
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): March 13, 2012

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))
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Item 7.01. Regulation FD Disclosure

BankFinancial Corporation (the “Company”) will review fourth quarter and full year 2011 results in a conference call and webcast for stockholders and analysts on Thursday, March 15, 2012, at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (866) 770-7120 and using participant passcode 60675562. The conference call will be simultaneously webcast at www.bankfinancial.com, under Stockholder Information.

Item 8.01. Other Events

On March 13, 2012, the Company issued a press release announcing the filing of its Annual Report on Form 10-K for the year ended December 31, 2011 and issued the Fourth Quarter 2011 Quarterly Financial and Statistical Supplement for the latest five quarters. The press release also reported earnings for the year ended December 31, 2011. 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 March 13, 2012
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: March 13, 2012

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 March 13, 2012
99.2	Quarterly Financial and Statistical Supplement

**FOR IMMEDIATE RELEASE****BankFinancial Corporation Reports Financial Results
for the Fourth Quarter of 2011 and the Full Year of 2011**

Burr Ridge, Illinois - (March 13, 2012). BankFinancial Corporation (Nasdaq – BFIN) (the “Company”) reported that it recorded a \$23.9 million goodwill impairment charge and a \$22.6 million valuation allowance for deferred tax assets for the three months ended December 31, 2011. These non-cash charges contributed in substantial part to the Company’s net loss of \$47.0 million and basic loss per share of \$2.38 for the three months ended December 31, 2011.

The goodwill impairment charge is a non-cash accounting adjustment that has no effect on the Company’s cash flows or tangible capital. Additionally, because goodwill is excluded from regulatory capital, the impairment charge has no impact on the Company’s or its subsidiary bank’s regulatory capital ratios. The Company and its subsidiary bank continue to exceed regulatory requirements to be considered “well capitalized” in accordance with regulatory capital standards. The goodwill impairment charge reflects, among other factors, the discount to book value at which smaller bank and thrift stocks traded in the stock market throughout 2011, as compared to 2010. The recording of the deferred tax asset valuation allowance was also a non-cash adjustment that produced no tangible economic loss because the net operating loss carryforwards, tax credits and other tax benefits underlying the deferred tax asset remain available to reduce taxes on future income.

The Company’s core (pre-tax, pre-provision, and pre-goodwill impairment and credit costs) operating earnings for the fourth quarter of 2011 were \$6.5 million, compared to \$6.4 million for the third quarter of 2011. Core operating earnings were offset by the impact of \$12.3 million in valuation adjustments, of which \$9.7 million was recorded as a quarterly provision for loan losses, \$2.5 million was recorded as other real estate owned (“OREO”) write-downs and \$113,000 was recorded as a loss on sale of OREO. Additions to specific reserves and the OREO write-downs were primarily due to updated appraisals on certain nonperforming loans and OREO. In addition, the operating results for the fourth quarter reflected \$2.3 million of expense relating to nonperforming asset and OREO operations.

For the year ended December 31, 2011, BankFinancial recorded a net loss of \$48.7 million and basic loss per share of \$2.46, compared to a net loss of \$4.3 million for 2010. Core operating earnings for the year ended December 31, 2011 were \$22.8 million, compared to \$12.4 million for the year ended December 31, 2010.

The Company filed its Annual Report on Form 10-K for the year ended December 31, 2011 and a Quarterly Financial and Statistical Supplement on Form 8-K with the SEC today. Both reports will be available on BankFinancial’s website, www.bankfinancial.com on the “Stockholder Information” 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.

At December 31, 2011, BankFinancial had total assets of \$1.564 billion, total loans of \$1.227 billion, total deposits of \$1.333 billion and stockholders’ equity of \$200 million.

The Company’s management will review fourth quarter and full year 2011 results in a conference call and webcast for stockholders and analysts on Thursday, March 15, 2012, at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (866) 770-7120 and using participant passcode 60675562. The conference call will be simultaneously webcast at www.bankfinancial.com, “Stockholder Information” page. For those persons unable to participate in the conference call, the webcast will be archived through 5:00 p.m. Chicago Time on March 29, 2012 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.

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 <http://www.sec.gov> or on BankFinancial's web site at <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:

Shareholder, Analyst and Investor

Inquiries:

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Senior Vice President – Controller

BankFinancial Corporation

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Executive Vice President – Marketing & Sales

BankFinancial F.S.B.

