

**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): February 1, 2013**

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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 or former address, 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))

**Item 7.01. Regulation FD Disclosure**

BankFinancial Corporation (the “Company”) will review fourth quarter and full year 2012 results in a conference call and webcast for stockholders and analysts on Tuesday, February 5, 2013 at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (800) 591-6942 and using participant passcode 22981731. The conference call will be simultaneously webcast at [www.bankfinancial.com](http://www.bankfinancial.com), under Stockholder Information.

**Item 8.01. Other Events**

On February 1, 2013, the Company issued a press release announcing certain asset resolution actions and the results for the year ended December 31, 2012 and issued the Fourth Quarter 2012 Quarterly Financial and Statistical Supplement for the latest five quarters. The press release also reported earnings for the year ended December 31, 2012. 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.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated February 1, 2013
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: February 1, 2013

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

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated February 1, 2013
99.2	Quarterly Financial and Statistical Supplement

**FOR IMMEDIATE RELEASE**

**BANKFINANCIAL CORPORATION ANNOUNCES ADDITIONAL ASSET RESOLUTION ACTIONS AND FOURTH QUARTER 2012 FINANCIAL RESULTS**

**Burr Ridge, Illinois** - February 1, 2013 (GLOBE NEWSWIRE) -- BankFinancial Corporation (BFIN) (the "Company") today announced that it took additional actions in the fourth quarter of 2012 in furtherance of its plan to materially reduce future nonperforming asset expenses and accelerate the return to the Company's historical asset quality levels. The actions supplemented the Company's previously announced completion of two bulk sales of non-performing assets with a carrying value of \$22.7 million.

The actions included the designation of additional loans with a carrying value of \$7.5 million as "held for sale" in preparation for a bulk sale, the restructuring of \$7.1 million of certain performing classified loans to enable the basis for their classification to be resolved in 2013, and a reduction in the carrying values of certain non-performing assets to levels designed to facilitate or accelerate resolution.

As a result of these actions, the two completed bulk sales and ordinary course of business classifications, resolutions and dispositions that occurred in the fourth quarter of 2012:

- The Company's nonaccrual loans (excluding the loans that were designated as held for sale) totaled \$26.3 million, or 2.51% of total loans, at December 31, 2012, compared to \$76.2 million, or 6.05% of total loans, at December 31, 2011. Included in total non-performing loans are purchased impaired loans acquired in the Company's acquisition of Downers Grove National Bank in March, 2011; purchased impaired loans totaled \$4.0 million at December 31, 2012, compared to \$14.6 million at December 31, 2011.
- The Company's non-performing assets totaled \$38.4 million, or 2.59% of total assets, at December 31, 2012, compared to \$98.6 million, or 6.31% of total assets, at December 31, 2011. Included in total non-performing assets are other real estate owned and certain loans held for sale. Other real estate owned totaled \$10.4 million at December 31, 2012, compared to \$22.5 million at December 31, 2011.

The pre-tax charges that the Company recorded in connection with these actions, combined with the \$11.5 million pre-tax charge that the Company recorded in connection with the completed bulk loan sales, substantially contributed to the recording of a pre-tax net operating loss of \$25.0 million for the fourth quarter ending December 31, 2012, and a pre-tax net operating loss of \$27.1 million of the year ended December 31, 2012. At December 31, 2012, the Company's total risk-based capital ratio was 18.01 percent, its Tier 1 risk-based capital ratio was 16.75 percent, and its Tier 1 leverage ratio was 11.43 percent.

As previously disclosed, the non-performing loans and assets in the closed bulk sales involved multifamily and commercial real estate assets. The remaining element of the bulk sale plan involved the designation of certain owner-occupied and investor-owned 1-4 family loans as held for sale. The designation resulted in a \$5.9 million pre-tax charge against the provision for loan losses for the quarter ended December 31, 2012. The loans designated as held for sale generally involved properties that exhibited significant declines in collateral valuations and/or presented limited resolution options. The Company is currently pursuing loan sale alternatives that are expected to result in the disposition of these assets in the first or second quarter of 2013.

The split-note restructurings involved four separate borrowers. The restructurings were conducted pursuant to applicable published regulatory and accounting guidance. The loans had an aggregate carrying value of \$7.1 million prior to the completion of the restructurings. At the conclusion of the restructurings, \$5.2 million remained on accrual status due to these actions and are expected to be eligible for favorable risk-rating classification in 2013 after a period of sustained performance. The remaining \$1.9 million was charged against the provision for loan losses for the quarter ended December 31, 2012.

