

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): February 1, 2021

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.)

60 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	BFIN	The NASDAQ Stock Market LLC

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On February 1, 2021, BankFinancial Corporation (Nasdaq – BFIN) issued a press release announcing the results for the fourth quarter and year ended December 31, 2020 and issued the Quarterly Financial and Statistical Supplement for the latest five quarters. The press release and Quarterly Financial and Statistical Supplement are included as Exhibits 99.1 and 99.2 to this report.

BankFinancial Corporation will review results for the fourth quarter and year ended December 31, 2020 in a conference call and webcast for stockholders and analysts on Wednesday, February 3, 2021 at 9:30 a.m. Chicago, Illinois Time.

The conference call may be accessed by calling (844) 413-1780 using participant passcode 2253316. The conference call will be simultaneously webcast at www.bankfinancial.com, “Investor Relations” page.

Item 9.01 Financial Statements and Exhibits.

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

Exhibit

<u>No.</u>	<u>Description</u>
99.1	Press Release dated February 1, 2021
99.2	Quarterly Financial and Statistical Supplement
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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, 2021

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



FOR IMMEDIATE RELEASE

**BankFinancial Corporation Reports Financial Results for 2020 and
Will Host Conference Call and Webcast on Wednesday, February 3, 2021**

Burr Ridge, Illinois - (February 1, 2021) BankFinancial Corporation (Nasdaq – BFIN) (the “Company”) announced today that the Company recorded net income of \$9.2 million for the year ended December 31, 2020 and basic and diluted earnings per common share of \$0.61 for the year ended December 31, 2020.

The Company recorded net income of \$2.4 million and basic and diluted earnings per common share of \$0.17 for the fourth quarter of 2020, compared to \$3.4 million and \$0.22 per share for the fourth quarter of 2019.

The Company’s net income for the fourth quarter of 2020 included \$605,000 of income related to loan prepayments, \$255,000 of commercial credit facilities fees, and \$162,000 of fee income from the Paycheck Protection Program and a modest increase in trust income. These increases were partially offset by a reduction of deposit services income related to retail account activity. The Company’s noninterest expense for the fourth quarter of 2020 was consistent with the prior quarter despite increases in occupancy expenses related to COVID-19 health security and risk mitigation, real estate taxes on branch facilities, personnel expenses related to equipment finance incentive plans and recruiting expenses related to the addition of originations and underwriting personnel for the Commercial Finance Division and Treasury Services Department.

Due to exceptionally high prepayments of multi-family loans, the Company’s total loans decreased by \$63.3 million during the fourth quarter of 2020. Commercial loans and leases increased by \$25.4 million due to strong originations of commercial equipment finance transactions resulting from the expansion of our equipment finance products in 2020. Multi-family mortgage loans declined by \$70.6 million due to loan prepayments primarily related either to project sales, or to equity cash-out refinances in excess of the Company’s credit risk parameters or legal lending limits, which occurred in the latter half of the quarter within our geographic markets outside the Chicago metropolitan area. Nonresidential real estate loans declined by \$15.8 million, due in part to planned reductions in exposure to commercial retail shopping assets, borrower repayment of loans from available excess liquidity, and the repayment in full of a \$1.6 million nonperforming loan. Residential real estate loans declined by \$3.1 million due to accelerated repayments and the Company’s termination of residential lending in 2017. Total deposits decreased by \$8.7 million, as a \$39.7 million increase in core retail and business deposits was offset by a \$48.4 million decline in retail and wholesale certificates of deposit.

Total loans declined by \$165.4 million for the year ended December 31, 2020, primarily due to a \$111.5 million decline in multi-family mortgage loans and a \$56.3 million decline in commercial line of credit balances resulting from COVID-19 fiscal stimulus payments to healthcare providers. Total deposits increased by \$108.8 million, primarily due to a \$257.8 million increase in core retail and business deposits, partially offset by a \$93.9 million decrease in retail certificates of deposit, and a \$55.2 million decrease in wholesale certificates of deposits. As a result of the changes in the loan and deposit portfolios, the Company’s liquid assets were 31.5% of total assets at December 31, 2020.

