					
Total interest income	\$ 12,845	\$ 12,581	\$ 12,759	\$ 12,411	\$ 12,147
Total interest expense	1,014	952	856	738	699
Net interest income before provision (recovery)	11,831	11,629	11,903	11,673	11,448
Provision for (recovery of) loan losses	(525)	1,315	(490)	(1,038)	(956)
Net interest income	12,356	10,314	12,393	12,711	12,404
Noninterest income	1,637	1,537	1,594	1,757	1,709
Noninterest expense	9,912	10,506	10,930	11,169	10,232
Income before income tax	4,081	1,345	3,057	3,299	3,881
Income tax expense	1,573	514	1,153	1,183	1,532
Net income	\$ 2,508	\$ 831	\$ 1,904	\$ 2,116	\$ 2,349
Basic earnings per common share	\$ 0.13	\$ 0.04	\$ 0.10	\$ 0.11	\$ 0.12
Diluted earnings per common share	\$ 0.13	\$ 0.04	\$ 0.10	\$ 0.11	\$ 0.12
NONINTEREST INCOME AND EXPENSE					
Noninterest Income					
Deposit service charges and fees	\$ 583	\$ 541	\$ 567	\$ 603	\$ 648
Other fee income	478	505	495	505	502
Insurance commissions and annuities income	53	72	55	169	68
Gain on sales of loans, net	38	3	18	10	37
Gain on sale of securities	—	—	46	—	—
Loan servicing fees	66	75	73	83	85
Amortization of servicing assets	(28)	(40)	(28)	(32)	(35)
Recovery (impairment) of servicing assets	—	3	(3)	(1)	(15)
Earnings on bank owned life insurance	54	46	51	52	48
Trust income	167	165	160	183	172
Other	226	167	160	185	199
Total noninterest income	\$ 1,637	\$ 1,537	\$ 1,594	\$ 1,757	\$ 1,709
Noninterest Expense					
Compensation and benefits	\$ 5,315	\$ 5,713	\$ 5,993	\$ 6,034	\$ 5,329
Office occupancy and equipment	1,487	1,635	1,647	1,620	1,537
Advertising and public relations	144	252	222	208	212
Information technology	707	699	724	687	686
Supplies, telephone, and postage	345	297	376	397	393
Amortization of intangibles	129	129	136	136	136
Nonperforming asset management	89	127	84	239	244
Loss (gain) on sales of other real estate owned	(15)	(38)	38	33	(11)
Valuation adjustments of other real estate owned	115	10	119	81	231
Operations of other real estate owned	143	177	219	169	114
FDIC insurance premiums	238	236	217	205	202
Other	1,215	1,269	1,155	1,360	1,159
Total noninterest expense	\$ 9,912	\$ 10,506	\$ 10,930	\$ 11,169	\$ 10,232

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

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
LOANS					
One-to-four family residential real estate loans	\$ 142,130	\$ 147,876	\$ 154,588	\$ 159,501	\$ 164,124
Multi-family mortgage loans	505,369	504,158	513,450	506,026	478,057
Nonresidential real estate loans	186,504	191,685	219,339	226,735	223,528
Construction and land loans	1,005	1,767	1,799	1,313	1,322
Commercial loans	106,878	84,951	76,325	79,516	80,216
Commercial leases	304,753	282,629	272,849	265,405	221,622
Consumer loans	1,846	1,744	1,890	1,831	1,927
	<u>1,248,485</u>	<u>1,214,810</u>	<u>1,240,240</u>	<u>1,240,327</u>	<u>1,170,796</u>
Net deferred loan origination costs	1,657	1,658	1,661	1,621	1,583
Allowance for loan losses	(8,334)	(8,915)	(9,416)	(9,691)	(10,081)
Loans, net	<u>\$ 1,241,808</u>	<u>\$ 1,207,553</u>	<u>\$ 1,232,485</u>	<u>\$ 1,232,257</u>	<u>\$ 1,162,298</u>
LOAN ORIGINATIONS ⁽¹⁾					
One-to-four family residential real estate loans	\$ 2,322	\$ 2,279	\$ 1,637	\$ 2,657	\$ 3,267
Multi-family mortgage loans	25,062	18,017	24,385	43,110	16,302
Nonresidential real estate loans	3,518	3,587	5,002	20,408	4,025
Construction and land loans	92	—	198	—	—
Commercial loans	67,919	54,149	35,771	44,293	56,950
Commercial leases	54,717	54,633	39,303	71,201	26,866
Consumer loans	883	1,025	588	725	711
	<u>\$ 154,513</u>	<u>\$ 133,690</u>	<u>\$ 106,884</u>	<u>\$ 182,394</u>	<u>\$ 108,121</u>
LOAN PAYMENTS and PAYOFFS ⁽²⁾					
One-to-four family residential real estate loans	\$ 7,245	\$ 8,500	\$ 6,413	\$ 7,471	\$ 9,963
Multi-family mortgage loans	24,276	27,188	17,082	13,559	18,939
Nonresidential real estate loans	8,740	30,024	11,878	12,748	5,523
Construction and land loans	852	33	57	41	232
Commercial loans	45,990	45,528	39,030	45,460	38,079
Commercial leases	31,437	48,774	31,552	26,353	28,104
Consumer loans	801	1,080	664	701	738
	<u>\$ 119,341</u>	<u>\$ 161,127</u>	<u>\$ 106,676</u>	<u>\$ 106,333</u>	<u>\$ 101,578</u>
LOAN PAYMENTS and PAYOFFS (Loans rated 5 or higher) ⁽²⁾					
One-to-four family residential real estate loans	\$ 220	\$ 778	\$ 441	\$ 363	\$ 1,424
Multi-family mortgage loans	1,155	4,163	5,117	2,199	7,666
Nonresidential real estate loans	500	19,164	409	784	335
Construction and land loans	828	—	24	8	24
Commercial loans	6,037	12,243	7,861	4,873	4,120
Commercial leases	203	197	194	—	—
	<u>\$ 8,943</u>	<u>\$ 36,545</u>	<u>\$ 14,046</u>	<u>\$ 8,227</u>	<u>\$ 13,569</u>