The Company also recorded a pre-tax charge of \$6.0 million against the provision for loan losses with respect to certain purchased impaired loans and other impaired loans, and a \$1.8 million valuation adjustment of certain other

real estate owned. These charges are expected to better position these assets for resolution, and were primarily based on updated appraisal and market data, decisions to shorten expected disposition periods or lower sales prices, and in the case of certain loans, decisions to terminate discussions with borrowers and institute legal action.

“These actions and the bulk sales that we have already completed have enabled us to enter 2013 with significantly improved asset quality metrics that are more consistent with our historical asset quality levels,” said F. Morgan Gasior, Chairman and CEO. “As a result, we can return our focus in 2013 to more normalized operations, with an emphasis on diversified and measured loan growth, improving non-interest income, implementing additional expense control measures and taking other steps that we believe should enhance shareholder value.”

A 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 fourth quarter and full year 2012 results in a conference call and webcast for stockholders and analysts on Tuesday, February 5, 2013 at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (800) 591-6942 and using participant passcode 22981731. The conference call will be simultaneously webcast at [www.bankfinancial.com](http://www.bankfinancial.com), on the “Stockholder Information” page. For those persons unable to participate in the conference call, the webcast will be archived through 11:59 p.m. Chicago, Illinois Time on March 5, 2013 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 20 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.

### **Caution About Forward-Looking Statements**

This release includes “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. BankFinancial intends these statements to be covered by the safe harbor provision for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to significant uncertainties. Because of these uncertainties, 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](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:**

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Elizabeth A. Doolan  
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**BankFinancial Corporation**  
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Executive Vice President – Marketing & Sales  
**BankFinancial, F.S.B.**  
Telephone: 630-242-7234

**BANKFINANCIAL CORPORATION**

**FOURTH QUARTER 2012**

**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)

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>PERFORMANCE MEASUREMENTS</b>					
Return on assets (ratio of net income (loss) to average total assets) <sup>(1)</sup>	(6.66)%	(1.39)%	0.21%	0.61%	(11.65)%
Return on equity (ratio of net income (loss) to average equity) <sup>(1)</sup>	(50.32)	(10.20)	1.56	4.61	(75.38)
Net interest rate spread <sup>(1)</sup>	3.51	3.69	4.04	4.18	4.19
Net interest margin <sup>(1)</sup>	3.58	3.76	4.11	4.26	4.28
Efficiency ratio, less goodwill impairment	104.78	105.04	87.07	78.00	90.76
Noninterest expense to average total assets, less goodwill impairment <sup>(1)</sup>	4.05	4.26	3.68	3.49	4.04
Average interest-earning assets to average interest-bearing liabilities	123.20	123.54	123.50	122.46	122.86
Number of full service offices	20	20	20	20	20
Employees (full time equivalents)	352	347	350	353	357
<b>SUMMARY STATEMENT OF FINANCIAL CONDITION</b>					
<b>ASSETS</b>					
Cash and due from other financial institutions	\$ 20,361	\$ 19,619	\$ 17,679	\$ 24,037	\$ 24,247
Interest-bearing deposits in other financial institutions	255,403	217,110	203,028	154,043	96,457
Securities, at fair value	77,832	81,748	75,040	81,241	92,832
Loans held-for-sale	2,166	551	505	521	1,918
Loans receivable, net	1,030,465	1,080,489	1,118,928	1,177,719	1,227,391
Other real estate owned, net	10,358	14,994	17,251	20,189	22,480
Stock in Federal Home Loan Bank, at cost	8,412	9,067	10,160	11,336	16,346
Premises and equipment, net	38,251	38,555	38,934	39,044	39,155
Intangible assets	3,038	3,195	3,351	3,508	3,671
Bank owned life insurance	21,645	21,562	21,453	21,333	21,207
FDIC prepaid expense	2,658	3,118	3,738	4,027	4,351
Income tax receivable	461	461	694	1,353	1,809
Other assets	10,142	9,403	11,433	10,786	11,711
<b>Total assets</b>	<b>\$ 1,481,192</b>	<b>\$ 1,499,872</b>	<b>\$ 1,522,194</b>	<b>\$ 1,549,137</b>	<b>\$ 1,563,575</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Deposits	\$ 1,282,351	\$ 1,278,196	\$ 1,289,467	\$ 1,320,580	\$ 1,332,552
Borrowings	5,567	6,946	10,081	9,995	9,322
Other liabilities	20,384	16,733	19,703	16,451	21,844
<b>Total liabilities</b>	<b>1,308,302</b>	<b>1,301,875</b>	<b>1,319,251</b>	<b>1,347,026</b>	<b>1,363,718</b>
Stockholders' equity	172,890	197,997	202,943	202,111	199,857
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,481,192</b>	<b>\$ 1,499,872</b>	<b>\$ 1,522,194</b>	<b>\$ 1,549,137</b>	<b>\$ 1,563,575</b>