The Company’s asset quality remained stable in 2020. The ratio of nonperforming loans to total loans was 0.12% and the ratio of nonperforming assets to total assets was 0.09% at December 31, 2020. Nonperforming commercial-related loans represented 0.03% of total commercial-related loans at December 31, 2020. Our allowance for losses on loans and leases increased to 0.77% of total loans as of December 31, 2020, compared to 0.65% at December 31, 2019, reflecting the increased inherent credit risks arising from the COVID-19 pandemic.

The Company’s capital position remained strong, with a Tier 1 leverage ratio of 10.79% at December 31, 2020. Throughout 2020, the Company maintained its quarterly dividend rate at \$0.10 per common share. The Company repurchased 508,699 common shares during the year ended December 31, 2020, which represented 3.3% of the common shares that were outstanding on December 31, 2019. The Company’s book value per share increased in 2020 by 2.6% to \$11.71 per share at December 31, 2020.

F. Morgan Gasior, the Chairman and CEO of the Company, said “The Company ended 2020 in a strong financial condition, with excellent asset quality and considerably more liquid assets. Our financial results for 2020 reflect the significant impact of the material declines in interest rates, increases in market and borrower liquidity due to coronavirus pandemic fiscal and monetary stimulus actions, and our continued emphasis on consistent credit risk management. Notwithstanding the disruption caused by COVID-19, we increased our originations of commercial equipment finance transactions by 57% in 2020 due to the expansion of our product lines to include governmental, middle-market and small-ticket transactions. We also accelerated the development of our Commercial Finance credit products to include general commercial, governmental and certain specialty markets in addition to our Equipment Finance lessor credit and our healthcare lending capabilities. The continued expansion of our Equipment Finance and Commercial Finance products and originations capabilities in 2021 will help us deploy our significant excess liquidity and further enhance the diversification of our commercial credit portfolios. We also began to expand our Treasury Services capabilities, focusing on generating noninterest income and commercial deposits that align with our Equipment Finance, Commercial Real Estate and Commercial Finance credit products.”

Mr. Gasior added that “Despite the adverse impacts of the coronavirus pandemic and rapid changes in market conditions, we continue to believe that the actions we took in 2020 further enable us to achieve the asset generation that we need to meet our financial objectives. We will incur some additional expenses for personnel, marketing and technology to support these credit, business deposit and noninterest income generation activities, but we will seek to offset these costs as much as possible within our consistent operating expense discipline. As we progressively deploy our excess liquidity during 2021, we expect that the increases in income will accelerate our progress towards our financial return goals despite the challenging conditions.”

The Company's Quarterly Financial and Statistical Supplement will be available today on BankFinancial's website, www.bankfinancial.com on 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 fourth quarter 2020 results in a conference call and webcast for stockholders and analysts on Wednesday, February 3, 2021 at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (844) 413-1780 using participant passcode 2253316. The conference call will be simultaneously webcast at www.bankfinancial.com, "Investor Relations" page. For those unable to participate in the conference call, the webcast will be archived through Wednesday, February 24, 2021 on our website.

BankFinancial Corporation is the holding company for BankFinancial, NA, a national bank providing financial services to individuals, families and businesses through 19 full-service banking offices, located in Cook, DuPage, Lake and Will Counties, Illinois and to selected commercial loan and deposit customers on a regional or national basis. BankFinancial Corporation's common stock trades on the Nasdaq Global Select Market under the symbol BFIN. Additional information may be found at the company's website, www.bankfinancial.com.

