

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 18, 2020

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 18, 2020, BankFinancial Corporation (Nasdaq – BFIN) issued a press release announcing the results for the fourth quarter and year ended December 31, 2019 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 (the “Company”) will review results for the fourth quarter and year ended December 31, 2019 in a conference call and webcast for stockholders and analysts on February 19, 2020 at 9:30 a.m. Chicago, Illinois Time.

The conference call may be accessed by calling (844) 413-1780 using participant passcode 7198886. 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.

| <u>Exhibit No.</u> | <u>Description</u> |
|----------------------|--|
| 99.1 | Press Release dated February 18, 2020 |
| 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 18, 2020

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 2019 and****Will Host Conference Call and Webcast on February 19, 2020**

Burr Ridge, Illinois - (February 18, 2020) BankFinancial Corporation (Nasdaq - BFIN) (the "Company") announced today that the Company recorded net income of \$11.7 million for the year ended December 31, 2019 and basic and diluted earnings per common share for the year ended December 31, 2019 were \$0.75.

For the fourth quarter of 2019, the Company recorded net income of \$3.4 million and basic and diluted earnings per share of common stock of \$0.22, compared to \$7.4 million and \$0.44 per share for the fourth quarter of 2018. Net income for the fourth quarter of 2018 includes \$5.1 million, net of tax, of realized and unrealized gains on sale of the Company's Class B Visa common shares and \$763,000 in accrued expense, net of tax, related to certain contract termination and severance payments.

The Company's total loans decreased by \$45.9 million during the fourth quarter of 2019 due to continued elevated prepayments of multi-family and nonresidential real estate loans, and reductions of commercial line of credit utilization by equipment lessors. Total deposits decreased by \$4.1 million due to a \$9.9 million reduction in wholesale deposits. The average yield on the Company's loan portfolio for the quarter ended December 31, 2019 was 4.82%, a 5.0% increase compared to the fourth quarter of 2018.

For the year ended December 31, 2019, multi-family and nonresidential real estate loans declined by \$73.9 million (9.6%) due to lower originations volume in 2019. Commercial loans and commercial leases declined by \$68.5 million (14.1%) due primarily to planned reductions in investment rated leases and of certain Regional Commercial Banking and National Healthcare Lending commercial loan relationships, offset by modest net growth in other commercial leases. Total commercial-related loan balances were \$1.117 billion at the end of 2019, and now comprise 95.1% of the Company's total loans, compared to 94.6% at the end of 2018.

The Company's asset quality improved in 2019. The ratio of nonperforming loans to total loans was 0.07% and the ratio of nonperforming assets to total assets was 0.07% at December 31, 2019. Nonperforming commercial-related loans represented 0.03% of total commercial-related loans at December 31, 2019.

Total retail and commercial deposits declined slightly in 2019. Retail depositors continue to seek higher interest rates, and the Company moderated its retail deposit competitive position to better manage its cost of funds given its strong liquidity position. Commercial depositors continue to use excess deposit balances to repay commercial lines of credit whenever possible. The Company's liquid assets were 12.8% of total assets at December 31, 2019.

The Company's capital position remained strong with a Tier 1 leverage ratio of 11.48% at December 31, 2019. During 2019, the Company maintained its quarterly dividend rate at \$0.10 per share. The Company repurchased 1,203,050 common shares during the year ended December 31, 2019, which represented 7.3% of the Company's common shares that were outstanding on December 31, 2018. The Company's book value per share increased in 2019 by 0.4% to \$11.41 per share at December 31, 2019.