(1) Annualized



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

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>SUMMARY STATEMENT OF OPERATIONS</b>					
Total interest income	\$ 13,801	\$ 14,468	\$ 15,824	\$ 16,634	\$ 17,370
Total interest expense	1,059	1,036	1,112	1,240	1,380
Net interest income before provision	12,742	13,432	14,712	15,394	15,990
Provision for loan losses	24,328	4,453	1,745	996	9,740
Net interest income	(11,586)	8,979	12,967	14,398	6,250
Noninterest income	1,771	1,831	1,418	1,832	2,004
Noninterest expense	15,207	16,032	14,044	13,436	40,193
Income (loss) before income tax	(25,022)	(5,222)	341	2,794	(31,939)
Income tax expense (benefit)	—	—	(457)	457	15,110
Net income (loss)	\$ (25,022)	\$ (5,222)	\$ 798	\$ 2,337	\$ (47,049)
Basic earnings (loss) per common share	\$ (1.25)	\$ (0.26)	\$ 0.04	\$ 0.12	\$ (2.38)
Diluted earnings (loss) per common share	\$ (1.25)	\$ (0.26)	\$ 0.04	\$ 0.12	\$ (2.38)

**NONINTEREST INCOME AND EXPENSE**

**Noninterest Income**

Deposit service charges and fees	\$ 550	\$ 548	\$ 521	\$ 557	\$ 657
Other fee income	380	374	383	385	430
Insurance commissions and annuities income	151	125	112	122	189
Gain on sales of loans, net	246	210	118	267	199
Gain (loss) on disposition of premises and equipment	8	(7)	(157)	—	—
Loan servicing fees	115	124	119	128	131
Amortization of servicing assets	(68)	(61)	(67)	(69)	(74)
Recovery (impairment) of servicing assets	(17)	6	(31)	(13)	17
Earnings on bank owned life insurance	83	109	120	126	141
Trust income	188	171	190	184	186
Other	135	232	110	145	128
<b>Total noninterest income</b>	<b>\$ 1,771</b>	<b>\$ 1,831</b>	<b>\$ 1,418</b>	<b>\$ 1,832</b>	<b>\$ 2,004</b>

**Noninterest Expense**

Compensation and benefits	\$ 6,298	\$ 6,333	\$ 6,461	\$ 6,659	\$ 6,078
Office occupancy and equipment	1,715	1,627	1,755	1,743	1,870
Advertising and public relations	242	136	217	94	60
Information technology	1,104	1,127	1,146	1,261	1,058
Supplies, telephone, and postage	433	416	408	430	434
Amortization of intangibles	157	156	157	163	367
Nonperforming asset management	1,126	1,728	1,117	1,240	1,430
Loss (gain) on sales of other real estate owned	379	(42)	54	(138)	113
Valuation adjustments of other real estate owned	1,783	2,352	1,036	389	2,482
Operations of other real estate owned	344	432	601	301	844
FDIC insurance premiums	480	642	309	348	334
Goodwill impairment	—	—	—	—	23,862
Other	1,146	1,125	783	946	1,261
<b>Total noninterest expense</b>	<b>\$ 15,207</b>	<b>\$ 16,032</b>	<b>\$ 14,044</b>	<b>\$ 13,436</b>	<b>\$ 40,193</b>

