

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 7, 2024

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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 7, 2024, the Board of Directors of BankFinancial Corporation (the “Company”) expanded its size to eight members from six members, and elected Aaron O’Connor and Benjamin Mackovak to the Company’s Board of Directors to fill the vacancies created by the increase in the size of the Board of Directors, effective immediately. Mr. O’Connor is a member of the class of directors whose term expires at the 2025 Annual Meeting of the Stockholders of the Company, and Mr. Mackovak is a member of the class of directors whose term expires at the 2026 Annual Meeting of the Stockholders of the Company.

Mr. O’Connor has previously served as a member of the Board of Directors of BankFinancial, NA (the “Bank”), the Company’s wholly owned subsidiary.

The Company and Mr. Mackovak have executed a Standstill Agreement, described in Item 8.01, below, in connection with Mr. Mackovak’s election.

It has not been determined the committees, if any, to which Messrs. O’Connor and Mackovak will be appointed.

Neither of Messrs. O’Connor nor Mackovak is a party to any transaction with the Company or the Bank that would require disclosure under Item 404(a) of Securities and Exchange Commission Regulation S-K. Each individual will receive the standard compensatory arrangements that the Company provides its non-employee directors, as currently described in the Company’s proxy statement for its 2023 Annual Meeting of Stockholders, as filed with the Securities and Exchange Commission on April 12, 2023.

Item 8.01 Other Events

On February 7, 2024, the Company entered into a Standstill Agreement with Strategic Value Bank Partners, LLC, Strategic Value Investors LP and Benjamin Mackovak (collectively, the “SVB Partners Parties”).

Under the Standstill Agreement and subject to the terms and conditions set forth therein, the Company agreed, among other things, that its board of directors will appoint Mr. Mackovak to serve as a director of the Company in the class of directors with a term expiring at the Company’s 2026 Annual Meeting.

The Standstill Agreement also provides that during the Standstill Period (defined below), the SVB Partners Parties will abide by various covenants, including covenants not to take any of the following actions without the prior written approval of the Company’s board of directors: (i) acquire, alone or in concert with others, beneficial ownership in excess of 9.99% of the outstanding common stock of the Company; (ii) make, engage in or participate in, alone or in concert with others, any “solicitation” of “proxies” or consents to vote or seek to advise, encourage, or influence in any manner whatsoever any person with respect to the voting of, any securities of the Company; (iii) otherwise act, alone or in concert with others, to seek to offer to the Company or any of its stockholders any business combination, restructuring, recapitalization or similar transaction to or with the Company or otherwise seek, alone or in concert with others, to control or change the management, Board of Directors or policies of the Company or the Bank or nominate any person as a director who is not nominated by the then incumbent directors or proposing any matter to be voted upon by the stockholders of the Company; (iv) seek the removal of any member of the board; (v) exercise or attempt to exercise a controlling influence (determined in a manner consistent with the public guidance issued by the Board of Governors of the Federal Reserve System) over the management or policies of the Company, or any of its affiliates; or (vi) propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the Company.

The Standstill Agreement further provides that at any annual meeting of the Company’s stockholders during the Standstill Period, the SVB Partners Parties will vote all Company shares that they beneficially own in favor of the board nominees selected by the Company’s Corporate Governance and Nominating Committee and will vote all Company shares in accordance with the recommendation of the BFIN Board of Directors with respect to any other stockholder proposal.

The Standstill Period generally will remain in effect until the earliest of (i) the date that is 10 days after the date that the Company materially breaches its obligations under the Standstill Agreement if the breach is not timely cured; (ii) the date that is three months from the date that Mr. Mackovak (or, in the event of his death, disability or resignation, a substitute nominee of the SVB Partners Parties, whose substitution shall be subject to the approval of the board of directors in its sole discretion) ceases to be a member of the board; (iii) the date immediately following the Company’s 2026 Annual Meeting of Stockholders, subject to certain limitations that will survive for as long as any designee of the SVB Partners Parties serves as a member of the board and (iv) the date on which the Company, at its option, elects to terminate the Standstill Period by written notice to the SVB Partners Parties, which election may occur any time after the beneficial ownership of the SVB Partners Parties decreases below 5% of the outstanding shares of the Company’s common stock.