"Our 2019 results reflect the impact of changing market conditions, particularly the decline in medium- and long-term interest rates, and our continuing emphasis on maintaining strong asset quality through decisive action on credit exposures when necessary. The year ended with the Company in very strong financial condition, with excellent asset quality and liquidity. As it became clear that 'lower-for-longer' interest rates, moderate-growth economic environment, and hyper-competitive conditions in investment real estate lending would persist for an extended period of time, we took action in the latter part of 2019 and the beginning of 2020 to fundamentally re-align our loan and lease generation capabilities to generate higher volumes of medium-duration assets with an appropriate risk/return profile, and further improve noninterest income. Given the current and expected market conditions, the recent changes to our commercial equipment finance division, and to our commercial real estate division, position us far better to achieve the asset generation required to meet our financial objectives. We expect to take additional steps to improve commercial and industrial loan and core deposit generation during 2020 to further diversify the loan portfolio and enhance the core deposit base. We will incur increased marketing and technology expenses to support the loan and deposit generation functions, but we will otherwise seek to offset these costs within our consistent operating expense discipline. As we progressively deploy our excess liquidity during 2020, we expect that the increases in income will accelerate our progress towards

our original financial return goals despite the challenging conditions.” said F. Morgan Gasior, the Chairman and CEO of the Company.

The Company’s Quarterly Financial and Statistical Supplement will be available today 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 performance data and financial measures for the most recent five quarters.

BankFinancial’s management will review fourth quarter 2019 results in a conference call and webcast for stockholders and analysts on Wednesday, February 19, 2020 at 9:30 a.m. Chicago, Illinois Time. The conference call may be accessed by calling (844) 413-1780 using participant passcode 7198886. 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 11:59 p.m. Chicago Time March 11, 2020.

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:

| | |
|--|-------------------------------|
| Shareholder, Analyst and Investor Inquiries: | Media Inquiries: |
| Elizabeth A. Doolan | Gregg T. Adams |
| Senior Vice President – Finance | President – Marketing & Sales |
