

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, 2006

BANKFINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Maryland

0-25233

75-3199276

(State or Other Jurisdiction
of Incorporation)

(Commission File No.)

(I.R.S. Employer
Identification No.)

15W060 North Frontage Road, Burr Ridge, Illinois

60527

(Address of Principal Executive Offices)

(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 1.01. Entry into a Material Definitive Agreement.

On April 26, 2006, the Board of Directors of BankFinancial, F.S.B. (the "Bank"), the principal subsidiary of BankFinancial Corporation, approved amendments of the Bank's Employment Agreements with "Named Executive Officers" (as defined by Item 402(a)(3) of Securities and Exchange Commission Regulation S-K) F. Morgan Gasior, James J. Brennan, Paul A. Cloutier, Robert J. O'Shaughnessy and Christa N. Calabrese to extend the Employment Periods, as defined in the Employment Agreements, for an additional one (1) year, so that the terms of the Employment Periods for these individuals will end on March 31, 2009. The foregoing Employment Agreements were filed as Exhibits 10.3 through 10.7 to the Company's Registration Statement on Form S-1 (File Number 333-119217), originally filed with the Securities and Exchange Commission on September 23, 2004. The form of the Amendment to the Employment Agreements is attached to this Current Report on Form 8-K as Exhibit 10.

Item 9.01. Financial Statements and Exhibits.

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

10 Form of Extension of Employment Agreement for F. Morgan Gasior, James J. Brennan, Paul A. Cloutier, Robert J. O'Shaughnessy and Christa N. Calabrese.

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

DATE: May 2, 2006

By: /s/ James J. Brennan

James J. Brennan
Executive Vice President and
Corporate Secretary

To: _____
From: James J. Brennan, Secretary
Re: Employment Agreement Annual Review
Date: April 27, 2006

I am pleased to confirm that the Board of Directors of BankFinancial, F.S.B. and the Board's Human Resources Committee conducted the annual review referenced in Section 2(b) of your Employment Agreement. The Board determined on April 26, 2006, subject to the condition set forth below, to extend the Employment Period, as referenced in Section 2(a) of your Employment Agreement, for an additional one (1) year so that the term of the Employment Period will end on March 31, 2009.

The above extension of the term of your Employment Agreement is subject to the condition that you date and sign this document and the Amendment to your Employment Agreement that is attached to this document as Exhibit A, and return the executed original documents to EVP Patricia Smith by no later than May 5, 2006.

Please feel free to contact me if you have any questions.

Name:

EXHIBIT A

BANKFINANCIAL, F.S.B.
AMENDMENT NO. 1 TO
EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (the "Amendment") is made effective as of April 26, 2006, by and between BankFinancial, F.S.B. (the "Bank"), a federally chartered stock savings bank having its principal office at 21110 South Western Avenue, Olympia Fields, Illinois, and _____ ("Executive").

WHEREAS, Executive and the Bank have previously entered into an Employment Agreement dated as of _____ (the "Agreement"); and

WHEREAS, the Board of Directors of the Bank (the "Board") has proposed, subject to Executive's execution of this Amendment, to extend the Employment Period, as referenced in Section 2(a) of the Agreement, for an additional one (1) year so that the remaining term of the Employment Period will end on March 31, 2009; and

WHEREAS, Section 409A of the Internal Revenue Code of 1986 (the "Code"), as amended, requires that certain deferred compensation arrangements comply with its terms or subject the recipient of the compensation to potential taxes and penalties; and

WHEREAS, certain provisions of the Agreement may be subject to Code Section 409A and the Board desires to amend the Agreement in order to comply with Code Section 409A, to the extent necessary; and

WHEREAS, Executive desires to accept the foregoing proposal.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and upon the other terms and conditions hereinafter provided, the parties hereby agree as follows:

1. The following language is added to the end of Section 6(c) of the Agreement:

"Notwithstanding anything to the contrary in this Section 6(c) or in any other provision of this Agreement, if required by Section 409A of the Code and in the event the Executive is a "Specified Employee," the

amounts payable under this Section 6(c) shall commence no earlier than the first day of the seventh month following the effective date of the Executive's Separation from Service. As used in this Agreement, the terms "Specified Employee" and "Separation from Service" shall have the meanings set forth in Code Section 409A."

2. The following language is added to the end of Section 6(e) of the Agreement:

"Notwithstanding anything to the contrary in this Section 6(e) or in any other provision of this Agreement, if required by Section 409A of the Code and in the event the Executive is a "Specified Employee," the amounts payable under this Section 6(e) shall commence no earlier than the first day of the seventh month following the effective date of the Executive's Separation from Service."

3. The following language is added to the end of Section 6(g) of the Agreement:

"Notwithstanding anything to the contrary in this Section 6(g) or in any other provision of this Agreement, in the event the payments hereunder are deemed to be subject to Code Section 409A, the election provided for in this Section 6(g) shall not be available to the Bank."

IN WITNESS WHEREOF, BankFinancial, F.S.B. has caused this Amendment to be executed by a duly authorized officer, and Executive has signed this Amendment effective as of the 26th day of April, 2006.

BANKFINANCIAL, F.S.B.

EXECUTIVE

By: _____

Name:

Its: _____