

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 26, 2019

BANKFINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Commission File Number 0-51331

Maryland 75-3199276
**(State or Other Jurisdiction (I.R.S. Employer
of Incorporation) Identification No.)**

15W060 North Frontage Road, Burr Ridge, Illinois 60527
(Address of Principal Executive Offices)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 26, 2019, John W. Palmer resigned as a member of the Board of Directors (the “Board”) of BankFinancial Corporation (the “Company”). Mr. Palmer’s resignation was submitted in connection with an agreement between the Company and the PL Capital Fund Parties (defined in Item 8.01, below) which contemplates the Company’s repurchase of 700,000 shares of the Company’s common stock held by the PL Capital Fund Parties, as described in more detail below. Prior to the contemplated repurchase, the PL Capital Fund Parties held 1,687,549 shares of the Company’s common stock. The resignation did not result from any disagreements with management or the Board, including regarding any matter relating to the Company’s operations, policies or practices. Mr. Palmer’s term as a Director was scheduled to expire at the Company’s 2020 Annual Meeting of Stockholders.

Item 8.01 Other Events.

In connection with the resignation described above, on February 26, 2019, the Company entered into a Stock Purchase Agreement with Financial Edge Fund, L.P, Financial Edge - Strategic Fund, L.P., PL Capital/Focused Fund, L.P., and Goodbody/PL Capital, L.P. (the “PL Capital Fund Parties” and collectively with PL Capital, LLC, PL Capital Advisors, LLC, Goodbody/PL Capital, LLC, Lashley Family 2011 Trust, Albernet OU, Dr. Irving Smokler, Beth Lashley, John W. Palmer and Richard J. Lashley, the “PL Capital Parties”). Under the Stock Purchase Agreement, and subject to the terms and conditions set forth therein, the PL Capital Fund Parties agreed to sell to the Company 700,000 shares of the Company’s common stock.

In addition, on February 26, 2019, the Company and the PL Capital Parties entered into an Amendment to Restated Standstill Agreement (the “Amended Standstill Agreement”). Pursuant to the Amended Standstill Agreement, the Company is no longer obligated to appoint or nominate Mr. Palmer to serve as a Director of the Company, and the other contractual arrangements that are presently in place under the Restated Standstill Agreement, dated April 21, 2017, between the Company and the PL Capital Parties, will terminate effective December 31, 2019.

The foregoing summary of the Stock Purchase Agreement and the Amended Standstill Agreement is not complete and is subject to, and qualified in its entirety by the text of the Stock Purchase Agreement and the Amended Standstill Agreement, which are attached as Exhibits 99.1 and 99.2, respectively, and incorporated herein by reference.

On February 26, 2019, the Company issued a press release relating to the resignation of Mr. Palmer, the Stock Purchase Agreement and the Amended Standstill Agreement, which press release is attached as Exhibit 99.3 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

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

Exhibit No. Description

[99.1](#) Stock Purchase Agreement, dated February 26, 2019, by and between BankFinancial Corporation and Financial Edge Fund, L.P, Financial Edge - Strategic Fund, L.P., PL Capital/Focused Fund, L.P. and Goodbody/PL Capital, L.P.

[99.2](#) Amendment to Restated Standstill Agreement, dated February 26, 2019, by and between BankFinancial Corporation and Financial Edge Fund, L.P, Financial Edge - Strategic Fund, L.P., PL Capital/Focused Fund, L.P., Goodbody/PL Capital, L.P., PL Capital, LLC, PL Capital Advisors, LLC, Goodbody/PL Capital, LLC, Lashley Family 2011 Trust, Albernet OU, Dr. Irving Smokler, Beth Lashley, John W. Palmer and Richard J. Lashley.

[99.3](#) Press Release dated February 26, 2019

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.

Dated: February 26, 2019

BANKFINANCIAL CORPORATION

By: /s/ F. Morgan Gasior

F. Morgan Gasior

Chairman of the Board and Chief Executive Officer

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this "Agreement") is made as of February 26, 2019, by and among (i) FINANCIAL EDGE FUND, L.P., FINANCIAL EDGE - STRATEGIC FUND, L.P., PL CAPITAL/FOCUSED FUND, L.P., and GOODBODY/PL CAPITAL, L.P., (individually, each a "Seller" and collectively, the "Sellers"), and (ii) BANKFINANCIAL CORPORATION, a Maryland corporation (the "Company").

WHEREAS, each Seller desires to sell to the Company the number of shares reflected on Schedule A to this Agreement, and the Company desires to purchase collectively from the Sellers, an aggregate of 700,000 shares (the "Shares") of common stock, \$0.01 par value (the "Common Stock"), of the Company.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Sale of Shares and Closing.