Telephone: 630-242-7234

BANKFINANCIAL CORPORATION
FOURTH QUARTER 2011
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)

PERFORMANCE MEASUREMENTS	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
Return on assets (ratio of net income (loss) to average total assets) (1)	(11.65)%	(0.46)%	0.24%	(0.20)%	(1.40)%
Return on equity (ratio of net income (loss) to average equity) (1)	(75.38)	(3.01)	1.62	(1.23)	(8.41)
Net interest rate spread (1)	4.19	4.19	4.27	3.68	3.41
Net interest margin (1)	4.28	4.29	4.38	3.81	3.57
Efficiency ratio, less goodwill impairment	90.76	80.32	77.09	95.52	104.71
Noninterest expense to average total assets, less goodwill impairment (1)	4.04	3.54	3.46	3.71	4.00
Average interest-earning assets to average interest-bearing liabilities	122.86	122.52	122.55	122.64	123.30
Number of full service offices	20 ⁽²⁾	20 ⁽²⁾	20 ⁽²⁾	20 ⁽²⁾	18
Employees (full time equivalents)	357 ⁽²⁾	360 ⁽²⁾	373 ⁽²⁾	385 ⁽²⁾	328

SUMMARY STATEMENT OF FINANCIAL CONDITION	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
ASSETS					
Cash and due from other financial institutions	\$ 24,247	\$ 15,270	\$ 14,049	\$ 14,479	\$ 18,097
Interest-bearing deposits in other financial institutions	96,457	92,898	100,433	109,776	202,713
Securities, at fair value	92,832	94,880	95,546	121,154	120,747
Loans held-for-sale	1,918	1,388	—	—	2,716
Loans receivable, net	1,227,391	1,270,023	1,291,399	1,302,313	1,050,766
Other real estate owned and other real estate owned in process	22,480	24,278	27,032	22,713	14,622
Stock in Federal Home Loan Bank, at cost	16,346	16,346	16,346	16,346	15,598
Premises and equipment, net	39,155	38,948	38,745	37,650	32,495
Intangible assets	3,671	26,604	27,074	27,544	25,266
Bank owned life insurance	21,207	21,066	20,901	20,739	20,581
FDIC prepaid expense	4,351	4,662	5,003	5,158	4,845
Income tax receivable	1,780	1,445	1,862	2,523	1,749
Deferred taxes, net	—	15,444	13,232	13,112	9,333
Other assets	11,740	10,574	11,266	11,724	11,127
Total assets	\$1,563,575	\$1,633,826	\$1,662,888	\$1,705,231	\$1,530,655
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits	\$1,332,552	\$1,352,808	\$1,378,331	\$1,421,564	\$1,235,377
Borrowings	9,322	9,253	12,595	15,488	23,749
Other liabilities	21,844	24,663	21,584	17,467	18,244
Total liabilities	1,363,718	1,386,724	1,412,510	1,454,519	1,277,370
Stockholders' equity	199,857	247,102	250,378	250,712	253,285
Total liabilities and stockholders' equity	\$1,563,575	\$1,633,826	\$1,662,888	\$1,705,231	\$1,530,655

(1) Annualized

(2) Includes facilities and employees attributable to Downers Grove National Bank acquisition which closed on March 18, 2011.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

SUMMARY STATEMENT OF OPERATIONS	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
Total interest income	\$ 17,370	\$17,990	\$19,000	\$15,348	\$15,448
Total interest expense	1,380	1,629	1,910	1,996	2,442
Net interest income before provision	15,990	16,361	17,090	13,352	13,006
Provision for loan losses	9,740	7,384	3,175	2,424	8,148
Net interest income	6,250	8,977	13,915	10,928	4,858
Noninterest income	2,004	1,863	1,879	1,571	1,903
Noninterest expense	40,193	14,637	14,623	14,255	15,611
Income (loss) before income tax	(31,939)	(3,797)	1,171	(1,756)	(8,850)
Income tax expense (benefit)	15,110	(1,901)	145	(979)	(3,378)
Net income (loss)	\$ (47,049)	\$ (1,896)	\$ 1,026	\$ (777)	\$ (5,472)
Basic earnings (loss) per common share	\$ (2.38)	\$ (0.10)	\$ 0.05	\$ (0.04)	\$ (0.28)
Diluted earnings (loss) per common share	\$ (2.38)	\$ (0.10)	\$ 0.05	\$ (0.04)	\$ (0.28)