| BankFinancial Corporation | BankFinancial, NA |
| Telephone: 630-242-7151 | Telephone: 630-242-7234 |

BANKFINANCIAL CORPORATION

FOURTH QUARTER 2019

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)

| | 2019 | | | | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IVQ | IIIQ | IIQ | IQ | IVQ |
| PERFORMANCE MEASUREMENTS | | | | | |
| Return on assets (ratio of net income to average total assets) ⁽¹⁾ | 0.91% | 1.05% | 0.21% | 0.91% | 1.92% |
| Return on equity (ratio of net income to average equity) ⁽¹⁾ | 7.71 | 9.04 | 1.84 | 7.68 | 15.72 |
| Net interest rate spread ⁽¹⁾ | 3.23 | 3.38 | 3.30 | 3.35 | 3.24 |
| Net interest margin ⁽¹⁾ | 3.50 | 3.67 | 3.60 | 3.64 | 3.52 |
| Efficiency ratio | 66.98 | 64.62 | 65.19 | 68.03 | 51.22 |
| Noninterest expense to average total assets ⁽¹⁾ | 2.56 | 2.54 | 2.48 | 2.60 | 2.88 |
| Average interest-earning assets to average interest-bearing liabilities | 132.47 | 131.18 | 131.66 | 131.53 | 133.35 |
| Number of full service offices | 19 | 19 | 19 | 19 | 19 |
| Employees (full time equivalents) | 222 | 223 | 231 | 235 | 236 |
| SUMMARY STATEMENT OF FINANCIAL CONDITION | | | | | |
| ASSETS | | | | | |
| Cash and due from other financial institutions | \$ 9,785 | \$ 13,074 | \$ 13,998 | \$ 12,016 | \$ 13,805 |
| Interest-bearing deposits in other financial institutions | 180,540 | 127,719 | 89,609 | 66,206 | 84,399 |
| Securities, at fair value | 60,193 | 65,440 | 87,080 | 83,240 | 88,179 |
| Loans receivable, net | 1,168,008 | 1,213,948 | 1,267,454 | 1,306,475 | 1,323,793 |
| Other real estate owned, net | 186 | 269 | 497 | 921 | 1,226 |
| Stock in Federal Home Loan Bank and Federal Reserve Bank, at cost | 7,490 | 7,490 | 7,490 | 8,026 | 8,026 |
| Premises and equipment, net | 24,346 | 24,598 | 24,923 | 24,992 | 25,205 |
| Bank-owned life insurance | 18,945 | 18,914 | 18,877 | 18,839 | 18,809 |
| Deferred taxes | 3,873 | 4,556 | 4,816 | 5,023 | 6,235 |
| Other assets | 14,649 | 15,974 | 19,178 | 19,282 | 15,648 |
| Total assets | \$ 1,488,015 | \$ 1,491,982 | \$ 1,533,922 | \$ 1,545,020 | \$ 1,585,325 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Deposits | \$ 1,284,757 | \$ 1,288,825 | \$ 1,330,207 | \$ 1,326,746 | \$ 1,352,484 |
| Borrowings | 61 | 1,253 | 798 | 16,106 | 21,049 |
| Other liabilities | 28,825 | 28,037 | 31,426 | 25,948 | 24,642 |
| Total liabilities | 1,313,643 | 1,318,115 | 1,362,431 | 1,368,800 | 1,398,175 |
| Stockholders' equity | 174,372 | 173,867 | 171,491 | 176,220 | 187,150 |
| Total liabilities and stockholders' equity | \$ 1,488,015 | \$ 1,491,982 | \$ 1,533,922 | \$ 1,545,020 | \$ 1,585,325 |

