
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): April 29, 2009

BANKFINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

0-51331
(Commission File No.)

75-3199276
(I.R.S. Employer
Identification No.)

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

60527
(Zip Code)

Registrant's telephone number, including area code: (800) 894-6900

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On April 29, 2009, the Company issued a press release announcing the filing of its Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 and a Quarterly Financial and Statistical Supplement. The press release also reported earnings for the three months ended March 31, 2009. The press release and Quarterly Financial and Statistical Supplement are included as Exhibits 99.1 and 99.2 to this report.

The information in the preceding paragraph, as well as Exhibits 99.1 and 99.2, is considered to be “furnished” under the Securities Exchange Act of 1934, and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

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 April 29, 2009
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

Date: April 29, 2009

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



FOR IMMEDIATE RELEASE

**BankFinancial Corporation Reports First Quarter 2009 Earnings and
Filing of Quarterly Report on Form 10-Q
and Quarterly Financial and Statistical Supplement
with the Securities and Exchange Commission**

Burr Ridge, Illinois - (April 29, 2009) BankFinancial Corporation (Nasdaq – BFIN) (“BankFinancial”) announced that it will file today its Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 and a Quarterly Financial and Statistical Supplement on Form 8-K with the U.S. Securities and Exchange Commission (the “SEC”). BankFinancial also reported net income of \$172,000, or \$0.01 per common share, for the three months ended March 31, 2009, compared to \$3.2 million, or \$0.16 per common share, for the three months ended March 31, 2008.

At March 31, 2009, BankFinancial had total assets of \$1.558 billion, total loans of \$1.284 billion, total deposits of \$1.154 billion and stockholders’ equity of \$266 million.

The Quarterly Report on Form 10-Q and the 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.

BankFinancial’s management will review first quarter 2009 results in a conference call and webcast for stockholders and analysts on Friday, May 1, 2009 at 9:30 a.m. Central Daylight Time (CDT). The conference call may be accessed by calling (866) 578-5747 and using participant passcode 11870468. The conference call will be simultaneously webcast at www.bankfinancial.com, on the Stockholder Information page. For those persons unable to participate in the conference call, the webcast will be archived through 5:00 p.m. CDT May 15, 2009 on our website.

BankFinancial Corporation is the holding company for BankFinancial, F.S.B., a full-service, community-oriented bank providing financial services to individuals, families and businesses through 18 full-service banking offices, located in Cook, DuPage, Lake and Will Counties, Illinois. BankFinancial Corporation became a publicly-traded company on June 24, 2005, and its common stock trades on the Nasdaq Global Select Market under the symbol BFIN. Additional information may be found at the company’s website.

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 Quarterly Report on Form 10-Q and 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 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:
Elizabeth A. Doolan
Senior Vice President – Contoller
BankFinancial Corporation
Telephone: 630-242-7151

Media Inquiries:
Gregg T. Adams
Executive Vice President – Marketing & Sales
BankFinancial F.S.B.
Telephone: 630-242-7234

BANKFINANCIAL CORPORATION
FIRST QUARTER 2009
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 with 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)

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
PERFORMANCE MEASUREMENTS:					
Return on assets (ratio of net income (loss) to average total assets) (1)	0.04%	2.14%	(6.93)%	(1.49)%	0.87%
Return on equity (ratio of net income (loss) to average equity) (1)	0.26	11.81	(35.24)	(7.46)	4.37
Net interest rate spread (1)	3.36	3.49	3.29	3.31	3.29
Net interest margin (1)	3.74	3.90	3.80	3.88	3.93
Efficiency ratio	87.84	98.24	253.46	160.33	73.57
Noninterest expense to average total assets (1)	3.31	4.00	10.32	6.39	3.60
Average interest-earning assets to average interest-bearing liabilities	123.50	124.32	128.92	129.40	128.96
Offices	18	18	18	18	18
Employees (full time equivalents)	390	393	395	397	404