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

	Year Ended December 31,	
	2012	2011
<b>SUMMARY STATEMENT OF OPERATIONS</b>		
Total interest income	\$ 60,727	\$ 69,708
Total interest expense	4,447	6,915
Net interest income before provision	56,280	62,793
Provision for loan losses	31,522	22,723
Net interest income	24,758	40,070
Noninterest income	6,852	7,317
Noninterest expense	58,719	83,708
Loss before income tax	(27,109)	(36,321)
Income tax expense	—	12,375
Net loss	\$ (27,109)	\$ (48,696)
Basic loss per common share	\$ (1.36)	\$ (2.46)
Diluted loss per common share	\$ (1.36)	\$ (2.46)
<b>NONINTEREST INCOME AND EXPENSE</b>		
<b>Noninterest Income</b>		
Deposit service charges and fees	\$ 2,176	\$ 2,667
Other fee income	1,522	1,598
Insurance commissions and annuities income	510	659
Gain on sales of loans, net	841	340
Loss on disposition of premises and equipment	(156)	(19)
Loan servicing fees	486	538
Amortization of servicing assets	(265)	(252)
Impairment of servicing assets	(55)	(15)
Earnings on bank owned life insurance	438	626
Trust income	733	676
Other	622	499
<b>Total noninterest income</b>	<b>\$ 6,852</b>	<b>\$ 7,317</b>
<b>Noninterest Expense</b>		
Compensation and benefits	\$ 25,751	\$ 26,027
Office occupancy and equipment	6,840	7,319
Advertising and public relations	689	890
Information technology	4,638	4,182
Supplies, telephone, and postage	1,687	1,698
Amortization of intangibles	633	1,689
Nonperforming asset management	5,211	4,431
Loss on sales of other real estate owned	253	15
Valuation adjustments of other real estate owned	5,560	3,970
Operations of other real estate owned	1,678	2,350
FDIC insurance premiums	1,779	1,441
Acquisition costs	—	1,761
Goodwill impairment	—	23,862
Other	4,000	4,073
<b>Total noninterest expense</b>	<b>\$ 58,719</b>	<b>\$ 83,708</b>

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

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>DEPOSITS</b>					
Noninterest-bearing demand	\$ 134,597	\$ 134,474	\$ 140,801	\$ 144,182	\$ 142,084
Savings deposits	144,726	143,212	144,875	147,706	144,515
Money market accounts	349,092	346,989	347,889	343,826	345,011
Interest-bearing NOW accounts	348,683	340,425	336,629	338,269	336,531
Certificates of deposits	305,253	313,096	319,273	346,597	364,411
<b>Deposits</b>	<b>\$ 1,282,351</b>	<b>\$ 1,278,196</b>	<b>\$ 1,289,467</b>	<b>\$ 1,320,580</b>	<b>\$ 1,332,552</b>
<b>LOANS</b>					
One-to-four family residential real estate loans	\$ 218,596	\$ 238,810	\$ 252,034	\$ 262,263	\$ 272,032
Multi-family mortgage loans	352,019	374,164	390,112	410,341	423,615
Nonresidential real estate loans	264,672	288,976	299,567	308,094	311,641
Construction and land loans	8,552	13,774	15,391	19,283	19,852
Commercial loans	61,388	61,053	68,510	81,998	93,932
Commercial leases	139,783	121,200	121,356	124,319	134,990
Consumer loans	2,745	2,273	2,055	2,211	2,147
<b>Total loans</b>	<b>1,047,755</b>	<b>1,100,250</b>	<b>1,149,025</b>	<b>1,208,509</b>	<b>1,258,209</b>
Net deferred loan origination costs	745	827	781	848	908
Allowance for loan losses	(18,035)	(20,588)	(30,878)	(31,638)	(31,726)
<b>Loans, net</b>	<b>\$ 1,030,465</b>	<b>\$ 1,080,489</b>	<b>\$ 1,118,928</b>	<b>\$ 1,177,719</b>	<b>\$ 1,227,391</b>