The foregoing summary of the Standstill Agreement is not complete and is subject to, and qualified in its entirety by the text of the Standstill Agreement, which is attached as Exhibit 99.1 and incorporated herein by reference.

On February 9, 2024, the Company issued a press release relating to the Standstill Agreement, which is attached as Exhibit 99.2 and is incorporated herein by reference.

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>
<u>99.1</u>	Standstill Agreement dated February 7, 2024 by and between BankFinancial Corporation and Strategic Value Bank Partners, LLC, Strategic Value Investors LP and Benjamin Mackovak
<u>99.2</u>	Press Release dated February 9, 2024
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
(Registrant)

Date: February 9, 2024

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

STANDSTILL AGREEMENT

This STANDSTILL AGREEMENT (this “Agreement”) is made by and between BANKFINANCIAL CORPORATION, a Maryland corporation (“BFIN”), on the one hand, and STRATEGIC VALUE BANK PARTNERS, LLC, STRATEGIC VALUE INVESTORS LP and BENJAMIN MACKOVAK (collectively, the “SVB Partners Parties”) on behalf of themselves and their affiliates and associates (as such terms are defined in Rule 12b-2 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), on the other hand. BFIN and the SVB Partners Parties together, collectively, shall be referred to in this Agreement as the “Parties”. In consideration of the covenants, promises and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Board Membership.

Upon the execution of this Agreement, the Board of Directors of BFIN agrees to appoint Benjamin Mackovak to serve as a director of BFIN in the class of directors with terms expiring at BFIN’s 2026 Annual Meeting of stockholders or until their successors are elected and qualified. In addition and as a condition to Mr. Mackovak’s appointment/nomination for election as a director of BFIN, Mr. Mackovak and the SVB Partners Parties agree to provide to BFIN in a timely manner information required to be, or customarily disclosed for, BFIN’s directors, candidates for directors, and their affiliates and representatives in a proxy statement or other filings under applicable law, rules, regulations or listing standards, information in connection with assessing eligibility, independence and other criteria applicable to directors or satisfying compliance and legal obligations, and such other information as reasonably requested by the Company from time to time. At all times from and after the date of this Agreement, BFIN’s Board of Directors will also appoint, at its discretion, all other persons to fill any remaining director positions or vacancies on the BFIN Board of Directors and Board committee positions; provided, that BFIN’s Board of Directors acknowledges and agrees as follows: (i) it will consider, in good faith, the appointment of Mr. Mackovak to committees of the BFIN Board of Directors; (ii) if requested by Mr. Mackovak, it will meet with Mr. Mackovak following the filing of the BFIN’s annual report on Form 10-K to discuss his goals and objectives as a director of BFIN and otherwise to facilitate Mr. Mackovak’s transition to service on the BFIN Board of Directors; (iii) it will cause the Bank to continue to provide Mr. Mackovak electronic access to each “Meeting Book” and the related meeting materials that are published to the Bank’s “NASDAQ Director’s Desk” site in connection with meetings of the board of directors of the Bank held after such appointment/election, provided that Mr. Mackovak shall not be provided access to information that would cause BFIN or the Bank to violate applicable laws or regulations; and (iv) it will cause BFIN to provide Mr. Mackovak the normal compensation paid to similarly situated persons who serve as directors of BFIN only.