(a) Sale of the Shares. At the Closing (as defined below), each Seller hereby agrees to sell to the Company, and the Company hereby agrees to purchase from each such Seller, the Shares of Company Common Stock listed opposite such Seller's name on Schedule A, for a price per share equal to 99.5% of the per share volume weighted average price of the Company Common Stock on NASDAQ from 9:30 a.m. to 4:00 p.m., Eastern Time, on the five (5) trading days ending on the business day prior to the Closing Date (as defined below) as found on Bloomberg page BFINVWAP (or its equivalent successor page if such page is not available), which price shall represent the full purchase price for the Shares (the "Purchase Price"). The parties hereto agree that the payment of the Purchase Price shall be in full satisfaction of any and all obligations owed by the Company with respect to the Shares, and the Company shall purchase from the Sellers, all of the right, title, and interest of the Sellers in and to the Shares.

(b) Deliveries by the Company. As a condition to, and at the Closing, the Company shall deliver to each Seller the Purchase Price for the Shares of Company Common Stock listed opposite such Seller's name on Schedule A by wire transfer of immediately available funds to a bank account designated by such Seller.

(c) Deliveries by the Sellers. Concurrently with the execution hereof, the Sellers shall deliver such documents relating to the transactions contemplated by this Agreement as the Company or its counsel may reasonably request including (i) a resignation executed by John W. Palmer pursuant to which Mr. Palmer resigns from the Board of Directors of the Company and each subsidiary of the Company, (ii) an amendment to the Restated Standstill Agreement executed by all the parties to the Restated Standstill Agreement dated April 21, 2017 (other than the Company) in a form acceptable to the Company and (iii) the Shares with all documents and instructions required to transfer the Shares to the Company.

Section 2. The Closing. The closing of the transactions contemplated hereby (the "Closing") shall take place at the offices of the Company in Burr Ridge, Illinois on February 28, 2019, or at such other place or on such other date as may be mutually agreeable to the Sellers and the Company (the "Closing Date").

Section 3. Representations and Warranties of the Sellers. Each Seller hereby individually represents and warrants to the Company that:

(a) Ownership. The Seller is the lawful beneficial owner of the shares of Company Common Stock listed opposite such Seller's name on Schedule A, free and clear of all security interests, claims, liens, pledges, options, encumbrances, charges, agreements, voting trusts, proxies, and other arrangements or restrictions whatsoever ("Encumbrances"). Immediately following the sale of the Shares of the Company pursuant to this Agreement, the Seller will no longer have any rights, title, interest or other claims relating to the Shares of Company Common Stock listed opposite such Seller's name on Schedule A.

(b) Authorization; No Breach. The execution, delivery and performance of this Agreement and all other agreements contemplated hereby to which the Seller is a party have been duly authorized by

such Seller. This Agreement and all other agreements contemplated hereby each constitutes a valid and binding obligation of the Seller, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and limitations on the availability of equitable remedies. The execution and delivery by the Seller of this Agreement and all other agreements contemplated hereby to which the Seller is a party, and the fulfillment of and compliance with the respective terms hereof and thereof by the Seller, does not and shall not conflict with or result in a breach of the terms, conditions or provisions of, or require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body pursuant to, its organizational documents or any material law, statute, rule or regulation to which the Seller is subject, or any material agreement, instrument, order, judgment or decree to which the Seller is subject, except where any such condition would not adversely affect its ability to perform its obligations hereunder. The Seller has full right, power and authority to sell, assign, transfer and deliver the Shares of Company Common Stock to be sold by such Seller hereunder.

(c) Access to Information; Sophistication. The Seller (i) is familiar with the business and financial condition, properties, operations and prospects of the Company and has had the opportunity to review the periodic and current reports filed with the United States Securities and Exchange Commission by the Company, (ii) has had access to such other information, documents and materials concerning the Company, including information available to John W. Palmer in his capacity as a director of the Company, to enable the Seller to form an independent judgment regarding the advisability of the sale of the Shares on the terms and conditions contained herein and (iii) has had such time as the Seller deems necessary and appropriate to review and analyze such filings, information, documents and other materials to enable it to form such independent judgment. The Seller's knowledge and experience in financial and business matters (including the experience of such Seller in making numerous investments in banks, bank holding companies and other financial institutions) is such that the Seller is capable of evaluating the merits and risks of the Seller's sale of the Shares of Company Common Stock listed opposite such Seller's name on Schedule A. The Seller has carefully reviewed the terms and provisions of this Agreement and has evaluated its rights and obligations contained herein and is hereby voluntarily assuming the risks relating to the transactions contemplated hereby. The Seller has made its own decision concerning the sale of the Shares of Company Common Stock listed opposite such Seller's name on Schedule A without reliance on any representation or warranty of, or advice from, the Company (except as provided in Section 4 below) or any of its affiliates.