(1) Annualized

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

| | 2019 | | | | 2018 | For the years ended December 31, | |
|--|-----------------|-----------------|-----------------|------------------|------------------|-------------------------------------|------------------|
| | IVQ | IIIQ | IIQ | IQ | IVQ | 2019 | 2018 |
| SUMMARY STATEMENT OF OPERATIONS | | | | | | | |
| Total interest income | \$ 15,732 | \$ 16,628 | \$ 16,522 | \$ 16,526 | \$ 16,146 | \$ 65,408 | \$ 61,287 |
| Total interest expense | 3,105 | 3,386 | 3,419 | 3,307 | 3,043 | 13,217 | 9,217 |
| Net interest income before provision (recovery) | 12,627 | 13,242 | 13,103 | 13,219 | 13,103 | 52,191 | 52,070 |
| Provision for (recovery of) loan losses | 89 | (134) | 3,957 | (87) | 403 | 3,825 | 145 |
| Net interest income | 12,538 | 13,376 | 9,146 | 13,306 | 12,700 | 48,366 | 51,925 |
| Noninterest income | 1,648 | 1,474 | 1,426 | 1,624 | 8,674 | 6,172 | 14,877 |
| Noninterest expense | 9,562 | 9,509 | 9,472 | 10,098 | 11,155 | 38,641 | 40,754 |
| Income before income tax | 4,624 | 5,341 | 1,100 | 4,832 | 10,219 | 15,897 | 26,048 |
| Income tax expense | 1,234 | 1,417 | 293 | 1,281 | 2,803 | 4,225 | 6,706 |
| Net income | <u>\$ 3,390</u> | <u>\$ 3,924</u> | <u>\$ 807</u> | <u>\$ 3,551</u> | <u>\$ 7,416</u> | <u>\$ 11,672</u> | <u>\$ 19,342</u> |
| Basic and diluted earnings per common share | <u>\$ 0.22</u> | <u>\$ 0.26</u> | <u>\$ 0.05</u> | <u>\$ 0.22</u> | <u>\$ 0.44</u> | <u>\$ 0.75</u> | <u>\$ 1.11</u> |
| NONINTEREST INCOME AND EXPENSE | | | | | | | |
| Noninterest Income | | | | | | | |
| Deposit service charges and fees | \$ 957 | \$ 983 | \$ 974 | \$ 930 | \$ 998 | \$ 3,844 | \$ 3,968 |
| Loan servicing fees | 273 | 99 | 56 | 23 | 208 | 451 | 439 |
| Commercial mortgage brokerage fees | 54 | 4 | 8 | — | — | 66 | 138 |
| Residential mortgage banking fees | 18 | 24 | 13 | 28 | 31 | 83 | 119 |
| Gain on sale of equity securities | — | — | — | 295 | 3,572 | 295 | 3,558 |
| Unrealized gain on equity securities | — | — | — | — | 3,427 | — | 3,427 |
| Gain on sale of premises held-for-sale | — | — | — | — | — | — | 93 |
| Loss on disposal of other assets | (25) | — | — | (19) | — | (44) | — |
| Trust and insurance commissions and annuities income | 217 | 198 | 224 | 205 | 267 | 844 | 937 |
| Earnings on bank-owned life insurance | 31 | 37 | 38 | 30 | 28 | 136 | 174 |
| Bank-owned life insurance death benefit | — | — | — | — | — | — | 1,389 |
| Other | 123 | 129 | 113 | 132 | 143 | 497 | 635 |
| Total noninterest income | <u>\$ 1,648</u> | <u>\$ 1,474</u> | <u>\$ 1,426</u> | <u>\$ 1,624</u> | <u>\$ 8,674</u> | <u>\$ 6,172</u> | <u>\$ 14,877</u> |
| Noninterest Expense | | | | | | | |
| Compensation and benefits | \$ 5,138 | \$ 5,218 | \$ 5,207 | \$ 5,703 | \$ 6,755 | \$ 21,266 | \$ 22,987 |
| Office occupancy and equipment | 1,726 | 1,877 | 1,621 | 1,845 | 1,795 | 7,069 | 6,817 |
| Advertising and public relations | 169 | 182 | 145 | 161 | 237 | 657 | 848 |
| Information technology | 855 | 716 | 736 | 692 | 726 | 2,999 | 2,792 |
| Supplies, telephone, and postage | 288 | 310 | 319 | 399 | 363 | 1,316 | 1,433 |
| Amortization of intangibles | 14 | 13 | 14 | 20 | 21 | 61 | 184 |
| Nonperforming asset management | (24) | 17 | 58 | 54 | 40 | 105 | 353 |
| Loss (gain) on sales of other real estate owned | 1 | (21) | 4 | (95) | — | (111) | 56 |
| Valuation adjustments of other real estate owned | — | 17 | 21 | — | — | 38 | 27 |
| Operations of other real estate owned, net | 29 | 23 | 22 | 51 | 77 | 125 | 349 |
| FDIC insurance premiums | — | (127) | 146 | 108 | 99 | 127 | 437 |
| Other | 1,366 | 1,284 | 1,179 | 1,160 | 1,042 | 4,989 | 4,471 |
| Total noninterest expense | <u>\$ 9,562</u> | <u>\$ 9,509</u> | <u>\$ 9,472</u> | <u>\$ 10,098</u> | <u>\$ 11,155</u> | <u>\$ 38,641</u> | <u>\$ 40,754</u> |