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

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>CREDIT QUALITY:</b>					
<b>Nonperforming Assets:</b>					
Nonaccrual loans:					
One-to-four family residential real estate loans	\$ 7,299	\$ 11,334	\$ 14,214	\$ 11,602	\$ 10,622
Multi-family mortgage loans	3,517	11,501	12,640	13,264	14,807
Nonresidential real estate loans	8,985	25,541	30,096	32,892	29,927
Construction and land loans	2,210	3,584	4,005	3,263	3,246
Commercial loans	256	747	3,533	3,527	2,920
Commercial leases	—	68	159	22	22
Consumer loans	—	6	13	8	3
Nonaccrual loans	22,267	52,781	64,660	64,578	61,547
Loans held-for-sale	1,752	—	—	—	—
Other real estate owned:					
One-to-four family residential real estate loans	1,760	2,420	3,365	4,251	5,328
Multi-family real estate	720	1,985	2,645	3,005	3,655
Nonresidential real estate	3,504	4,244	4,496	4,756	4,905
Land	1,323	1,761	1,665	1,712	2,237
Other real estate owned	7,307	10,410	12,171	13,724	16,125
Nonperforming assets (excluding purchase impaired loans and purchased other real estate owned)	31,326	63,191	76,831	78,302	77,672
<b>Purchased impaired loans:</b>					
One-to-four family residential real estate loans	\$ 380	\$ 2,125	\$ 2,297	\$ 3,670	\$ 3,941
Multi-family mortgage loans	—	1,528	1,491	1,454	1,418
Nonresidential real estate loans	2,568	2,610	2,661	3,308	3,375
Construction and land loans	1,021	1,634	2,324	4,859	4,788
Commercial loans	20	357	677	841	1,078
Purchased impaired loans	3,989	8,254	9,450	14,132	14,600
<b>Purchased other real estate owned:</b>					
One-to-four family residential real estate	320	320	535	721	327
Nonresidential real estate	462	577	927	2,264	2,546
Land	2,269	3,687	3,618	3,480	3,482
Purchased other real estate owned	3,051	4,584	5,080	6,465	6,355
Purchased impaired loans and OREO	7,040	12,838	14,530	20,597	20,955
<b>Nonperforming assets</b>	<b>\$ 38,366</b>	<b>\$ 76,029</b>	<b>\$ 91,361</b>	<b>\$ 98,899</b>	<b>\$ 98,627</b>
<b>Asset Quality Ratios</b>					
Nonperforming assets to total assets	2.59%	5.07%	6.00%	6.38%	6.31%
Nonperforming assets to total assets <sup>(1)</sup>	2.11	4.21	5.05	5.05	4.97
Nonaccrual loans to total loans	2.51	5.55	6.45	6.51	6.05
Nonaccrual loans to total loans <sup>(1)</sup>	2.13	4.80	5.63	5.34	4.89
Allowance for loan losses to nonaccrual loans	64.39	33.73	41.67	40.20	41.66
Allowance for loan losses to nonaccrual loans <sup>(1)</sup>	80.99	39.01	47.75	48.99	51.55

(1) Asset quality ratios exclude purchased impaired loans and acquired other real estate owned resulting from the Downers Grove National Bank merger.

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

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>PERFORMING LOANS GREATER THAN 30 DAYS PAST DUE</b>					
30 – 59 days past due	\$ 8,100	\$ 3,810	\$ 1,448	\$ 14,131	\$ 11,305
60 – 89 days past due	2,652	230	108	157	2,410
Matured Loans	3,550	7,801	2,553	10,008	15,582
	<u>\$ 14,302</u>	<u>\$ 11,841</u>	<u>\$ 4,109</u>	<u>\$ 24,296</u>	<u>\$ 29,297</u>
<b>ALLOWANCE FOR LOAN LOSSES</b>					
Beginning balance	\$ 20,588	\$ 30,878	\$ 31,638	\$ 31,726	\$ 28,778
Charge offs:					
One-to-four family residential real estate loans	(7,958)	(3,145)	(591)	(672)	(2,689)
Multi-family mortgage loans	(4,355)	(2,159)	(135)	(554)	(1,893)
Nonresidential real estate loans	(10,097)	(5,435)	(2,202)	(433)	(686)
Construction and land loans	(3,273)	(806)	(185)	(47)	(249)
Commercial loans	(1,255)	(3,536)	(31)	(138)	(1,352)
Commercial leases	(53)	(68)	—	—	(72)
Consumer loans	(8)	(72)	(11)	(12)	(6)
	<u>(26,999)</u>	<u>(15,221)</u>	<u>(3,155)</u>	<u>(1,856)</u>	<u>(6,947)</u>
Recoveries:					
One-to-four family residential real estate loans	41	7	74	111	11
Multi-family mortgage loans	48	11	96	384	1
Nonresidential real estate loans	6	7	284	31	5
Construction and land loans	2	6	58	184	—
Commercial loans	16	421	132	57	135
Commercial leases	—	—	—	—	—
Consumer loans	5	26	6	5	3
	<u>118</u>	<u>478</u>	<u>650</u>	<u>772</u>	<u>155</u>
Net charge-offs	<u>(26,881)</u>	<u>(14,743)</u>	<u>(2,505)</u>	<u>(1,084)</u>	<u>(6,792)</u>
Provision for loan losses	24,328	4,453	1,745	996	9,740
Ending balance	<u>\$ 18,035</u>	<u>\$ 20,588</u>	<u>\$ 30,878</u>	<u>\$ 31,638</u>	<u>\$ 31,726</u>
Allowance for loan losses to total loans	1.72%	1.87%	2.69%	2.62%	2.52%
Net charge-off ratio <sup>(1)</sup>	9.97	5.24	0.85	0.35	2.11