2. Standstill.

- i. The SVB Partners Parties each acknowledge and represent that the investment in BFIN is not intended to constitute a “controlling” investment for federal banking law purposes and, accordingly, subject in all cases to Section 2(iii) below with respect to Mr. Mackovak, agree that during the Standstill Period (as defined below), the SVB Partners Parties and their affiliates or associates will not (and they will not assist or encourage others to), directly or indirectly, in any manner, without prior written approval of the Board of Directors of BFIN:
 1. acquire, offer or propose to acquire, solicit an offer to sell or agree to acquire directly or indirectly, alone or in concert with others, by purchase, tender, exchange, gift, through the acquisition of control of another person, by joining a partnership, limited partnership or syndicate or other “group” (within the meaning of such term in Section 13(d) of the Exchange Act) or otherwise, any direct or indirect beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) or any direct or indirect interest in any securities or direct or indirect rights, warrants or options to acquire, or securities convertible into or exchangeable for (collectively, an “Acquisition”), any securities of BFIN, such that as a result of such of such Acquisition, the SVB Partners Parties would maintain beneficial ownership in excess of 9.99% of the outstanding shares of BFIN common stock;
 2. make, engage in, or in any way participate in, directly or indirectly, alone or in concert with others, any “solicitation” of “proxies” or consents to vote (as such terms are used in the proxy rules of the Securities and Exchange Commission promulgated pursuant to Section 14 of the Exchange Act) or seek to advise, encourage, or influence in any manner whatsoever any person with respect to the voting of any securities of BFIN;
 3. form, join, encourage, influence, advise or in any way participate in a “group” within the meaning of Section 13(d)(3) of the Exchange Act (other than a group involving solely the SVB Partners Parties) with respect to any securities of BFIN (for the benefit of clarification and the avoidance of doubt, this provision shall not prohibit changes in the membership of the group involving the SVB Partners Parties as long as any additional member(s) acknowledges and agrees to be bound by the terms of this Agreement) or otherwise in any manner agree, attempt, seek or propose to deposit any securities of BFIN in any voting trust or similar arrangement, or subject any securities of BFIN to any arrangement or agreement with respect to the voting thereof, except as expressly set forth in this Agreement;
 4. acquire, offer or propose to acquire or agree to acquire, directly or indirectly, alone or in concert with others, by purchase, tender, exchange or otherwise, (a) any of the assets, tangible and intangible, of BFIN or (b) direct or indirect rights, warrants or options to acquire any assets of BFIN;
 5. arrange, or in any way participate, directly or indirectly, in any financing (except for margin loan financing for shares beneficially owned) for the purchase of any securities or securities convertible or exchangeable into or exercisable for any securities or assets of BFIN;
 6. sell, offer or agree to sell directly or indirectly, through swap or hedging transactions or otherwise, the securities of BFIN or any rights decoupled from the underlying securities of BFIN held by any SVB Partners Party to any person or entity not a (a) party to this Agreement, (b) member of the BFIN Board of Directors, (c) officer of BFIN or (d) a SVB Partners Party affiliate (a “Third Party”) that would knowingly result in such Third Party, together with its affiliates and associates, owning, controlling or otherwise having any beneficial or other ownership interest in the aggregate of more than 9.9% of the shares of BFIN common stock outstanding at such time, except in a transaction approved by the Board or in ordinary course public capital markets sale transactions;