NONINTEREST INCOME AND EXPENSE	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
Noninterest Income					
Deposit service charges and fees	\$ 657	\$ 699	\$ 697	\$ 614	\$ 679
Other fee income	430	381	405	382	452
Insurance commissions and annuities income	189	146	155	169	227
Gain on sales of loans, net	199	83	39	19	184
Loss on disposition of premises and equipment	—	1	(10)	(10)	—
Loan servicing fees	131	138	137	132	137
Amortization and impairment of servicing assets	(57)	(105)	(51)	(54)	(64)
Earnings on bank owned life insurance	141	165	162	158	144
Trust income	186	199	215	76	9
Other	128	156	130	85	135
Total noninterest income	\$ 2,004	\$ 1,863	\$ 1,879	\$ 1,571	\$ 1,903
Noninterest Expense					
Compensation and benefits	\$ 6,078	\$ 6,229	\$ 7,120	\$ 6,600	\$ 5,993
Office occupancy and equipment	1,870	1,845	1,736	1,868	1,247
Advertising and public relations	60	333	260	237	437
Information technology	1,058	1,085	1,091	948	958
Supplies, telephone, and postage	434	450	439	375	438
Amortization of intangibles	367	470	470	382	392
Nonperforming asset management	1,430	1,267	1,279	455	1,898
Loss (gain) on sales of other real estate owned	113	16	(62)	(52)	101
Operations of other real estate owned	844	563	618	326	479
Write down of other real estate owned	2,482	1,009	299	179	2,204
FDIC insurance premiums	334	354	186	567	519
Acquisition expense	—	—	230	1,531	81
Goodwill impairment	23,862	—	—	—	—
Other	1,261	1,016	957	839	864
Total noninterest expenses	\$40,193	\$14,637	\$14,623	\$14,255	\$15,611

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
DEPOSITS					
Noninterest-bearing demand	\$ 142,084	\$ 138,510	\$ 138,805	\$ 141,322	\$ 112,549
Savings deposits	144,515	145,549	143,880	143,865	98,894
Money market accounts	345,011	350,693	354,897	356,352	341,048
Interest-bearing NOW accounts	336,531	333,188	323,997	328,493	302,812
Certificates of deposit – Retail	364,411	384,769	416,653	451,433	379,975
Certificates of deposit – Wholesale	—	99	99	99	99
Total certificates of deposit	364,411	384,868	416,752	451,532	380,074
Deposits	<u>\$1,332,552</u>	<u>\$1,352,808</u>	<u>\$1,378,331</u>	<u>\$1,421,564</u>	<u>\$1,235,377</u>

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
LOANS					
One-to-four family residential real estate loans	\$ 272,032	\$ 284,814	\$ 291,135	\$ 300,349	\$ 256,300
Multi-family mortgage loans	423,615	438,858	447,162	443,802	296,916
Nonresidential real estate loans	311,641	322,167	328,100	326,389	281,987
Construction and land loans	19,852	22,195	24,339	29,643	18,398
Commercial loans	93,932	82,553	73,622	75,137	64,679
Commercial leases	134,990	145,272	145,858	144,923	151,107
Consumer loans	2,147	1,978	3,109	3,383	2,182
Total loans	1,258,209	1,297,837	1,313,325	1,323,626	1,071,569
Net deferred loan origination costs	908	964	1,037	1,191	1,377
Allowance for loan losses	(31,726)	(28,778)	(22,963)	(22,504)	(22,180)
Loans, net	<u>\$1,227,391⁽¹⁾</u>	<u>\$1,270,023⁽¹⁾</u>	<u>\$1,291,399⁽¹⁾</u>	<u>\$1,302,313⁽¹⁾</u>	<u>\$1,050,766</u>