(1) Annualized

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

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>SELECTED AVERAGE BALANCES</b>					
Total average assets	\$ 1,503,759	\$ 1,504,438	\$ 1,525,626	\$ 1,541,815	\$ 1,614,989
Total average interest-earning assets	1,416,629	1,419,829	1,440,147	1,454,117	1,483,656
Average loans	1,078,708	1,125,600	1,184,803	1,236,234	1,285,153
Average securities	80,485	74,260	77,077	88,448	95,120
Average stock in FHLB	8,761	9,614	10,741	13,868	16,346
Average other interest-earning assets	248,675	210,355	167,526	115,567	87,037
Total average interest-bearing liabilities	1,149,888	1,149,304	1,166,111	1,187,446	1,207,554
Average interest-bearing deposits	1,143,586	1,141,855	1,156,355	1,178,263	1,198,045
Average borrowings	6,302	7,449	9,756	9,183	9,509
Average stockholders' equity	198,908	204,857	204,709	202,935	249,659

<b>SELECTED YIELDS AND COST OF FUNDS <sup>(1)</sup>:</b>					
Total average interest-earning assets	3.88%	4.05%	4.42%	4.60%	4.64%
Average loans	4.91	4.94	5.20	5.24	5.18
Average securities	1.55	1.83	2.02	2.01	2.12
Average other interest-earning assets	0.41	0.26	0.28	0.25	0.27
Total average interest-bearing liabilities	0.26	0.36	0.38	0.42	0.45
Average interest-bearing deposits	0.36	0.35	0.38	0.41	0.45
Average borrowings	1.52	1.39	1.15	1.14	1.21
Net interest rate spread	3.51	3.69	4.04	4.18	4.19
Net interest margin	3.58	3.76	4.11	4.26	4.28

(1) Annualized

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

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>CAPITAL RATIOS</b>					
<b>BankFinancial Corporation</b>					
Equity to total assets (end of period)	11.67%	13.20%	13.33%	13.05%	12.78%
Tangible equity to tangible total assets (end of period)	11.49%	13.02%	13.14%	12.85%	12.58%
Risk-based total capital ratio	18.01%	19.53%	19.16%	17.93%	17.02%
Risk-based tier 1 capital ratio	16.75%	18.27%	17.90%	16.67%	15.76%
Tier 1 leverage ratio	11.43%	12.95%	13.07%	12.79%	12.30%
Tier 1 capital	\$ 168,734	\$ 193,517	\$ 198,213	\$ 197,319	\$ 194,847
<b>BankFinancial FSB</b>					
Risk-based total capital ratio	15.32%	16.96%	16.67%	15.56%	14.72%
Risk-based tier 1 capital ratio	14.07	15.70	15.40	14.29	13.45
Tier 1 leverage ratio	9.60	11.13	11.25	10.97	10.48
Tier 1 capital	\$ 141,629	\$ 166,248	\$ 170,573	\$ 169,242	\$ 166,406
<b>COMMON STOCK AND DIVIDENDS</b>					
Stock Prices:					
Close	7.42	8.79	7.53	6.62	5.52
High	8.85	9.24	7.56	7.05	8.89
Low	6.62	7.31	5.66	5.25	5.26
Book value per share	8.20	9.40	9.64	9.59	9.48
Tangible book value per share	8.06	9.24	9.47	9.42	9.31
Cash dividends declared on common stock	\$ —	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Stock repurchases	\$ —	\$ —	\$ —	\$ —	\$ —
Stock repurchases – shares	—	—	—	—	—
<b>EARNINGS PER SHARE COMPUTATIONS</b>					
Net income (loss)	\$ (25,022)	\$ (5,222)	\$ 798	\$ 2,337	\$ (47,049)
Average common shares outstanding	21,072,966	21,072,966	21,072,966	21,072,966	21,072,966
Less: Unearned ESOP shares	(1,133,374)	(1,157,974)	(1,209,023)	(1,233,359)	(1,257,911)
Unvested restricted stock shares	—	—	(3,524)	(4,334)	(7,866)
Weighted average common shares outstanding	19,939,592	19,914,992	19,860,419	19,835,273	19,807,189
Plus: Dilutive common shares equivalents	—	—	—	807	—
Weighted average dilutive common shares outstanding	19,939,592	19,914,992	19,860,419	19,836,080	19,807,189
Number of anti-dilutive stock options excluded from the diluted earnings per share calculation	—	141,000	1,881,053	2,055,553	2,075,553
Weighted average exercise price of anti-dilutive options	\$ —	\$ 17.21	\$ 16.58	\$ 16.53	\$ 16.54
Basic earnings (loss) per common share	\$ (1.25)	\$ (0.26)	\$ 0.04	\$ 0.12	\$ (2.38)
Diluted earnings (loss) per common share	\$ (1.25)	\$ (0.26)	\$ 0.04	\$ 0.12	\$ (2.38)