7. otherwise act, alone or in concert with others, to seek to offer to BFIN or any of its stockholders any business combination, restructuring, recapitalization or similar transaction to or with BFIN or otherwise seek, alone or in concert with others, to control or change the management, Board of Directors or policies of BFIN or the Bank or nominate any person as a director of BFIN who is not nominated by the then incumbent directors (provided that if there is a vacancy on the BFIN Board of Directors the SVB Partners Parties may submit suggestions on a confidential basis to the BFIN Board of Directors or the Corporate Governance and Nominating Committee of the BFIN Board of Directors for nominees to the Board of Directors pursuant to the nomination policy adopted by the Board of Directors), or propose any matter to be voted upon by the stockholders of BFIN;
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8. seek the removal of any member of the Board, conduct a referendum of stockholders or make a request for any stockholder list or other BFIN books and records;
 9. take any action in support of or make any proposal or request that constitutes: (a) any material change in the capitalization, stock repurchase programs and practices, capital allocation programs and practices or dividend policy of BFIN; (b) seeking to have BFIN waive or make amendments or modifications to BFIN's Articles of Incorporation or Bylaws, or other actions, that may impede or facilitate the acquisition of control of BFIN by any person; (c) causing a class of securities of BFIN to be delisted from, or to cease to be authorized to be quoted on, any securities exchange; or (d) causing a class of securities of BFIN to become eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act;
 10. make any statement or announcement that constitutes an ad hominem attack on, or otherwise disparages or causes to be disparaged (a) any of the proposals described in this Agreement or (b) BFIN or affiliates thereof, and any of its current or former officers or directors;
 11. enter into any discussions, negotiations, agreements or understandings with any Third Party with respect to any of the foregoing, or advise, assist, knowingly encourage or seek to persuade any Third Party to take any action or make any statement with respect to any of the foregoing, or otherwise take or cause any action or make any statement inconsistent with any of the foregoing;
 12. exercise or attempt to exercise a controlling influence (determined in a manner consistent with the public guidance issued by the primary federal banking regulator of BFIN) over the management or policies of BFIN, or any of its affiliates;
 13. have or seek to have more than one representative of the SVB Partners Parties serve on the Board of Directors of BFIN;
 14. permit any representative of the SVB Partners Parties who serves on the Board of Directors of BFIN to serve as the chairman of the Board of Directors of BFIN;
 15. have or seek to have any employee or representative of any SVB Partners Party serve as an officer, agent, or employee of BFIN;
 16. take any action that would cause BFIN to become a subsidiary of any SVB Partners Party;
 17. propose a director or slate of directors in opposition to a nominee or slate of nominees proposed by the management or Board of Directors of BFIN;
 18. enter into or seek or propose to enter into any agreement with BFIN that substantially limits the discretion of BFIN's management over major policies and decisions, including, but not limited to, policies or decisions about employing and compensating executive officers; engaging in new business lines; raising additional debt or equity capital; merging or consolidating with another firm; or acquiring, selling, leasing, transferring, or disposing of material assets, subsidiaries, or other entities;
 19. dispose or threaten to dispose (explicitly or implicitly) of equity interests of BFIN in any manner as a condition or inducement of specific action or non-action by BFIN; and
 20. announce an intention to do, or enter into any arrangement or understanding with others to do, any of the actions restricted or prohibited under clauses (1) through (19) of this Paragraph 2, or publicly announce or disclose any request to be excused from any of the foregoing obligations of this Paragraph 2.
- ii. At any BFIN annual meeting of stockholders during the Standstill Period, the SVB Partners Parties agree (1) to vote all shares of BFIN they or any of them beneficially own in favor of the nominees for election or reelection as director of BFIN selected by the Corporate Governance and Nominating Committee of the Board of Directors of BFIN and agree otherwise to support such director candidates, and (2) with respect to any other proposal submitted by any BFIN stockholder to a vote of the BFIN stockholders, to vote all of the BFIN shares they beneficially own in accordance with the recommendation of the BFIN Board of Directors with respect to any such stockholder proposal.
 - iii. Notwithstanding anything in this Agreement to the contrary, nothing herein will be construed to limit or affect: (1) any action or inaction by Mr. Mackovak in his capacity as a member of BFIN's Board of Directors, provided he acts in good faith in the discharge of his fiduciary duties as a board member; or (2) the ability of the SVB Partners Parties to engage in discussions relating to the topics listed in Paragraph 2 of this Agreement directly with the Chairman and Chief Executive Officer of BFIN or with other members of the board of directors of BFIN or senior executive management of BFIN in a manner consistent with the practices of the BFIN Board of Directors.
 - iv. The "Standstill Period" shall begin on the date hereof and shall remain in full force and effect until the date that is the earliest of (1) the date that is 10 days following the date that BFIN materially breaches its obligations under Section 1 of this Agreement, provided that such breach has not been cured prior to the expiration of such 10-day period; (2) the date that is three months from the date that Mr. Mackovak (or, in the event of the death, disability or resignation of Mr. Mackovak, a substitute nominee of the SVB Partners Parties, whose substitution shall be subject to the approval of the BFIN Board of Directors in its sole discretion) ceases to be a member of the BFIN Board; provided, however, with respect to this clause (2), Mr. Mackovak (or the substitute representative of the SVB Partners Parties) and the SVB Partners Parties shall be permitted to exercise their respective rights, as stockholders of BFIN and in accordance with all limitations generally applicable to stockholders of BFIN, to nominate and pursue the election of Mr. Mackovak (or the substitute representative of the SVB Partners Parties) or Mr. Martin Adams to serve as a member of the BFIN Board of Directors immediately after Mr. Mackovak (or the substitute representative of the SVB Partners Parties) ceases to be a member of the BFIN Board, (3) the date immediately following the Company's 2026 Annual Meeting of Stockholders; provided, however that, in any event,

Section 2(i) shall survive for so long as any designee of the SVB Partners Parties serves as a member of the BFIN Board, and (4) the date on which BFIN, at the option of BFIN, elects to terminate the Standstill Period by written notice to the SVB Partners Parties, which election may occur any time after the beneficial ownership of the SVB Partners Parties decreases below 5% of the outstanding shares of BFIN common stock.