(1) Loans, net includes \$14.6 million, \$15.1 million, \$15.8 million and \$12.0 million of purchased impaired loans, respectively.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
CREDIT QUALITY:					
Nonperforming Assets:					
Nonaccrual loans:					
One-to-four family residential real estate loans	\$10,709	\$ 17,123	\$12,663	\$10,649	\$10,059
Multi-family mortgage loans	14,983	13,140	12,360	13,163	13,228
Nonresidential real estate loans	30,396	25,908	12,393	12,830	12,428
Construction and land loans	3,263	3,544	504	5,331	6,139
Commercial loans	2,940	4,535	3,886	3,765	3,766
Commercial leases	22	94	72	72	72
Consumer loans	3	—	—	—	3
Nonaccrual loans	<u>62,316</u>	<u>64,344</u>	<u>41,878</u>	<u>45,810</u>	<u>45,695</u>
Other real estate owned and other real estate owned in process:					
One-to-four family residential real estate	5,328	3,991	5,659	3,053	3,015
Multi-family real estate	3,655	4,252	3,987	2,794	2,486
Nonresidential real estate	4,905	5,947	6,896	7,150	7,376
Land	2,237	3,203	3,218	2,174	1,745
Other real estate owned and other real estate owned in process	<u>16,125</u>	<u>17,393</u>	<u>19,760</u>	<u>15,171</u>	<u>14,622</u>
Nonperforming assets (excluding purchase impaired loans and purchased other real estate owned)	<u>78,441</u>	<u>81,737</u>	<u>61,638</u>	<u>60,981</u>	<u>60,317</u>
Purchased impaired loans:					
One-to-four family residential real estate loans	\$ 3,941	\$ 3,279	\$ 2,201	\$ 732	—
Multi-family mortgage loans	1,418	1,434	1,398	1,387	—
Nonresidential real estate loans	3,375	3,317	3,369	882	—
Construction and land loans	4,788	5,998	7,759	7,739	—
Commercial loans	1,078	1,047	1,029	1,287	—
Purchased impaired loans	<u>14,600</u>	<u>15,075</u>	<u>15,756</u>	<u>12,027</u>	<u>—</u>
Purchased other real estate owned:					
One-to-four family residential real estate	327	327	327	157	—
Nonresidential real estate	2,546	2,771	3,006	1,967	—
Land	3,482	3,787	3,939	5,418	—
Purchased other real estate owned	<u>6,355</u>	<u>6,885</u>	<u>7,272</u>	<u>7,542</u>	<u>—</u>
Purchased impaired loans and OREO	<u>20,955</u>	<u>21,960</u>	<u>23,028</u>	<u>19,569</u>	<u>—</u>
Nonperforming assets	<u>\$99,396</u>	<u>\$ 103,697</u>	<u>\$84,666</u>	<u>\$80,550</u>	<u>\$60,317</u>
Asset Quality Ratios					
Nonperforming assets to total assets	6.36%	6.35%	5.09%	4.72%	3.94%
Nonperforming assets to total assets ⁽²⁾	5.02	5.00	3.71	3.58	—
Nonaccrual loans to total loans	6.11	6.12	4.39	4.37	4.26
Nonaccrual loans to total loans ⁽²⁾	4.95	4.96	3.19	3.46	—
Allowance for loan losses to nonaccrual loans	41.25	36.24	39.84	38.91	48.54
Allowance for loan losses to nonaccrual loans ⁽²⁾	50.91	44.73	54.83	49.12	—

(1) Annualized

(2) 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)

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
PERFORMING LOANS GREATER THAN 30 DAYS PAST DUE					
30 – 59 days past due	\$11,305	\$ 4,676	\$ 8,557	\$26,357	\$16,997
60 – 89 days past due	2,410	6,256	6,022	3,503	7,945
Matured Loans	15,582	10,138	18,475	18,843	29,947
	<u>\$29,297</u>	<u>\$21,070</u>	<u>\$33,054</u>	<u>\$48,703</u>	<u>\$54,889</u>
ALLOWANCE FOR LOAN LOSSES					
Beginning balance	\$28,778	\$22,963	\$22,504	\$22,180	\$19,417
Charge offs:					
One-to-four family residential real estate loans	(2,689)	(584)	(415)	(1,628)	(225)
Multi-family mortgage loans	(1,893)	(842)	(542)	(237)	(1,838)
Nonresidential real estate loans	(686)	(12)	—	—	(2,466)
Construction and land loans	(249)	(121)	(1,771)	(378)	—
Commercial loans	—	—	(42)	—	(975)
Commercial leases	(1,424)	—	—	—	—
Consumer loans	(6)	(70)	(1)	(16)	—
	<u>(6,947)</u>	<u>(1,629)</u>	<u>(2,771)</u>	<u>(2,259)</u>	<u>(5,504)</u>
Recoveries:					
One-to-four family residential real estate loans	11	33	5	2	59
Multi-family mortgage loans	1	3	32	89	—
Nonresidential real estate loans	5	5	5	58	1
Construction and land loans	—	—	—	—	58
Commercial loans	135	15	13	10	1
Commercial leases	—	—	—	—	—
Consumer loans	3	4	—	—	—
	<u>155</u>	<u>60</u>	<u>55</u>	<u>159</u>	<u>119</u>
Net (charge-offs) recoveries	<u>(6,792)</u>	<u>(1,569)</u>	<u>(2,716)</u>	<u>(2,100)</u>	<u>(5,385)</u>
Provision for loan losses	9,740	7,384	3,175	2,424	8,148
Ending balance	<u>\$31,726</u>	<u>\$28,778</u>	<u>\$22,963</u>	<u>\$22,504</u>	<u>\$22,180</u>
Allowance for loan losses to total loans	2.52%	2.22	1.75	1.70	2.07
Net charge-off ratio ⁽¹⁾	2.11	0.48	0.81	0.75	1.96