(1) Loan originations include 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)

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
CREDIT QUALITY:					
Nonperforming Assets:					
Nonaccrual loans ⁽¹⁾ :					
One-to-four family residential real estate loans	\$ 2,691	\$ 2,625	\$ 3,370	\$ 2,455	\$ 2,952
Multi-family mortgage loans	508	1,021	953	821	1,399
Nonresidential real estate loans	717	754	295	296	2,263
Construction and land loans	—	—	803	—	—
Commercial loans	—	—	—	—	75
Nonaccrual loans	3,916	4,400	5,421	3,572	6,689
Loans past due over 90 days, still accruing	—	828	—	—	—
Other real estate owned ⁽²⁾ :					
One-to-four family residential real estate loans	2,281	2,433	2,619	2,621	325
Multi-family real estate	393	737	737	951	1,474
Nonresidential real estate	780	1,065	1,135	1,747	1,289
Land ⁽³⁾	927	1,138	1,138	1,692	1,721
Other real estate owned	4,381	5,373	5,629	7,011	4,809
Nonperforming assets	\$ 8,297	\$ 10,601	\$ 11,050	\$ 10,583	\$ 11,498
Asset Quality Ratios					
Nonperforming assets to total assets	0.54%	0.71%	0.73%	0.70%	0.80%
Nonaccrual loans to total loans	0.31	0.43	0.44	0.29	0.57
Nonaccrual commercial-related loans to total commercial-related loans ⁽⁴⁾	0.11	0.24	0.19	0.10	0.37
Nonaccrual residential and consumer loans to total residential and consumer loans	1.87	1.75	2.15	1.52	1.78
Allowance for loan losses to nonperforming loans	212.82	170.52	173.69	271.30	150.71

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

(2) Other real estate owned acquired from the Downers Grove National Bank merger are included in the above table.

(3) Other real estate owned (land) acquired from the Downers Grove National Bank merger totaled \$ 892,000 at September 30, 2016, \$1.1 million at June 30, 2016 and March 31, 2016, \$1.7 million at December 31, 2015 and September 30, 2015.