3. Non-Disparagement.

During the Standstill Period, the SVB Partners Parties agree not to disparage BFIN or any officers, directors (including director nominees) or employees of BFIN or its affiliates or subsidiaries in any public or quasi-public forum, and BFIN agrees not to disparage any of the SVB Partners Parties or any officers or employees of the SVB Partners Parties in any public or quasi-public forum.

4. SVB Partners Nominees.

During the Standstill Period, the SVB Partners Parties agree not to nominate any other candidate for director of BFIN or the Bank at any time (except, in the event of death, disability or resignation of Mr. Mackovak, a substitute nominee of SVB Partners Parties, whose substitution shall be subject to the approval of the BFIN Board of Directors in its sole discretion, which approval shall not be unreasonably withheld or delayed).

5. Authority.

Each of the Parties that is a corporation or other legal entity and each individual Party executing this Agreement on behalf of a corporation or other legal entity, represents and warrants that: (a) such corporation or other legal entity is duly organized, validly authorized and in good standing, and possesses full power and authority to enter into and perform the terms of this Agreement; (b) the execution, delivery and performance of the terms of this Agreement have been duly and validly authorized by all requisite acts and consents of the company or other legal entity and do not contravene the terms of any other obligation to which the corporation or other legal entity is subject; and (c) this Agreement constitutes a legal, binding and valid obligation of each such entity, enforceable in accordance with its terms.

6. Expenses.

All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such expenses.

7. Amendment in Writing.

This Agreement and each of its terms may only be amended, waived, supplemented or modified in a writing signed by all the signatories hereto or their respective clients.

8. Governing Law/Venue/Jurisdiction.

This Agreement, and the rights and liabilities of the Parties hereto, shall be governed by and construed in accordance with the laws of the State of Maryland without regard to conflict of law provisions. The venue and jurisdiction for adjudication of any and all disputes between the Parties to this Agreement shall be in the U.S. District Court for the District of Maryland.

9. Specific Performance.

The Parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms. Accordingly, it is agreed that the Parties shall be entitled to seek specific performance of the terms hereof, this being in addition to any other remedies to which they are entitled at law or equity.

10. Counterparts.

This Agreement may be executed in counterparts, each of which shall be considered to be an original or true copy of this Agreement. Faxed signatures shall be presumed valid.

11. No Waiver.

The failure of any one of the Parties to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive the Parties of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

12. Disclosure of this Agreement.

The parties contemplate that the SVB Partners Parties will file a Schedule 13D amendment attaching this Agreement, that BFIN will file a Form 8-K attaching this Agreement and that during the Standstill Period there will be no other public comments (except as required by applicable regulations of the Securities and Exchange Commission) by the Parties regarding this Agreement other than a press release by BFIN factually summarizing this Agreement and referring to the Form 8-K filing, which press release shall be subject to approval by the SVB Partners Parties (such approval not to be unreasonably withheld).

13. Entire Agreement.

This Agreement constitutes the full, complete and entire understanding, agreement, and arrangement of and between the Parties with respect to the subject matter hereof and supersedes any and all prior oral and written understandings, agreements and arrangements between them including that certain Standstill Agreement dated December 30, 2013. There are no other agreements, covenants, promises or arrangements between the Parties other than those set forth in this Agreement (including the attachments hereto).

14. Notice.

All notices and other communications which are required or permitted hereunder shall be in writing, and sufficient if by overnight/next business day delivery, same-day hand delivery (including delivery by courier) or sent by fax or email, addressed as follows:

If to the BFIN:

Mr. F. Morgan Gasior
Chairman and Chief Executive Officer
BankFinancial Corporation
60 North Frontage Road
Burr Ridge, IL 60527
Fax: (630) 242-7569
Email: mgasior@bankfinancial.com

with a copy to:

James J. Brennan, Esq.
Corporate Secretary
BankFinancial Corporation
60 North Frontage Road
Burr Ridge, IL 60527
Fax: (630) 242-7569
Email: jbbrennan@bankfinancial.com

If to the SVB Partners Parties:

Mr. Benjamin Mackovak
Strategic Value Bank Partners, LLC
127 Public Square
Suite 1510
Cleveland, Ohio 44114
Email: ben@strategicbankpartners.com

with a copy to:

Mr. Martin Adams
Strategic Value Bank Partners, LLC
127 Public Square
Suite 1510
Cleveland, Ohio 44114
Email: marty@strategicbankpartners.com

15. Further Assurances.

The SVB Partners Parties and BFIN agree to take, or cause to be taken, all such further or other actions as shall reasonably be necessary to make effective and consummate the transactions contemplated by this Agreement.