This release includes "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. A variety of factors could cause BankFinancial's actual results to differ from those expected at the time of this release. For a discussion of some of the factors that may cause actual results to differ from expectations, please refer to BankFinancial's most recent Annual Report on Form 10-K as filed with the SEC, as supplemented by subsequent filings with the SEC. Investors are urged to review all information contained in these reports, including the risk factors discussed therein. Copies of these filings are available at no cost on the SEC's web site at www.sec.gov 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:

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BANKFINANCIAL CORPORATION
FOURTH QUARTER 2020
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)

	2020				2019
	IVQ	IIIQ	IIQ	IQ	IVQ
PERFORMANCE MEASUREMENTS					
Return on assets (ratio of net income to average total assets) ⁽¹⁾	0.62%	0.49%	0.61%	0.66%	0.91%
Return on equity (ratio of net income to average equity) ⁽¹⁾	5.63	4.50	5.42	5.52	7.71
Net interest rate spread ⁽¹⁾	2.92	2.69	2.90	3.19	3.23
Net interest margin ⁽¹⁾	3.03	2.85	3.09	3.44	3.50
Efficiency ratio ⁽²⁾	74.40	79.82	74.06	72.03	66.98
Noninterest expense to average total assets ⁽¹⁾	2.46	2.45	2.40	2.63	2.56
Average interest-earning assets to average interest-bearing liabilities	142.75	141.40	138.21	132.68	132.47
Number of full service offices	19	19	19	19	19
Employees (full time equivalents)	210	210	199	226	222
SUMMARY STATEMENT OF FINANCIAL CONDITION					
ASSETS					
Cash and due from other financial institutions	\$ 14,115	\$ 13,740	\$ 13,826	\$ 14,652	\$ 9,785
Interest-bearing deposits in other financial institutions	489,381	415,925	370,939	155,286	180,540
Securities, at fair value	23,829	42,048	59,437	63,853	60,193
Loans receivable, net	1,002,578	1,065,892	1,081,798	1,147,628	1,168,008
Other real estate owned, net	157	110	143	110	186
Stock in Federal Home Loan Bank and Federal Reserve Bank, at cost	7,490	7,490	7,490	7,490	7,490
Premises and equipment, net	24,675	24,241	24,323	24,202	24,346
Bank-owned life insurance	19,015	18,996	18,986	18,977	18,945
Deferred taxes	2,741	3,520	3,615	3,644	3,873
Other assets	12,861	12,981	12,572	14,440	14,649
Total assets	<u>\$ 1,596,842</u>	<u>\$ 1,604,943</u>	<u>\$ 1,593,129</u>	<u>\$ 1,450,282</u>	<u>\$ 1,488,015</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits	\$ 1,393,544	\$ 1,402,244	\$ 1,388,155	\$ 1,253,751	\$ 1,284,757
Borrowings	4,000	4,000	4,000	—	61
Other liabilities	26,368	26,302	28,520	23,536	28,825
Total liabilities	1,423,912	1,432,546	1,420,675	1,277,287	1,313,643
Stockholders' equity	172,930	172,397	172,454	172,995	174,372
Total liabilities and stockholders' equity	<u>\$ 1,596,842</u>	<u>\$ 1,604,943</u>	<u>\$ 1,593,129</u>	<u>\$ 1,450,282</u>	<u>\$ 1,488,015</u>

(1) Annualized

(2) The efficiency ratio represents noninterest expense, divided by the sum of net interest income and noninterest income.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

(Dollars in thousands; except per share) – (Unaudited)