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

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

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
SUBSTANDARD PERFORMING LOANS					
One-to-four family residential real estate loans	\$ 475	\$ 335	\$ 440	\$ 847	\$ 429
Multi-family mortgage loans	2,119	2,025	3,347	5,167	6,254
Nonresidential real estate loans	2,407	3,194	4,981	4,981	5,259
Construction and land loans	—	830	—	842	819
Commercial loans	75	225	137	614	703
Consumer loans	—	2	—	—	—
	\$ 5,076	\$ 6,611	\$ 8,905	\$ 12,451	\$ 13,464
PERFORMING LOANS GREATER THAN 30 DAYS PAST DUE					
30 – 59 days past due	\$ 685	\$ 171	\$ 3,012	\$ 2,036	\$ 63
60 – 89 days past due	419	71	30	926	816
Matured Loans	784	277	1,387	1,467	224
	\$ 1,888	\$ 519	\$ 4,429	\$ 4,429	\$ 1,103
ALLOWANCE FOR LOAN LOSSES					
Beginning balance	\$ 8,915	\$ 9,416	\$ 9,691	\$ 10,081	\$ 10,810
Charge offs:					
One-to-four family residential real estate loans	(102)	(355)	(52)	(59)	(125)
Multi-family mortgage loans	—	(6)	(45)	(9)	(9)
Nonresidential real estate loans	(55)	(1,657)	(3)	(102)	(26)
Commercial loans	—	—	—	(54)	—
Consumer loans	(6)	(2)	(16)	(5)	(3)
	(163)	(2,020)	(116)	(229)	(163)
Recoveries:					
One-to-four family residential real estate loans	5	6	81	407	16
Multi-family mortgage loans	10	9	137	5	169
Nonresidential real estate loans	39	161	—	460	24
Construction and land loans	—	—	35	—	38
Commercial loans	45	28	77	5	143
Commercial leases	7	—	—	—	—
Consumer loans	1	—	1	—	—
	107	204	331	877	390
Net (charge-offs) recoveries	(56)	(1,816)	215	648	227
Provision for (recovery of) loan losses	(525)	1,315	(490)	(1,038)	(956)
Ending balance	\$ 8,334	\$ 8,915	\$ 9,416	\$ 9,691	\$ 10,081
Allowance for loan losses to total loans	0.67%	0.73%	0.76 %	0.78 %	0.86 %
Net charge-off (recovery) ratio ⁽¹⁾	0.02	0.60	(0.07)	(0.22)	(0.08)

(1) Annualized

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

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
DEPOSITS					
Noninterest-bearing demand	\$ 234,652	\$ 231,928	\$ 238,848	\$ 254,830	\$ 233,192
Savings deposits	155,199	158,669	161,554	156,752	152,585
Money market accounts	320,814	315,615	323,197	329,654	327,080
Interest-bearing NOW accounts	263,286	258,083	247,434	248,982	245,780
Certificates of deposits - retail	223,642	223,948	221,101	211,010	210,588
Certificates of deposits - wholesale	119,102	80,359	72,555	11,691	12,309
	\$ 1,316,695	\$ 1,268,602	\$ 1,264,689	\$ 1,212,919	\$ 1,181,534

SELECTED AVERAGE BALANCES

Total average assets	\$ 1,511,475	\$ 1,510,115	\$ 1,513,683	\$ 1,448,857	\$ 1,434,749
Total average interest-earning assets	1,414,736	1,413,161	1,414,008	1,348,782	1,336,412
Average loans	1,225,480	1,210,726	1,238,270	1,175,723	1,164,251
Average securities	106,904	108,865	118,557	107,344	102,578
Average stock in FHLB	6,257	6,257	6,257	6,257	6,257
Average other interest-earning assets	76,095	87,313	50,924	59,458	63,326
Total average interest-bearing liabilities	1,052,916	1,037,781	1,037,730	971,000	990,733
Average interest-bearing deposits	1,050,935	1,034,674	962,823	951,631	981,633
Average borrowings	1,981	3,107	74,907	19,369	9,100
Average stockholders' equity	206,237	209,231	212,322	213,858	213,061

SELECTED YIELDS AND COST OF FUNDS ⁽¹⁾:

Total average interest-earning assets	3.61%	3.58%	3.63%	3.65%	3.61%
Average loans	4.02	4.02	4.01	4.06	4.02
Average securities	1.14	1.13	1.07	1.07	1.03
Average other interest-earning assets	0.73	0.75	0.69	0.51	0.50
Total average interest-bearing liabilities	0.38	0.37	0.33	0.30	0.28
Average interest-bearing deposits	0.38	0.37	0.33	0.30	0.28
Average borrowings	0.40	0.26	0.37	0.25	0.17
Net interest rate spread	3.23	3.21	3.30	3.35	3.33
Net interest margin	3.33	3.31	3.39	3.43	3.40