16. Successors and Assigns.

All covenants and agreements contained herein shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

[SIGNATURE PAGE FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have each executed this Agreement on the date set forth below.

Dated: February 7, 2023

BANKFINANCIAL CORPORATION

By: /s/ F. Morgan Gasior
Name: F. Morgan Gasior
Chairman and Chief Executive Officer

**STRATEGIC VALUE BANK PARTNERS, LLC
STRATEGIC VALUE INVESTORS LP**

By: /s/ Benjamin Mackovak
Name: Benjamin Mackovak
Managing Member//Authorized Signatory

BENJAMIN MACKOVAK

/s/ Benjamin Mackovak
Benjamin Mackovak



FOR IMMEDIATE RELEASE

BankFinancial Corporation Announces Expansion of Board of Directors and Standstill Agreement with Strategic Value Bank Partners, LLC, Strategic Value Investors LP and Benjamin Mackovak

BURR RIDGE, Ill., February 9, 2024 -- BankFinancial Corporation (Nasdaq: BFIN) announced today that it expanded its Board of Directors with the election of Mr. Aaron O'Connor and Mr. Benjamin Mackovak.

Mr. O'Connor is a certified public accountant and is a partner with Bridge CPA LLC and was formerly a partner at the public accounting firm PKF Mueller and a financial services partner with the public accounting firm Crowe LLP. Mr. O'Connor has served on the board of directors of BankFinancial NA since January, 2023. Mr. O'Connor will serve as a director of BankFinancial Corporation in the class of directors with terms expiring at BFIN's 2025 Annual Meeting of stockholders.

Mr. Mackovak is a co-founder and managing member of Strategic Value Bank Partners, LLC, an investment firm based in Cleveland, Ohio that invests in community banks. Strategic Value Bank Partners is one of BankFinancial Corporation's larger institutional stockholders. Mr. Mackovak has significant current and prior experience as a board member of other community banks and thrifts. Prior to co-founding Strategic Value Bank Partners, Mr. Mackovak had senior leadership roles and experience with several investment analysis and advisory firms since 2004. Mr. Mackovak will serve as a director of BankFinancial Corporation in the class of directors with terms expiring at BFIN's 2026 Annual Meeting of stockholders.

On February 7, 2024, BankFinancial Corporation, Strategic Value Bank Partners, LLC, Strategic Value Investors LP and Mr. Mackovak (collectively, the "SVB Partners Parties") agreed to a Standstill Agreement. The Standstill Agreement provides that, among other things, at any annual meeting of BankFinancial Corporation's stockholders during the Standstill Period provided for in the Standstill Agreement, the SVB Partners Parties will vote all BankFinancial Corporation shares that they beneficially own in favor of the nominees for election or reelection as a director selected by the Corporate Governance and Nominating Committee of BankFinancial Corporation's board of directors and will otherwise support such director candidates, and with respect to any other proposal submitted by any stockholder, will vote all BankFinancial shares that they beneficially own in accordance with the recommendation of BankFinancial Corporation's board of directors.

In announcing the expansion of the BankFinancial Corporation Board of Directors, F. Morgan Gasior, the Chairman and Chief Executive Officer of BankFinancial, said "The addition of Mr. O'Connor and Mr. Mackovak to the Board of Directors contributes additional financial services expertise and experience and, in the case of Mr. Mackovak, continues our practice of institutional investor/shareholder representation on the Board."

BankFinancial Corporation is the holding company for BankFinancial, NA, a national bank providing banking, wealth management and fiduciary services to individuals, families and businesses in the Chicago metropolitan area and on a regional or national basis for commercial finance, equipment finance, commercial real estate finance and treasury management business customers. 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, <http://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 Corporation'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 Corporation'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 Corporation'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:

Elizabeth A. Doolan

Senior Vice President – Controller

BankFinancial Corporation

Telephone: 630-425-5568

Media Inquiries:

Gregg T. Adams

President – Marketing & Sales

BankFinancial, NA

Telephone: 630-425-5877