	2020				2019	For the years ended December 31,	
	IVQ	IIIQ	IIQ	IQ	IVQ	2020	2019
SUMMARY STATEMENT OF OPERATIONS							
Total interest income	\$ 12,543	\$ 12,485	\$ 13,194	\$ 14,653	\$ 15,732	\$ 52,875	\$ 65,408
Total interest expense	947	1,488	1,869	2,684	3,105	6,988	13,217
Net interest income	11,596	10,997	11,325	11,969	12,627	45,887	52,191
Provision for (recovery of) loan losses	(271)	(187)	42	471	89	55	3,825
Net interest income after provision for (recovery of) loan losses	11,867	11,184	11,283	11,498	12,538	45,832	48,366
Noninterest income	1,541	1,264	1,163	1,398	1,648	5,366	6,172
Noninterest expense	9,774	9,787	9,249	9,628	9,562	38,438	38,641
Income before income tax	3,634	2,661	3,197	3,268	4,624	12,760	15,897
Income tax expense ⁽¹⁾	1,189	713	845	850	1,234	3,597	4,225
Net income	<u>\$ 2,445</u>	<u>\$ 1,948</u>	<u>\$ 2,352</u>	<u>\$ 2,418</u>	<u>\$ 3,390</u>	<u>\$ 9,163</u>	<u>\$ 11,672</u>
Basic and diluted earnings per common share	<u>\$ 0.17</u>	<u>\$ 0.13</u>	<u>\$ 0.16</u>	<u>\$ 0.16</u>	<u>\$ 0.22</u>	<u>\$ 0.61</u>	<u>\$ 0.75</u>
NONINTEREST INCOME AND EXPENSE							
Noninterest Income							
Deposit service charges and fees	\$ 740	\$ 833	\$ 736	\$ 887	\$ 957	\$ 3,196	\$ 3,844
Loan servicing fees	363	44	82	63	273	552	451
Mortgage brokerage and banking fees	14	44	11	29	72	98	149
Gain on sale of equity securities	—	—	—	—	—	—	295
Loss on disposal of other assets	(3)	—	—	(2)	(25)	(5)	(44)
Trust insurance commissions and annuities income	233	222	224	282	217	961	844
Earnings on bank-owned life insurance	19	10	9	32	31	70	136
Other	175	111	101	107	123	494	497
Total noninterest income	<u>\$ 1,541</u>	<u>\$ 1,264</u>	<u>\$ 1,163</u>	<u>\$ 1,398</u>	<u>\$ 1,648</u>	<u>\$ 5,366</u>	<u>\$ 6,172</u>
Noninterest Expense							
Compensation and benefits	\$ 5,239	\$ 5,398	\$ 5,168	\$ 5,518	\$ 5,138	\$ 21,323	\$ 21,266
Office occupancy and equipment	1,978	1,860	1,723	1,800	1,727	7,361	7,075
Advertising and public relations	159	135	118	152	169	564	657
Information technology	741	781	808	864	921	3,194	3,272
Professional fees	412	341	289	314	446	1,356	1,307
Supplies, telephone, and postage	357	288	284	303	291	1,232	1,328
Amortization of intangibles	7	6	7	14	14	34	61
Nonperforming asset management	(8)	57	57	40	(24)	146	105
Operations of other real estate owned, net	4	23	7	(17)	30	17	52
FDIC insurance premiums	107	105	102	34	—	348	127
Other	778	793	686	606	850	2,863	3,391
Total noninterest expense	<u>\$ 9,774</u>	<u>\$ 9,787</u>	<u>\$ 9,249</u>	<u>\$ 9,628</u>	<u>\$ 9,562</u>	<u>\$ 38,438</u>	<u>\$ 38,641</u>

(1) Income tax expense for the quarter and year ended December 31, 2020 includes a \$200,000 valuation reserve related to the Company's Illinois NOL carryforward.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

(Dollars in thousands; except per share) – (Unaudited)