(d) Material Non-Public Information. The Seller acknowledges and understands that the Company may be deemed to be in possession of material non-public information regarding the Company not known to the Seller which may significantly impact the value of the Shares. The Seller understands, based on its experience the disadvantage to which the Seller is subject due to the potential for disparity of information between the Seller and the Company. Notwithstanding such potential disparity, the Seller has deemed it appropriate to enter into this Agreement and to consummate the sale of the Shares of Company Common Stock listed opposite such Seller's name on Schedule A. The Seller agrees that none of the Company, its affiliates, principals, equityholders, employees and agents shall have any liability to the Seller or its affiliates, principals, equityholders, employees or agents, whatsoever due to or in connection with any potential use of non-public information or otherwise as a result of the sale of the Shares, and the Seller hereby irrevocably waives and releases any claim that it might have based on the failure of the Company to disclose any such information, whether under applicable securities laws or otherwise.

(e) Rule 144 Compliance. Each Seller that is or at any time in the last three months has been an "affiliate" of the Company for purposes of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), shall only sell or dispose of shares of Common Stock of the Company in accordance with Rule 144(b)(2), or other applicable exemption from registration under the Securities Act, until a period of at least three months shall have elapsed since the termination of such Seller's status as an affiliate of the Company.

Section 4. Representations and Warranties of the Company. The Company hereby represents and warrants to the Sellers that:

(a) Authorization; No Breach. The execution, delivery and performance of this Agreement and all other agreements contemplated hereby to which the Company is a party have been duly authorized by the Company. With respect to the purchase of Shares from any Seller subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act,"), the board of directors of the Company has approved such purchase in a manner intended to exempt such purchase from Section 16(b) of the Exchange Act by virtue of Rule 16b-3

thereunder. This Agreement and all other agreements contemplated hereby each constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and limitations on the availability of equitable remedies. The execution and delivery by the Company of this Agreement and all other agreements contemplated hereby to which the Company is a party, and the fulfillment of and compliance with the respective terms hereof and thereof by the Company, do not and shall not conflict with or result in a breach of the terms, conditions or provisions of, or require any authorization, consent, approval, exemption or other action by or notice to any court or administrative or governmental body pursuant to, its operating agreement or any material law, statute, rule or regulation to which the Company is subject, or any material agreement, instrument, order, judgment or decree to which the Company is subject, except where any such condition would not adversely affect its ability to perform its obligations hereunder.

Section 5. General Provisions.

(a) Survival of Representations. All representations and warranties contained herein or made in writing by any party in connection herewith shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, regardless of any investigation made by a party or on its behalf.

(b) Public Announcements. Except as required by applicable law or by mutual agreement of the parties hereto, no Seller shall make or permit any of its affiliates or representatives to make any public announcement with respect of this Agreement or the transactions contemplated hereby.

(c) Further Assurances. Each Seller shall execute and deliver to the Company, or shall cause to be executed and delivered to the Company, such additional instruments or documents, and shall take or cause to be taken such other action, as the Company may reasonably request from time to time after the Closing for the purpose of giving effect to the transactions contemplated hereby.

(d) Expenses. Each party will pay its own costs and expenses (including attorneys' fees and expenses) incurred in connection with the preparation, negotiation and consummation of this Agreement and the transactions contemplated hereby.

(e) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(f) Counterparts. This Agreement may be executed simultaneously in any number of counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

(g) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by any of the parties hereto and their respective successors and assigns.

(h) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word "including" in this Agreement shall be by way of example rather than by limitation.

(i) Choice of Law. The corporate law of the State of Maryland will govern all questions concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(j) Waiver of Trial By Jury. Each of the parties to this Agreement irrevocably and unconditionally waives the right to a trial by jury in any action, suit or proceeding arising out of, connected with or relating to this Agreement, the matters contemplated hereby, or the actions of the parties in the negotiation, administration, performance or enforcement of this Agreement.

(k) Remedies. Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorneys' fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party in its sole discretion may apply to any court of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(l) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

BANKFINANCIAL CORPORATION

By: /s/ F. Morgan Gasior

F. Morgan Gasior

Chairman of the Board and Chief Executive Officer

FINANCIAL EDGE FUND, L.P.
FINANCIAL EDGE - STRATEGIC FUND, L.P.
PL CAPITAL/FOCUSED FUND, L.P.
GOODBODY/PL CAPITAL, L.P.