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
SUMMARY STATEMENT OF OPERATIONS:					
Total interest income	\$18,906	\$ 19,082	\$ 18,749	\$19,387	\$20,742
Total interest expense	5,736	5,810	5,983	6,405	7,469
Net interest income before provision (credit)	13,170	13,272	12,766	12,982	13,273
Provision (credit) for loan losses	1,344	3,487	1,406	250	(51)
Net interest income	11,826	9,785	11,360	12,732	13,324
Noninterest income	1,389	1,789	1,968	1,521	4,706
Noninterest expense	12,789	14,796	37,345	23,253	13,228
Income (loss) before income tax	426	(3,222)	(24,017)	(9,000)	4,802
Income tax expense (benefit)	254	(11,130)	1,065	(3,593)	1,610
Net income (loss)	\$ 172	\$ 7,908	\$ (25,082)	\$ (5,407)	\$ 3,192
Basic earnings (loss) per common share	\$ 0.01	\$ 0.40	\$ (1.27)	\$ (0.27)	\$ 0.16
Diluted earnings (loss) per common share	\$ 0.01	\$ 0.40	\$ (1.26)	\$ (0.27)	\$ 0.16

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
NONINTEREST INCOME AND EXPENSE:					
Noninterest Income:					
Deposit service charges and fees	\$ 794	\$ 920	\$ 989	\$ 837	\$ 825
Other fee income	428	349	533	587	475
Insurance commissions and annuities income	177	188	158	202	246
Gain on sales of loans, net	256	8	23	17	70
Gain on sales of securities	—	—	—	—	1,385
Gain on unredeemed VISA stock	—	—	—	—	1,240
Gain (loss) on disposition of premises and equipment	(4)	—	—	(311)	9
Loan servicing fees	175	184	190	184	213
Amortization and impairment of servicing assets	(222)	84	(119)	(178)	(311)
Operations of real estate owned	(253)	(121)	(139)	(163)	(11)
Bank Owned Life Insurance income (loss)	(59)	29	153	187	217
Other	97	148	180	159	348
Total noninterest income	\$ 1,389	\$ 1,789	\$ 1,968	\$ 1,521	\$ 4,706

Noninterest Expense:					
Compensation and benefits	\$ 7,865	\$ 7,265	\$ 7,544	\$ 7,506	\$ 8,220
Office occupancy and equipment	1,767	1,864	1,481	1,582	1,947
Advertising and public relations	366	515	373	309	164
Information technology	1,008	1,005	963	790	904
Supplies, telephone and postage	424	506	545	497	522
Amortization of intangibles	429	440	446	446	452
Loss on impairment of securities available for sale	—	—	24,844	11,075	—
Loss on early extinguishment of borrowings	—	1,975	—	—	—
Other	930	1,226	1,149	1,048	1,019
Total noninterest expenses	\$12,789	\$ 14,796	\$ 37,345	\$23,253	\$13,228

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

SUMMARY BALANCE SHEET

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
ASSETS:					
Cash and due from other financial institutions	\$ 20,155	\$ 29,213	\$ 21,258	\$ 27,915	\$ 25,530
Interest-bearing deposits in other financial institutions	2,882	116	15,030	6,297	3,611
Securities available-for-sale, at fair value	119,417	124,919	75,865	78,030	73,545
Loans held-for-sale	1,729	872	1,264	702	1,786
Loans receivable, net	1,283,996	1,267,968	1,216,185	1,225,115	1,246,983
Stock in Federal Home Loan Bank, at cost	15,598	15,598	15,598	15,598	15,598
Premises and equipment, net	34,773	34,565	34,448	34,013	34,014
Intangible assets	28,122	28,551	28,991	29,437	29,883
Bank Owned Life Insurance	20,112	20,171	20,142	19,989	19,802
Other assets	31,125	32,728	19,908	19,716	24,316
Total assets	<u>\$ 1,557,909</u>	<u>\$ 1,554,701</u>	<u>\$ 1,448,689</u>	<u>\$ 1,456,812</u>	<u>\$ 1,475,068</u>
LIABILITIES AND EQUITY:					
Deposits	\$ 1,153,738	\$ 1,069,855	\$ 1,046,104	\$ 1,080,986	\$ 1,057,613
Borrowings	123,995	200,350	101,935	70,633	112,020
Other liabilities	14,529	17,705	39,023	17,030	15,850
Total liabilities	1,292,262	1,287,910	1,187,062	1,168,649	1,185,483
Stockholders' equity	265,647	266,791	261,627	288,163	289,585
Total liabilities and stockholders' equity	<u>\$ 1,557,909</u>	<u>\$ 1,554,701</u>	<u>\$ 1,448,689</u>	<u>\$ 1,456,812</u>	<u>\$ 1,475,068</u>
DEPOSITS:					
Noninterest-bearing demand	\$ 107,021	\$ 109,056	\$ 108,110	\$ 108,530	\$ 112,557
Savings	97,531	94,802	96,489	101,532	99,718
Money market accounts	246,443	205,768	196,050	183,180	224,078
Interest-bearing NOW accounts	274,560	285,737	309,482	364,106	318,355
Certificates of deposit - Retail	389,648	339,771	330,390	316,761	301,990
Certificates of deposit - Wholesale	38,535	34,721	5,583	6,877	915
Total certificates of deposit	428,183	374,492	335,973	323,638	302,905
Total deposits	<u>\$ 1,153,738</u>	<u>\$ 1,069,855</u>	<u>\$ 1,046,104</u>	<u>\$ 1,080,986</u>	<u>\$ 1,057,613</u>