(1) Annualized

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

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
CAPITAL RATIOS					
BankFinancial Corporation					
Equity to total assets (end of period)	13.22%	13.78%	13.86%	14.04%	14.89%
Tangible equity to tangible total assets (end of period)	13.17	13.72	13.79	13.97	14.80
Risk-based total capital ratio	17.64	18.09	17.80	17.89	19.10
Common Tier 1 (CET1)	16.87	17.26	16.95	17.01	18.14
Risk-based tier 1 capital ratio	16.87	17.26	16.95	17.01	18.14
Tier 1 leverage ratio	12.28	12.41	12.53	13.26	13.41
Tier 1 capital	\$ 183,092	\$ 184,695	\$ 186,964	\$ 189,044	\$ 189,216
BankFinancial FSB					
Risk-based total capital ratio	15.21%	15.09%	15.83%	15.41%	16.22%
Common Tier 1 (CET1)	14.44	14.26	14.98	14.54	15.25
Risk-based tier 1 capital ratio	14.44	14.26	14.98	14.54	15.25
Tier 1 leverage ratio	10.51	10.25	11.08	11.33	11.27
Tier 1 capital	\$ 156,725	\$ 152,559	\$ 165,183	\$ 161,545	\$ 159,118
COMMON STOCK AND DIVIDENDS					
Stock Prices:					
Close	\$ 12.70	\$ 11.99	\$ 11.82	\$ 12.63	\$ 12.43
High	12.80	12.89	13.29	13.22	12.48
Low	11.75	11.38	11.42	12.10	11.57
Common shares outstanding	19,271,211	19,678,697	19,939,500	20,297,317	20,501,966
Book value per share	\$ 10.57	\$ 10.50	\$ 10.51	\$ 10.46	\$ 10.39
Tangible book value per share	\$ 10.52	\$ 10.45	\$ 10.45	\$ 10.40	\$ 10.32
Cash dividends declared on common stock	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.04	\$ 0.08
Dividend payout ratio	38.82%	119.60%	53.50%	38.59%	69.82%
Stock repurchases	\$ 5,022	\$ 3,280	\$ 4,393	\$ 2,582	\$ —
Stock repurchases – shares	407,486	260,803	357,817	204,649	—
EARNINGS PER SHARE COMPUTATIONS					
Net income	\$ 2,508	\$ 831	\$ 1,904	\$ 2,116	\$ 2,349
Average common shares outstanding	19,460,022	19,827,581	20,155,541	20,428,979	20,501,966
Less: Unearned ESOP shares	(670,351)	(694,773)	(719,109)	(743,659)	(768,327)
Unvested restricted stock shares	(940)	(2,690)	(7,881)	(7,932)	(7,932)
Weighted average common shares outstanding	18,788,731	19,130,118	19,428,551	19,677,388	19,725,707
Plus: Dilutive common shares equivalents	323	317	2,939	25,141	5,595
Weighted average dilutive common shares outstanding	18,789,054	19,130,435	19,431,490	19,702,529	19,731,302
Basic earnings per common share	\$ 0.13	\$ 0.04	\$ 0.10	\$ 0.11	\$ 0.12
Diluted earnings per common share	\$ 0.13	\$ 0.04	\$ 0.10	\$ 0.11	\$ 0.12
Number of anti-dilutive stock options excluded from the diluted earnings per share calculation	536,459	536,459	1,752,156	536,459	—
Weighted average exercise price of anti-dilutive options	\$ 12.99	\$ 12.99	\$ 12.30	\$ 12.99	\$ —

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 core operations and pre-tax pre-provision earnings from core 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 core 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,	
	2016	2015	2016	2015
Pre-tax pre-provision earnings from core operations				
Income before income taxes	\$ 4,081	\$ 3,881	\$ 8,483	\$ 10,801
Provision for (recovery of) loan losses	(525)	(956)	300	(2,168)
	3,556	2,925	8,783	8,633
Adjustments:				
Equity-based compensation	107	297	875	332
Nonperforming asset management	89	244	300	442
Gain on sale of other real estate owned	(15)	(11)	(15)	(91)
Valuation adjustments of other real estate owned	115	231	244	467
Operations of other real estate owned	143	114	539	404
Adjustments	439	875	1,943	1,554
Pre-tax pre-provision earnings from core operations	\$ 3,995	\$ 3,800	\$ 10,726	\$ 10,187
Pre-tax pre-provision earnings from core operations to average total assets (1)	1.06%	1.06%	0.95%	0.94%

(1) Annualized

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

FOR THE LATEST FIVE QUARTERS

	2016			2015	
	IIIQ	IIQ	IQ	IVQ	IIIQ
Pre-tax pre-provision earnings from core operations					
Income before income taxes	\$ 4,081	\$ 1,345	\$ 3,057	\$ 3,299	\$ 3,881
Provision for (recovery of) loan losses	(525)	1,315	(490)	(1,038)	(956)
	3,556	2,660	2,567	2,261	2,925
Adjustments:					
Equity-based compensation	107	391	377	306	297
Nonperforming asset management	89	127	84	239	244
Loss (gain) on sale of other real estate owned	(15)	(38)	38	33	(11)
Valuation adjustments of other real estate owned	115	10	119	81	231
Operations of other real estate owned	143	177	219	169	114
	439	667	837	828	875
Pre-tax pre-provision earnings from core operations	\$ 3,995	\$ 3,327	\$ 3,404	\$ 3,089	\$ 3,800
Pre-tax pre-provision earnings from core operations to average total assets (1)	1.06%	0.88%	0.90%	0.85%	1.06%

(1) Annualized