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
SELECTED AVERAGE BALANCES					
Total average assets	\$1,614,989	\$1,651,715	\$1,689,687	\$1,537,726	\$1,559,424
Total average interest-earning assets	1,483,656	1,513,816	1,564,244	1,419,673	1,446,151
Average loans	1,285,153	1,304,805	1,334,239	1,118,256	1,099,919
Average securities	95,120	97,984	112,636	118,913	80,837
Average stock in FHLB	16,346	16,346	16,562	15,711	15,598
Average other interest-earning assets	87,037	94,681	100,807	166,793	249,797
Total average interest-bearing liabilities	1,207,554	1,235,588	1,276,390	1,157,615	1,172,904
Average interest-bearing deposits	1,198,045	1,225,368	1,262,883	1,139,696	1,146,141
Average borrowings	9,509	10,220	13,507	17,919	26,763
Average stockholders' equity	249,659	251,923	252,874	253,420	260,192

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
SELECTED YIELDS AND COST OF FUNDS ⁽¹⁾:					
Total average interest-earning assets	4.64%	4.71%	4.87%	4.38%	4.24%
Average loans	5.18	5.28	5.46	5.23	5.24
Average securities	2.12	2.29	2.73	2.80	3.73
Average other interest-earning assets	0.27	0.29	0.29	0.27	0.25
Total average interest-bearing liabilities	0.45	0.52	0.60	0.70	0.83
Average interest-bearing deposits	0.45	0.52	0.59	0.68	0.80
Average borrowings	1.21	1.40	1.81	2.17	1.94
Net interest rate spread	4.19	4.19	4.27	3.68	3.41
Net interest margin	4.28	4.29	4.38	3.81	3.57

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
CAPITAL RATIOS ⁽¹⁾					
BankFinancial Corporation					
Equity to total assets (end of period)	12.78%	15.12%	15.06%	14.70%	16.55%
Tangible equity to tangible total assets (end of period)	12.58	13.72	13.65	13.30	15.15
Risk-based total capital ratio	17.04	17.06	17.28	17.03	21.51
Risk-based tier 1 capital ratio	15.77	15.80	16.19	16.06	20.33
Tier 1 leverage ratio	12.28	12.69	13.15	13.00	14.73
Tier 1 capital	\$ 195,075	\$ 204,282	\$ 213,702	\$ 216,551	\$ 220,610
Excess Tier 1 capital over 8%	67,967	75,570	83,662	82,926	100,862
BankFinancial FSB					
Risk-based total capital ratio	14.73	14.84	14.99	14.63	18.38
Risk-based tier 1 capital ratio	13.47	13.58	13.90	13.65	17.20
Tier 1 leverage ratio	10.50	10.91	11.28	11.05	12.48
Tier 1 capital	\$ 166,634	\$ 175,504	\$ 183,282	\$ 184,466	\$ 186,594
Excess Tier 1 capital over 8%	39,631	46,767	53,318	50,917	66,945

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
COMMON STOCK AND DIVIDENDS					
Stock Prices:					
Close	\$ 5.52	\$ 6.64	\$ 8.47	\$ 9.19	\$ 9.75
High	8.89	8.62	9.55	10.10	9.90
Low	5.26	6.51	8.10	8.42	9.06
Book value per share	\$ 9.48	\$ 11.73	\$ 11.88	\$ 11.90	\$ 12.02
Tangible book value per share	\$ 9.31	\$ 10.46	\$ 10.60	\$ 10.59	\$ 10.82
Cash dividends declared and paid on common stock	\$ 0.01	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07
Stock repurchases	\$ —	\$ —	\$ —	\$ —	\$ —
Stock repurchases – shares	—	—	—	—	—