By: /s/ Richard L. Lashley

Richard L. Lashley
Managing Member

By: /s/ John W. Palmer

John W. Palmer
Managing Member

	NAME OF SELLER	SHARES (#)	PAYMENT INSTRUCTIONS
1	FINANCIAL EDGE FUND, L.P.	381,000	Provided separately.
2	FINANCIAL EDGE - STRATEGIC FUND, L.P.	149,000	Provided separately.
3	PL CAPITAL/FOCUSED FUND, L.P.	65,000	Provided separately.
4	GOODBODY/PL CAPITAL, L.P.	105,000	Provided separately.

**AMENDMENT TO
RESTATED STANDSTILL AGREEMENT**

This AMENDMENT TO RESTATED STANDSTILL AGREEMENT (this “Amendment”) is made as of February 26, 2019, by and among BANKFINANCIAL CORPORATION, a Maryland corporation (“BFIN”), on the one hand, and FINANCIAL EDGE FUND, L.P., FINANCIAL EDGE - STRATEGIC FUND, L.P., PL CAPITAL/FOCUSED FUND, L.P., GOODBODY/PL CAPITAL, L.P., PL CAPITAL, LLC, PL CAPITAL ADVISORS, LLC, GOODBODY/PL CAPITAL, LLC, LASHLEY FAMILY 2011 TRUST, ALBERNET OU, DR. IRVING SMOKLER, BETH LASHLEY, JOHN W. PALMER and RICHARD J. LASHLEY (collectively, the “PL Capital Parties”) on behalf of themselves and their affiliates, on the other hand. BFIN and the PL Capital Parties together, collectively, shall be referred to in this Amendment as the “Parties”.

RECITAL:

The Parties desire to amend the terms of that certain Restated Standstill Agreement dated April 21, 2017, entered into by and among the Parties (the “2017 Restated Agreement”) in connection with certain other actions that will be undertaken by the Parties including (i) the resignation of John W. Palmer from the Board of Directors of BFIN and from any other board or committee positions that Mr. Palmer may have with BFIN or any subsidiary of BFIN and (ii) the repurchase by BFIN of 700,000 shares of common stock, par value \$0.01 per share, of BFIN in accordance with the terms of a Stock Purchase Agreement by and among the Parties dated the date hereof.

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:

AGREEMENT:

1. **Definitions.** Terms defined in the 2017 Restated Agreement which are used herein shall have the same meanings as are set forth in the 2017 Restated Agreement for such terms unless otherwise defined herein.

2. **Amendments to the 2017 Restated Agreement.**

(i) Section 1 of the 2017 Restated Agreement shall be deleted in its entirety. As a result, BFIN shall no longer have any obligation (a) to appoint, nominate or facilitate the election of Mr. Palmer or any other representative of the PL Capital Parties to the Board of Directors of BFIN, (b) to appoint Mr. Palmer to committees of the BFIN Board of Directors, (c) to meet with Mr. Palmer following the filing of the BFIN’s annual report on Form 10-K, (d) to cause the Bank to continue to provide Mr. Palmer electronic access to each “Meeting Book” and the related meeting materials that are published to the Bank’s “NASDAQ Director’s Desk” site or (e) to provide Mr. Palmer any compensation.

(ii) Section 2(iv) of the 2017 Restated Agreement shall be deleted in its entirety and be replaced with the following:

“(iv) The “Standstill Period” shall begin on the date hereof [the date of the 2017 Restated Agreement] and shall remain in full force and effect until December 31, 2019.”

3. **References.**

(i) On and after the date hereof, (a) each reference in the 2017 Restated Agreement to “this Agreement,” “hereunder,” “hereof,” “herein,” or words of like import shall mean and be a reference to the 2017 Restated Agreement as amended hereby, and (b) each reference to the 2017 Restated Agreement in any other document binding on BFIN or the PL Capital Parties shall mean and be a reference to the 2017 Restated Agreement as amended hereby.

(ii) Except as otherwise provided herein, the 2017 Restated Agreement, all covenants, representations and warranties made therein, shall remain in full force and effect for the term of the 2017 Restated Agreement as hereby amended, and are hereby reaffirmed, ratified and confirmed. Additionally, the

execution, delivery and effectiveness of this Amendment shall not (a) except as specifically stated herein, amend the 2017 Restated Agreement or (b) operate as a waiver of any right, power or remedy of BFIN.