	2020				2019
	IVQ	IIIQ	IIQ	IQ	IVQ
LOANS					
One-to-four family residential real estate	\$ 41,691	\$ 44,812	\$ 48,928	\$ 52,849	\$ 55,750
Multi-family mortgage	452,241	522,825	536,619	542,421	563,750
Nonresidential real estate	108,658	124,477	127,560	133,432	134,674
Construction and land	499	—	—	—	—
Commercial loans and leases ⁽¹⁾	405,057	379,638	374,606	424,112	418,343
Consumer	1,812	1,784	1,783	2,078	2,211
	<u>1,009,958</u>	<u>1,073,536</u>	<u>1,089,496</u>	<u>1,154,892</u>	<u>1,174,728</u>
Net deferred loan origination costs	371	367	458	848	912
Allowance for loan losses	(7,751)	(8,011)	(8,156)	(8,112)	(7,632)
Loans, net	<u>\$ 1,002,578</u>	<u>\$ 1,065,892</u>	<u>\$ 1,081,798</u>	<u>\$ 1,147,628</u>	<u>\$ 1,168,008</u>
LOAN ORIGINATIONS ⁽²⁾					
One-to-four family residential real estate	\$ 290	\$ 557	\$ 667	\$ 659	\$ 437
Multi-family mortgage	16,024	12,593	21,546	17,642	19,848
Nonresidential real estate	61	217	855	4,772	174
Construction and land	499	—	—	—	—
Commercial loans	72,441	40,439	110,080	151,098	134,330
Commercial equipment finance	75,491	58,864	18,036	46,503	33,183
Consumer	640	590	489	883	1,018
	<u>\$ 165,446</u>	<u>\$ 113,260</u>	<u>\$ 151,673</u>	<u>\$ 221,557</u>	<u>\$ 188,990</u>
Weighted average interest rate	4.16%	4.04%	4.13%	4.55%	5.41%
LOAN PAYMENTS and PAYOFFS ⁽³⁾					
One-to-four family residential real estate	\$ 3,396	\$ 4,711	\$ 4,586	\$ 3,511	\$ 5,317
Multi-family mortgage	86,003	26,630	27,814	38,213	33,916
Nonresidential real estate	15,881	3,159	6,583	6,740	5,854
Construction and land	—	—	—	—	88
Commercial loans	82,006	56,765	139,932	162,015	151,432
Commercial equipment finance	40,746	38,804	35,841	31,167	36,488
Consumer	614	580	755	989	796
	<u>\$ 228,646</u>	<u>\$ 130,649</u>	<u>\$ 215,511</u>	<u>\$ 242,635</u>	<u>\$ 233,891</u>
Weighted average interest rate	4.57%	4.49%	4.58%	4.74%	5.46%

(1) Beginning in Q3 2020, commercial loans and leases are presented as one line item. Previously they were presented separately. Prior periods have been reclassified to conform with current presentation.

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

(3) 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)

	2020				2019
	IVQ	IIIQ	IIQ	IQ	IVQ
CREDIT QUALITY:					
Nonperforming Assets:					
Nonaccrual loans:					
One-to-four family residential real estate	\$ 925	\$ 465	\$ 662	\$ 476	\$ 512
Nonresidential real estate	296	1,870	288	288	288
Commercial loans and leases	—	—	833	—	—
	<u>1,221</u>	<u>2,335</u>	<u>1,783</u>	<u>764</u>	<u>800</u>
Loans past due over 90 days, still accruing - Investment-rated commercial leases	—	—	—	—	47
Other real estate owned - One-to-four family residential real estate	<u>157</u>	<u>110</u>	<u>143</u>	<u>110</u>	<u>186</u>
Nonperforming assets	<u><u>\$ 1,378</u></u>	<u><u>\$ 2,445</u></u>	<u><u>\$ 1,926</u></u>	<u><u>\$ 874</u></u>	<u><u>\$ 1,033</u></u>
Asset Quality Ratios					
Nonperforming assets to total assets	0.09%	0.15%	0.12%	0.06%	0.07%
Nonperforming loans to total loans (1)	0.12	0.22	0.16	0.07	0.07
Nonperforming commercial-related loans to total commercial-related loans (2)	0.03	0.18	0.11	0.03	0.03
Nonperforming residential and consumer loans to total residential and consumer loans	2.13	1.00	1.31	0.87	0.88
Allowance for loan losses to nonperforming loans	634.81	343.08	457.43	1061.78	901.06
Concentrations of Credit					
Commercial real estate for FFIEC concentration limits	\$ 540,837	\$ 622,273	\$ 637,777	\$ 648,991	\$ 699,434
% FFIEC total capital	321.95%	366.52%	374.58%	381.15%	393.32%
Multi-family mortgage loans - 50% risk based capital qualified (included above)	\$ 238,124	\$ 278,271	\$ 235,176	\$ 281,962	\$ 336,287
% FFIEC total capital	141.75%	163.90%	138.12%	165.60%	197.58%

(1) Nonperforming loans include nonaccrual loans and loans past due 90 days and still accruing.