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

| | 2019 | | | | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IVQ | IIIQ | IIQ | IQ | IVQ |
| LOANS | | | | | |
| One-to-four family residential real estate | \$ 55,750 | \$ 60,757 | \$ 64,192 | \$ 66,833 | \$ 70,371 |
| Multi-family mortgage | 563,750 | 577,656 | 619,898 | 634,328 | 619,870 |
| Nonresidential real estate | 134,674 | 140,410 | 145,416 | 148,601 | 152,442 |
| Construction and land | — | 88 | 117 | 145 | 172 |
| Commercial loans | 145,714 | 163,846 | 153,709 | 172,264 | 187,406 |
| Commercial leases | 272,629 | 275,800 | 289,107 | 289,750 | 299,394 |
| Consumer | 2,211 | 2,052 | 1,861 | 1,846 | 1,539 |
| | <u>1,174,728</u> | <u>1,220,609</u> | <u>1,274,300</u> | <u>1,313,767</u> | <u>1,331,194</u> |
| Net deferred loan origination costs | 912 | 942 | 978 | 1,062 | 1,069 |
| Allowance for loan losses | (7,632) | (7,603) | (7,824) | (8,354) | (8,470) |
| Loans, net | <u>\$ 1,168,008</u> | <u>\$ 1,213,948</u> | <u>\$ 1,267,454</u> | <u>\$ 1,306,475</u> | <u>\$ 1,323,793</u> |
| LOAN ORIGINATIONS ⁽¹⁾ | | | | | |
| One-to-four family residential real estate | \$ 437 | \$ 721 | \$ 836 | \$ 695 | \$ 647 |
| Multi-family mortgage | 19,848 | 6,960 | 9,258 | 27,871 | 71,101 |
| Nonresidential real estate | 174 | 387 | 4,100 | 1,641 | 7,120 |
| Commercial loans | 134,330 | 141,314 | 153,537 | 155,123 | 171,048 |
| Commercial leases | 33,183 | 30,998 | 34,959 | 27,611 | 52,929 |
| Consumer | 1,018 | 852 | 842 | 1,174 | 913 |
| | <u>\$ 188,990</u> | <u>\$ 181,232</u> | <u>\$ 203,532</u> | <u>\$ 214,115</u> | <u>\$ 303,758</u> |
| Weighted average rate | 5.41% | 5.75% | 6.27% | 6.15% | 5.91% |
| LOAN PAYMENTS and PAYOFFS ⁽²⁾ | | | | | |
| One-to-four family residential real estate | \$ 5,317 | \$ 4,127 | \$ 3,415 | \$ 4,195 | \$ 7,590 |
| Multi-family mortgage | 33,916 | 49,374 | 23,685 | 13,308 | 35,135 |
| Nonresidential real estate | 5,854 | 6,802 | 7,165 | 5,542 | 4,315 |
| Construction and land | 88 | 28 | 27 | 27 | 27 |
| Commercial loans | 151,432 | 130,208 | 167,352 | 170,387 | 151,768 |
| Commercial leases | 36,488 | 44,035 | 39,633 | 37,259 | 50,742 |
| Consumer | 796 | 703 | 800 | 781 | 868 |
| | <u>\$ 233,891</u> | <u>\$ 235,277</u> | <u>\$ 242,077</u> | <u>\$ 231,499</u> | <u>\$ 250,445</u> |
| Weighted average rate | 5.46% | 5.45% | 5.91% | 5.91% | 5.59% |