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
LOANS:					
One- to four-family residential real estate loans	\$ 326,678	\$ 323,713	\$ 323,897	\$ 329,575	\$ 340,439
Multi-family mortgage loans	320,480	305,318	303,516	306,209	301,957
Nonresidential real estate loans	341,898	342,276	331,629	323,555	327,542
Construction and land loans	45,967	49,511	45,728	52,785	60,020
Commercial loans	80,249	81,679	74,249	72,502	80,498
Commercial leases	178,982	175,804	144,856	146,714	142,069
Consumer loans	2,605	2,655	2,757	2,809	3,408
Total loans	1,296,859	1,280,956	1,226,632	1,234,149	1,255,933
Loans in process	(217)	(154)	(139)	(165)	(161)
Net deferred loan origination costs	1,912	1,912	1,957	2,031	2,041
Allowance for loan losses	(14,558)	(14,746)	(12,265)	(10,900)	(10,830)
Loans, net	\$1,283,996	\$1,267,968	\$1,216,185	\$1,225,115	\$1,246,983

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
CREDIT QUALITY RATIOS:					
Nonperforming Loans and Assets:					
Nonperforming loans	\$ 22,736	\$ 13,658	\$ 12,497	\$ 11,248	\$ 8,737
Real estate owned	1,221	955	931	937	899
Nonperforming assets	<u>\$ 23,957</u>	<u>\$ 14,613</u>	<u>\$ 13,428</u>	<u>\$ 12,185</u>	<u>\$ 9,636</u>

Asset Quality Ratios:					
Nonperforming assets to total assets	1.54%	0.94%	0.93%	0.84%	0.65%
Nonperforming loans to total loans	1.75	1.07	1.02	0.91	0.70
Allowance for loan losses to nonperforming loans	64.03	107.97	98.14	96.91	123.96
Allowance for loan losses to total loans	1.12	1.15	1.00	0.89	0.86
Net charge-off ratio (1)	0.48	0.32	0.01	0.06	0.05

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
ALLOWANCE FOR LOAN LOSSES:					
Beginning balance	\$ 14,746	\$ 12,265	\$ 10,900	\$ 10,830	\$ 11,051
Provision (credit) for loan losses	1,344	3,487	1,406	250	(51)
Loans charged off	(1,536)	(1,016)	(42)	(182)	(173)
Recoveries	4	10	1	2	3
Ending balance	<u>\$ 14,558</u>	<u>\$ 14,746</u>	<u>\$ 12,265</u>	<u>\$ 10,900</u>	<u>\$ 10,830</u>

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
SELECTED AVERAGE BALANCES:					
Average total assets	\$1,544,395	\$1,478,893	\$1,447,499	\$1,454,496	\$1,471,387
Average interest-earning assets	1,426,864	1,354,221	1,337,304	1,346,496	1,358,390
Average total loans	1,285,125	1,251,180	1,224,472	1,233,586	1,257,089
Average securities available-for-sale	123,278	83,352	94,459	86,855	83,536
Average Stock in FHLB	15,598	15,598	15,598	15,598	15,598
Average other interest-earning assets	2,863	4,091	2,775	10,457	2,167
Average interest-bearing deposits	1,008,329	933,207	945,892	958,071	943,549
Average borrowings	147,068	156,107	91,452	82,502	109,791
Average interest-bearing liabilities	1,155,397	1,089,314	1,037,344	1,040,573	1,053,340
Average total stockholders' equity	268,064	267,862	284,695	289,988	292,353