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
EARNINGS PER SHARE COMPUTATIONS					
Net income (loss)	\$ (47,049)	\$ (1,896)	\$ 1,026	\$ (777)	\$ (5,472)
Average common shares outstanding	21,072,966	21,072,966	21,072,966	21,072,966	21,062,368
Less: Unearned ESOP shares	(1,257,911)	(1,325,859)	(1,350,347)	(1,374,576)	(1,399,056)
Unvested restricted stock shares	(7,866)	(8,667)	(8,667)	(8,667)	(89,131)
Weighted average common shares outstanding	19,807,189	19,738,440	19,713,952	19,689,723	19,574,181
Plus: Dilutive common shares equivalents	—	—	1,528	—	—
Weighted average dilutive common shares outstanding	19,807,189	19,738,440	19,715,480	19,689,723	19,574,181
Number of anti-dilutive stock options excluded from the diluted earnings per share calculation	2,075,553	2,080,553	2,202,553	2,287,553	2,287,553
Weighted average exercise price of anti-dilutive options	\$ 16.54	\$ 16.54	\$ 16.48	\$ 16.52	\$ 16.52
Basic earnings (loss) per common share	\$ (2.38)	\$ (0.10)	\$ 0.05	\$ (0.04)	\$ (0.28)
Diluted earnings (loss) per common share	\$ (2.38)	\$ (0.10)	\$ 0.05	\$ (0.04)	\$ (0.28)

(1) Capital calculations for December 31, 2011 and September 30, 2011 are in accordance with OCC guidance; all previous periods calculated are in accordance with OTS guidance.

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 the provision for loan losses, other real estate owned related income and expense, 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 QUARTERS and TWELVE MONTH PERIODS ENDED DECEMBER 31, 2011 AND 2010

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Pre-tax pre-provision earnings from core operations				
Income (loss) before income taxes	\$(31,939)	\$(8,850)	\$(36,321)	\$(7,054)
Provision for loan losses	9,740	8,148	22,723	12,083
Pre-tax pre-provision	(22,199)	(702)	13,598	5,029
Adjustments:				
Nonperforming asset management	1,430	1,898	4,431	3,342
Loss (gain) on sale of other real estate owned	113	101	15	415
Other real estate owned write-downs	2,482	2,204	3,970	2,392
Operations of other real estate owned	844	479	2,350	1,165
Acquisition expenses	—	81	1,761	81
Goodwill impairment	23,862	—	23,862	—
Adjustments	28,731	4,763	36,389	7,395
Pre-tax pre-provision earnings from core operations	\$ 6,532	\$ 4,061	\$ 22,791	\$12,424
Pre-tax pre-provision earnings from core operations to average total assets (1)	1.62%	1.04%	1.41%	0.80%

(1) Annualized

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

FOR THE LATEST FIVE QUARTERS

	2011				2010
	IVQ	IIIQ	IIQ	IQ	IVQ
Pre-tax pre-provision earnings from core operations					
Income (loss) before income taxes	\$(31,939)	\$(3,797)	\$1,171	\$(1,756)	\$(8,850)
Provision for loan losses	9,740	7,384	3,175	2,424	8,148
Pre-tax pre-provision	(22,199)	3,587	4,346	668	(702)
Adjustments:					
Nonperforming asset management	1,430	1,267	1,279	455	1,898
Loss (gain) on sale of other real estate owned	113	16	(62)	(52)	101
Other real estate owned write-downs	2,482	1,009	300	179	2,204
Operations of other real estate owned	844	563	617	326	479
Acquisition expenses	—	—	230	1,531	81
Goodwill impairment	23,862	—	—	—	—
Adjustments	28,731	2,855	2,364	2,439	4,763
Pre-tax pre-provision earnings from core operations	\$ 6,532	\$ 6,442	\$6,710	\$ 3,107	\$ 4,061
Pre-tax pre-provision earnings from core operations to average total assets (1)	1.62%	1.56%	1.60%	0.81%	1.04%

(1) Annualized