**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 other real estate owned related income and expense items, nonperforming asset management expenses, acquisition expenses and goodwill impairment from noninterest expense, these measures better reflect our core operating performance.



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

**FOR THE THREE MONTHS AND YEAR PERIODS  
ENDED DECEMBER 31, 2012 and 2011**

	Three months ended December 31,		Year ended December 31,	
	2012	2011	2012	2011
<b>Pre-tax pre-provision earnings from core operations</b>				
Loss before income taxes	\$ (25,022)	\$ (31,939)	\$ (27,109)	\$ (36,321)
Provision for loan losses	24,328	9,740	31,522	22,723
	(694)	(22,199)	4,413	(13,598)
<b>Adjustments:</b>				
Nonperforming asset management	1,126	1,430	5,211	4,431
Loss on sale of other real estate owned	379	113	253	15
Valuation adjustments of other real estate owned	1,783	2,482	5,560	3,970
Operations of other real estate owned	344	844	1,678	2,350
Acquisition expenses	—	—	—	1,761
Goodwill impairment	—	23,862	—	23,862
Adjustments	3,632	28,731	12,702	36,389
<b>Pre-tax pre-provision earnings from core operations</b>	<b>\$ 2,938</b>	<b>\$ 6,532</b>	<b>\$ 17,115</b>	<b>\$ 22,791</b>
Pre-tax pre-provision earnings from core operations to average total assets (1)	0.78%	1.62%	1.13%	1.41%

(1) Annualized

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

**FOR THE LATEST FIVE QUARTERS**

	2012				2011
	IVQ	IIIQ	IIQ	IQ	IVQ
<b>Pre-tax pre-provision earnings from core operations</b>					
Income (loss) before income taxes	\$ (25,022)	\$ (5,222)	\$ 341	\$ 2,794	\$ (31,939)
Provision for loan losses	24,328	4,453	1,745	996	9,740
	(694)	(769)	2,086	3,790	(22,199)
Adjustments:					
Nonperforming asset management	1,126	1,728	1,117	1,240	1,430
Loss (gain) on sale of other real estate owned	379	(42)	54	(138)	113
Valuation adjustments of other real estate owned	1,783	2,352	1,036	389	2,482
Operations of other real estate owned	344	432	601	301	844
Goodwill impairment	—	—	—	—	23,862
Adjustments	3,632	4,470	2,808	1,792	28,731
<b>Pre-tax pre-provision earnings from core operations</b>	<b>\$ 2,938</b>	<b>\$ 3,701</b>	<b>\$ 4,894</b>	<b>\$ 5,582</b>	<b>\$ 6,532</b>
Pre-tax pre-provision earnings from core operations to average total assets (1)	0.78%	0.98%	1.28%	1.45%	1.62%

(1) Annualized