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

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

| | 2019 | | | | 2018 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | IVQ | IIIQ | IIQ | IQ | IVQ |
| CREDIT QUALITY: | | | | | |
| Nonperforming Assets: | | | | | |
| Nonaccrual loans: | | | | | |
| One-to-four family residential real estate | \$ 512 | \$ 1,163 | \$ 928 | \$ 848 | \$ 1,247 |
| Nonresidential real estate | 288 | 284 | 2,083 | 242 | 270 |
| Commercial loans | — | — | — | 354 | — |
| Nonaccrual loans | 800 | 1,447 | 3,011 | 1,444 | 1,517 |
| Loans past due over 90 days, still accruing - commercial leases | | | | | |
| | 47 | — | — | — | — |
| Other real estate owned: | | | | | |
| One-to-four family residential real estate | 186 | 269 | 497 | 921 | 875 |
| Multi-family mortgage | — | — | — | — | 276 |
| Nonresidential real estate | — | — | — | — | 74 |
| Land | — | — | — | — | 1 |
| Other real estate owned | 186 | 269 | 497 | 921 | 1,226 |
| Nonperforming assets | \$ 1,033 | \$ 1,716 | \$ 3,508 | \$ 2,365 | \$ 2,743 |
| Asset Quality Ratios | | | | | |
| Nonperforming assets to total assets | 0.07% | 0.12% | 0.23% | 0.15% | 0.17% |
| Nonperforming loans to total loans | 0.07 | 0.12 | 0.24 | 0.11 | 0.11 |
| Nonperforming commercial-related loans to total commercial-related loans ⁽¹⁾ | 0.03 | 0.02 | 0.17 | 0.05 | 0.02 |
| Nonperforming residential and consumer loans to total residential and consumer loans | 0.88 | 1.85 | 1.40 | 1.23 | 1.73 |
| Allowance for loan losses to nonperforming loans | 901.06 | 525.43 | 259.85 | 578.53 | 558.34 |
| Concentrations of Credit | | | | | |
| Commercial Real Estate for FFEIC Concentration Limits | \$ 699,434 | \$ 688,887 | \$ 734,567 | \$ 749,755 | \$ 737,887 |
| % FFIEC Total Capital | 393.32% | 403.95% | 437.62% | 440.83% | 413.00% |
| Multi-family mortgage loans - 50% risk based capital qualified (included above) | | | | | |
| | \$ 336,287 | \$ 302,648 | \$ 286,910 | \$ 351,284 | \$ 370,512 |
| % FFIEC Total Capital | 197.58% | 177.47% | 170.93% | 206.54% | 207.38% |
| Commercial Leases - Investment rated | | | | | |
| | \$ 133,839 | \$ 133,049 | \$ 143,148 | \$ 157,215 | \$ 166,209 |
| Commercial Leases - Other | | | | | |
| | 138,790 | 142,751 | 145,959 | 132,535 | 133,185 |

(1) Commercial-related loans include Multi-family mortgage, Nonresidential, Construction and land, Commercial loans and Commercial leases.

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

| | 2019 | | | | 2018 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | IVQ | IIIQ | IIQ | IQ | IVQ |
| SUBSTANDARD PERFORMING LOANS | | | | | |
| One-to-four family residential real estate | \$ 568 | \$ 577 | \$ 487 | \$ 384 | \$ 365 |
| Multi-family mortgage | 206 | 211 | 213 | 214 | 216 |
| Nonresidential real estate | 90 | 93 | 93 | 95 | 98 |
| Commercial loans | — | — | 500 | 3,033 | 342 |
| Commercial leases | 136 | — | — | — | — |
| Consumer | 53 | 3 | 1 | 9 | 7 |
| | <u>\$ 1,053</u> | <u>\$ 884</u> | <u>\$ 1,294</u> | <u>\$ 3,735</u> | <u>\$ 1,028</u> |
| ALLOWANCE FOR LOAN LOSSES | | | | | |
| Beginning balance | \$ 7,603 | \$ 7,824 | \$ 8,354 | \$ 8,470 | \$ 8,103 |
| Charge-offs: | | | | | |
| One-to-four family residential real estate | (105) | (44) | (50) | (23) | (17) |
| Nonresidential real estate | — | (55) | — | (28) | (93) |
| Commercial loans | — | — | (4,443) | — | — |
| Consumer | (11) | (5) | (10) | (5) | (12) |
| | <u>(116)</u> | <u>(104)</u> | <u>(4,503)</u> | <u>(56)</u> | <u>(122)</u> |
| Recoveries: | | | | | |
| One-to-four family residential real estate | 47 | 5 | 6 | 17 | 76 |
| Multi-family mortgage | 7 | 8 | 8 | 8 | 8 |
| Commercial loans | 2 | 4 | 2 | 2 | 2 |
| | <u>56</u> | <u>17</u> | <u>16</u> | <u>27</u> | <u>86</u> |
| Net charge-offs | (60) | (87) | (4,487) | (29) | (36) |
| Provision for (recovery of) loan losses | 89 | (134) | 3,957 | (87) | 403 |
| Ending balance | <u>\$ 7,632</u> | <u>\$ 7,603</u> | <u>\$ 7,824</u> | <u>\$ 8,354</u> | <u>\$ 8,470</u> |
| Allowance for loan losses to total loans | 0.65 % | 0.62 % | 0.61 % | 0.64 % | 0.64 % |
| Net charge-off ratio ⁽¹⁾ | (0.02) | (0.03) | (1.38) | (0.01) | (0.01) |