(2) Commercial-related loans include multi-family mortgage, nonresidential real estate, construction and land, and commercial loans and leases.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

(Dollars in thousands; except per share) – (Unaudited)

	2020				2019
	IVQ	IIIQ	IIQ	IQ	IVQ
SUBSTANDARD PERFORMING LOANS					
One-to-four family residential real estate	\$ 486	\$ 517	\$ 501	\$ 440	\$ 568
Multi-family mortgage	—	—	—	—	206
Nonresidential real estate	84	1,196	2,790	89	90
Commercial loans and leases	5,891	1,296	1,261	1,423	136
Consumer	5	5	11	9	53
	<u>\$ 6,466</u>	<u>\$ 3,014</u>	<u>\$ 4,563</u>	<u>\$ 1,961</u>	<u>\$ 1,053</u>
ALLOWANCE FOR LOAN LOSSES					
Beginning balance	\$ 8,011	\$ 8,156	\$ 8,112	\$ 7,632	\$ 7,603
Charge-offs:					
One-to-four family residential real estate	(2)	(2)	—	(5)	(105)
Consumer	(18)	(14)	(17)	(13)	(11)
	(20)	(16)	(17)	(18)	(116)
Recoveries:					
One-to-four family residential real estate	19	2	3	13	47
Multi-family mortgage	11	56	15	12	7
Commercial loans and leases	1	—	1	2	2
	31	58	19	27	56
Net recoveries (charge-offs)	11	42	2	9	(60)
Provision for (recovery of) loan losses	(271)	(187)	42	471	89
Ending balance	<u>\$ 7,751</u>	<u>\$ 8,011</u>	<u>\$ 8,156</u>	<u>\$ 8,112</u>	<u>\$ 7,632</u>
Allowance for loan losses to total loans	0.77%	0.75%	0.75%	0.70%	0.65%
Net recoveries (charge-offs) ratio ⁽¹⁾	—	0.02	—	—	(0.02)

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

(Dollars in thousands; except per share) – (Unaudited)

	2020				2019
	IVQ	IIIQ	IIQ	IQ	IVQ
DEPOSITS					
Noninterest-bearing demand	\$ 326,188	\$ 328,915	\$ 305,096	\$ 211,142	\$ 210,762
Interest-bearing NOW accounts	336,994	316,976	306,629	266,828	273,168
Money market accounts	297,801	283,236	268,143	247,227	245,610
Savings deposits	179,561	171,766	167,570	155,505	153,183
Certificates of deposit - retail	243,088	275,862	303,976	319,987	336,949
Certificates of deposit - wholesale	9,912	25,489	36,741	53,062	65,085
	<u>\$ 1,393,544</u>	<u>\$ 1,402,244</u>	<u>\$ 1,388,155</u>	<u>\$ 1,253,751</u>	<u>\$ 1,284,757</u>
SELECTED AVERAGE BALANCES					
Total average assets	\$ 1,588,887	\$ 1,599,148	\$ 1,541,352	\$ 1,465,253	\$ 1,496,379
Total average interest-earning assets	1,524,087	1,534,324	1,475,901	1,400,539	1,429,300
Average loans	1,047,244	1,080,521	1,116,067	1,160,197	1,189,771
Average securities	36,180	52,265	66,750	62,919	64,658
Average stock in FHLB & FRB	7,490	7,490	7,490	7,490	7,490
Average other interest-earning assets	433,173	394,048	285,594	169,933	167,381
Total average interest-bearing liabilities	1,067,628	1,085,129	1,067,854	1,055,550	1,078,940
Average interest-bearing deposits	1,063,628	1,081,129	1,065,480	1,055,535	1,078,537
Average borrowings	4,000	4,000	2,374	15	403
Average stockholders' equity	173,649	173,266	173,677	175,069	175,977
SELECTED YIELDS AND COST OF FUNDS (1)					
Total average interest-earning assets	3.27%	3.24%	3.60%	4.21%	4.37%
Average loans	4.62	4.43	4.57	4.72	4.82
Average securities	1.06	1.39	1.63	1.94	2.27
Average other interest-earning assets	0.18	0.19	0.24	1.54	1.94
Total average interest-bearing liabilities	0.35	0.55	0.70	1.02	1.14
Average interest-bearing deposits	0.35	0.55	0.71	1.02	1.14
Average cost of total deposits	0.27	0.42	0.56	0.85	0.95
Average cost of retail and commercial deposits	0.33	0.48	0.63	0.93	1.04
Average cost of wholesale deposits and borrowings	1.73	2.22	2.35	2.52	2.53
Average cost of funds	0.27	0.42	0.56	0.85	0.95
Net interest rate spread	2.92	2.69	2.90	3.19	3.23
Net interest margin	3.03	2.85	3.09	3.44	3.50