(iii) Each PL Capital Party acknowledges and agrees that as of the date hereof, no PL Capital Party has any defenses or claims under the 2017 Restated Agreement.

4. **Authority.**

Each of the Parties that is a corporation or other legal entity and each individual Party executing this Amendment 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 Amendment; (b) the execution, delivery and performance of the terms of this Amendment 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 Amendment constitutes a legal, binding and valid obligation of each such entity, enforceable in accordance with its terms.

5. **Expenses.** All costs and expenses incurred in connection with this Amendment shall be paid by the party incurring such expenses.

6. **Amendment in Writing.** This Amendment 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.

7. **Governing Law/Venue/Jurisdiction.** This Amendment, 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 Amendment shall be in the U.S. District Court for the District of Maryland.

8. **Specific Performance.** The Parties agree that irreparable damage would occur if any of the provisions of this Amendment 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.

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

10. **No Waiver.** The failure of any one of the Parties to insist upon strict adherence to any term of this Amendment 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 Amendment.

11. **Further Assurances.** The PL Capital 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 Amendment.

12. **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 PAGES FOLLOW]

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

BANKFINANCIAL CORPORATION

By: /s/ F. Morgan Gasior

F. Morgan Gasior

Chairman of the Board and Chief Executive Officer

FINANCIAL EDGE FUND, L.P.
FINANCIAL EDGE - STRATEGIC FUND, L.P.
PL CAPITAL/FOCUSED FUND, L.P.
GOODBODY/PL CAPITAL, L.P.
PL CAPITAL, LLC
PL CAPITAL ADVISORS, LLC
GOODBODY/PL CAPITAL, LLC

By: /s/ Richard L. Lashley

Richard L. Lashley
Managing Member

By: /s/ John W. Palmer

John W. Palmer
Managing Member

LASHLEY FAMILY 2011 TRUST

By: /s/ Beth Lashley

Beth Lashley, Trustee

ALBERNET OU

By: /s/ John W. Palmer

by: John W. Palmer
Authorized Signatory

DR. IRVING SMOKLER

By: /s/ John W. Palmer

by: John W. Palmer
Attorney-In-Fact

BETH LASHLEY

By: /s/ Beth Lashley

Beth Lashley

JOHN W. PALMER

By: /s/ John W. Palmer

John W. Palmer

RICHARD J. LASHLEY

By: /s/ Richard J. Lashley

Richard J. Lashley



FOR IMMEDIATE RELEASE

BankFinancial Corporation Reports a Change in Board of Directors and a Stock Repurchase Transaction

Burr Ridge, Illinois - (February 26, 2019) BankFinancial Corporation (Nasdaq - BFIN) (the "Company") announced today that the Company received and accepted the resignation of John W. Palmer from the Board of Directors of the Company (the "Board"). The resignation was tendered in connection with a repurchase of a portion of the shares of the Company held by PL Capital Advisors, LLC, its affiliated investment funds and certain other affiliated persons ("PL Capital").

Mr. Palmer's resignation became effective on February 26, 2019. Mr. Palmer advised the Company that he has no disagreement with the Company or the Board, and his resignation coordinates with the decision of PL Capital to sell to the Company 700,000 shares of the Company's common stock in a private transaction pursuant to the Company's share repurchase authorization.

Mr. Palmer stated: "Given recent developments in the equity market for financial institutions, further diversification into attractive new investment opportunities is appropriate for PL Capital at this time. Even after this sale, PL Capital retains a significant investment in BankFinancial, as we believe the Company is well-positioned to continue its growth in earnings and franchise value over time."

Mr. F. Morgan Gasior, Chief Executive Officer of BankFinancial, stated: "John Palmer has been a thoughtful, effective Director since 2014, committed to the best interests of the Company. John provided many valuable insights during his tenure on the Board, and we look forward to continued engagement with Mr. Palmer and PL Capital as we expect they will be one of the Company's largest institutional shareholders. While the share repurchase transaction significantly accelerates the execution of our capital management plan for the year, we expect to continue to maintain an active Share Repurchase Program in 2019."

The Company's SEC Form 8-K filing 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.

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. Such statements may be identified by words such as "believes," "will," "expects," "project," "may," "could," "anticipate," "estimates," "intends," "plans" and similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties. A variety of factors could cause the Company'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 the Company'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 at <http://www.bankfinancial.com>. Forward looking statements speak only as of the date they are made, and the Company does 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: 630-242-7151

Media Inquiries:

Gregg T. Adams

President – Marketing & Sales

BankFinancial, NA

Telephone: 630-242-7234