(1) Annualized

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

| | 2019 | | | | 2018 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IVQ | IIIQ | IIQ | IQ | IVQ |
| DEPOSITS | | | | | |
| Noninterest-bearing demand | \$ 210,762 | \$ 208,347 | \$ 213,966 | \$ 222,328 | \$ 230,041 |
| Interest-bearing NOW accounts | 273,168 | 274,752 | 278,405 | 266,402 | 275,830 |
| Money market accounts | 245,610 | 237,022 | 246,941 | 248,657 | 255,951 |
| Savings deposits | 153,183 | 149,431 | 153,414 | 155,505 | 152,334 |
| Certificates of deposit - retail | 336,949 | 344,327 | 348,685 | 341,266 | 332,053 |
| Certificates of deposit - wholesale | 65,085 | 74,946 | 88,796 | 92,588 | 106,275 |
| | <u>\$ 1,284,757</u> | <u>\$ 1,288,825</u> | <u>\$ 1,330,207</u> | <u>\$ 1,326,746</u> | <u>\$ 1,352,484</u> |

SELECTED AVERAGE BALANCES

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Total average assets | \$ 1,496,379 | \$ 1,498,380 | \$ 1,529,033 | \$ 1,553,484 | \$ 1,548,292 |
| Total average interest-earning assets | 1,429,300 | 1,430,830 | 1,458,180 | 1,474,355 | 1,478,028 |
| Average loans | 1,189,771 | 1,239,774 | 1,297,548 | 1,304,385 | 1,296,108 |
| Average securities | 64,658 | 78,221 | 86,144 | 91,271 | 98,756 |
| Average stock in FHLB & FRB | 7,490 | 7,490 | 7,629 | 8,026 | 8,026 |
| Average other interest-earning assets | 167,381 | 105,345 | 66,859 | 70,673 | 75,138 |
| Total average interest-bearing liabilities | 1,078,940 | 1,090,766 | 1,107,540 | 1,120,957 | 1,108,397 |
| Average interest-bearing deposits | 1,078,537 | 1,089,596 | 1,106,439 | 1,106,582 | 1,085,611 |
| Average borrowings | 403 | 1,170 | 1,101 | 14,375 | 22,786 |
| Average stockholders' equity | 175,977 | 173,698 | 175,452 | 184,957 | 188,643 |

SELECTED YIELDS AND COST OF FUNDS ⁽¹⁾:

| | | | | | |
|---|-------|-------|-------|-------|-------|
| Total average interest-earning assets | 4.37% | 4.61% | 4.54% | 4.55% | 4.33% |
| Average loans | 4.82 | 4.92 | 4.76 | 4.77 | 4.59 |
| Average securities | 2.27 | 2.58 | 2.80 | 2.67 | 2.38 |
| Average other interest-earning assets | 1.94 | 2.50 | 2.63 | 2.71 | 2.36 |
| Total average interest-bearing liabilities | 1.14 | 1.23 | 1.24 | 1.20 | 1.09 |
| Average interest-bearing deposits | 1.14 | 1.23 | 1.24 | 1.18 | 1.07 |
| Average cost of total deposits | 0.95 | 1.03 | 1.04 | 0.99 | 0.89 |
| Average cost of retail and commercial deposits | 1.04 | 1.13 | 1.13 | 1.08 | 0.97 |
| Average cost of wholesale deposits and borrowings | 2.53 | 2.48 | 2.39 | 2.29 | 2.09 |
| Average cost of funds | 0.95 | 1.03 | 1.04 | 1.00 | 0.90 |
| Net interest rate spread | 3.23 | 3.38 | 3.30 | 3.35 | 3.24 |
| Net interest margin | 3.50 | 3.67 | 3.60 | 3.64 | 3.52 |