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

(Dollars in thousands; except per share) – (Unaudited)

	2020				2019
	IVQ	IIIQ	IIQ	IQ	IVQ
CAPITAL RATIOS					
BankFinancial Corporation (1)					
Equity to total assets (end of period)	10.83%	10.74%	10.82%	11.93%	11.72%
Tangible equity to tangible total assets (end of period)	10.83	10.74	10.82	11.93	11.72
Risk-based total capital ratio	20.07	18.68	17.84	17.35	17.23
Common Tier 1 (CET1)	19.20	17.84	17.03	16.56	16.48
Risk-based tier 1 capital ratio	19.20	17.84	17.03	16.56	16.48
Tier 1 leverage ratio	10.79	10.66	11.06	11.67	11.48
Tier 1 capital	\$ 171,240	\$ 170,271	\$ 170,242	\$ 170,788	\$ 171,524
BankFinancial, NA (2)					
Risk-based total capital ratio	18.84%	17.80%	17.04%	16.53%	16.38%
Common Tier 1 (CET1)	17.97	16.96	16.22	15.75	15.63
Risk-based tier 1 capital ratio	17.97	16.96	16.22	15.75	15.63
Tier 1 leverage ratio	10.10	10.13	10.54	11.10	10.89
Tier 1 capital	\$ 160,236	\$ 161,770	\$ 162,108	\$ 162,158	\$ 162,455
COMMON STOCK AND DIVIDENDS					
Stock Prices:					
Close	\$ 8.78	\$ 7.22	\$ 8.40	\$ 8.81	\$ 13.08
High	9.10	8.70	9.63	13.28	14.14
Low	7.14	6.81	6.73	7.33	11.52
Common shares outstanding	14,769,765	14,824,628	14,890,628	15,072,268	15,278,464
Book value per share	\$ 11.71	\$ 11.63	\$ 11.58	\$ 11.48	\$ 11.41
Tangible book value per share	\$ 11.71	\$ 11.63	\$ 11.58	\$ 11.48	\$ 11.41
Cash dividends declared on common stock	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Dividend payout ratio	60.43%	76.13%	63.73%	62.94%	45.30%
Stock repurchases	\$ 416	\$ 518	\$ 1,474	\$ 2,202	\$ 1,298
Stock repurchases – common shares	54,863	66,000	181,640	206,196	95,500
EARNINGS PER SHARE COMPUTATIONS					
Net income	\$ 2,445	\$ 1,948	\$ 2,352	\$ 2,418	\$ 3,390
Weighted average basic and dilutive common shares outstanding	14,783,042	14,842,150	14,978,757	15,205,731	15,342,524
Basic and diluted earnings per common share	\$ 0.17	\$ 0.13	\$ 0.16	\$ 0.16	\$ 0.22

(1) As a small bank holding company, the Company is exempt from the Federal Reserve Board's risk-based capital and leverage rules. BankFinancial Corporation capital data is included for informational purposes only.

(2) As a qualified community bank, the Bank is exempt from the Office of the Comptroller of the Currency's risk-based capital rules effective second quarter 2020. BankFinancial, NA capital data is included for informational purposes only.