(1) Annualized

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

| | 2019 | | | | 2018 |
|---|------------|------------|------------|------------|------------|
| | IVQ | IIIQ | IIQ | IQ | IVQ |
| CAPITAL RATIOS | | | | | |
| BankFinancial Corporation ⁽¹⁾ | | | | | |
| Equity to total assets (end of period) | 11.72% | 11.65% | 11.18% | 11.41% | 11.81% |
| Tangible equity to tangible total assets (end of period) | 11.72 | 11.65 | 11.18 | 11.40 | 11.80 |
| Risk-based total capital ratio | 17.23 | 16.17 | 15.17 | 15.47 | 16.33 |
| Common Tier 1 (CET1) | 16.48 | 15.47 | 14.49 | 14.76 | 15.61 |
| Risk-based tier 1 capital ratio | 16.48 | 15.47 | 14.49 | 14.76 | 15.61 |
| Tier 1 leverage ratio | 11.48 | 11.43 | 11.04 | 11.13 | 11.82 |
| Tier 1 capital | \$ 171,524 | \$ 171,050 | \$ 168,461 | \$ 172,486 | \$ 182,404 |
| BankFinancial, NA | | | | | |
| Risk-based total capital ratio | 16.38% | 15.46% | 14.46% | 14.58% | 15.30% |
| Common Tier 1 (CET1) | 15.63 | 14.76 | 13.78 | 13.86 | 14.57 |
| Risk-based tier 1 capital ratio | 15.63 | 14.76 | 13.78 | 13.86 | 14.57 |
| Tier 1 leverage ratio | 10.89 | 10.90 | 10.49 | 10.45 | 11.03 |
| Tier 1 capital | \$ 162,455 | \$ 162,818 | \$ 159,917 | \$ 161,723 | \$ 170,194 |
| COMMON STOCK AND DIVIDENDS | | | | | |
| Stock Prices: | | | | | |
| Close | \$ 13.08 | \$ 11.90 | \$ 13.99 | \$ 14.87 | \$ 14.95 |
| High | 14.14 | 14.29 | 15.63 | 16.06 | 16.06 |
| Low | 11.52 | 11.10 | 13.44 | 13.46 | 13.88 |
| Common shares outstanding | 15,278,464 | 15,373,964 | 15,373,964 | 15,644,499 | 16,481,514 |
| Book value per share | \$ 11.41 | \$ 11.31 | \$ 11.15 | \$ 11.26 | \$ 11.36 |
| Tangible book value per share | \$ 11.41 | \$ 11.31 | \$ 11.15 | \$ 11.26 | \$ 11.35 |
| Cash dividends declared on common stock | \$ 0.10 | \$ 0.10 | \$ 0.10 | \$ 0.10 | \$ 0.10 |
| Dividend payout ratio | 45.30% | 39.18% | 191.78% | 46.35% | 22.74% |
| Stock repurchases | \$ 1,298 | \$ — | \$ 4,001 | \$ 12,840 | \$ 10,691 |
| Stock repurchases – shares | 95,500 | — | 270,535 | 837,015 | 724,789 |
| EARNINGS PER SHARE COMPUTATIONS | | | | | |
| Net income | \$ 3,390 | \$ 3,924 | \$ 807 | \$ 3,551 | \$ 7,416 |
| Weighted average basic and dilutive common shares outstanding | 15,342,524 | 15,373,964 | 15,472,618 | 16,202,303 | 16,820,641 |
| Basic and diluted earnings per common share | \$ 0.22 | \$ 0.26 | \$ 0.05 | \$ 0.22 | \$ 0.44 |

(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 information purposes only.