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
SELECTED YIELDS AND COST OF FUNDS ⁽¹⁾:					
Average interest-earning assets	5.37%	5.61%	5.58%	5.79%	6.14%
Average total loans	5.54	5.74	5.86	5.98	6.26
Average securities available-for-sale	4.42	4.96	2.97	4.64	5.52
Average other interest-earning assets	—	—	2.01	2.01	3.34
Average interest-bearing deposits	2.06	2.13	2.15	2.36	2.69
Average borrowings	1.67	2.06	3.79	3.86	4.25
Average interest-bearing liabilities	2.01	2.12	2.29	2.48	2.85
Net interest rate spread	3.36	3.49	3.29	3.31	3.29
Net interest margin	3.74	3.90	3.80	3.88	3.93

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
CAPITAL RATIOS:					
BankFinancial Corporation:					
Equity to total assets (end of period)	17.05%	17.16%	18.06%	19.78%	19.63%
Tangible equity to tangible total assets (end of period)	15.39	15.48	16.47	17.99	18.11
Risk-based total capital ratio	18.96	18.57	20.06	21.12	21.19
Risk-based tier 1 capital ratio	18.00	17.67	19.21	20.33	20.41
Tier 1 leverage ratio	15.38	15.48	17.02	18.19	18.38
BankFinancial FSB:					
Risk-based total capital ratio	15.23	14.69	15.72	16.59	16.55
Risk-based tier 1 capital ratio	14.27	13.79	14.87	15.79	15.77
Tier 1 leverage ratio	12.20	12.08	13.17	14.13	14.20
Stock repurchases	\$ 1,800	\$ 1,272	\$ 1,404	\$ 1,162	\$ 3,899
Stock repurchases - shares	207,800	117,700	101,200	76,000	254,800

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
COMMON STOCK AND DIVIDENDS:					
Stock Prices:					
Close	\$ 9.97	\$ 10.19	\$ 14.68	\$ 13.01	\$ 15.91
High	11.10	14.99	15.98	16.16	16.44
Low	7.19	9.07	12.70	13.00	13.66
Book value per share	\$ 12.36	\$ 12.30	\$ 12.00	\$ 13.15	\$ 13.17
Tangible book value per share	\$ 11.06	\$ 10.98	\$ 10.67	\$ 11.81	\$ 11.81
Cash dividends declared and paid on common stock	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
EARNINGS PER SHARE COMPUTATIONS:					
Net income (loss)	\$ 172	\$ 7,908	\$ (25,082)	\$ (5,407)	\$ 3,192
Average common shares outstanding	21,617,158	21,736,312	21,829,118	21,952,967	22,101,410
Less: Unearned ESOP shares	(1,598,497)	(1,622,932)	(1,647,532)	(1,679,927)	(1,704,262)
Unvested restricted stock shares	(239,100)	(387,837)	(434,550)	(434,550)	(434,801)
Weighted average common shares outstanding	19,779,561	19,725,543	19,747,036	19,838,490	19,962,347
Plus: Dilutive common shares equivalents	—	—	101,318	61,010	5,657
Weighted average dilutive common shares outstanding	19,779,561	19,725,543	19,848,354	19,899,500	19,968,004
Number of anti-dilutive stock options excluded from the diluted earnings per share calculation	2,334,803	2,334,803	2,336,803	2,336,803	2,336,803
Weighted average exercise price of anti-dilutive option shares	\$ 16.51	\$ 16.51	\$ 16.51	\$ 16.51	\$ 16.51
Basic earnings (loss) per common share	\$ 0.01	\$ 0.40	\$ (1.27)	\$ (0.27)	\$ 0.16
Diluted earnings (loss) per common share	\$ 0.01	\$ 0.40	\$ (1.26)	\$ (0.27)	\$ 0.16

BANKFINANCIAL CORPORATION
NON-GAAP FINANCIAL MEASURES

BankFinancial Corporation, a Maryland corporation (“the Company”) utilizes a number of different financial measures, both GAAP and non-GAAP, in making operating, budgeting and planning decisions for future periods. Generally, a non-GAAP financial measure is a numerical measure of a company’s performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States of America, or GAAP. The Company believes that the use of the non-GAAP financial measures described below provides the Board of Directors and management, and may provide some investors, with a more complete understanding of the Company’s operating results and trends, and facilitate comparisons to historical and peer performance. The Company’s non-GAAP financial measures should be considered supplemental in nature and should not be considered in isolation, or as superior to or a substitute for, financial measures that are prepared in accordance with GAAP. In addition, the Company’s non-GAAP financial measures may differ from similar non-GAAP financial measures that are used by other companies, thus limiting their usefulness as a comparative tool.

Equity-based Compensation. The Company believes that the exclusion of equity-based compensation expense from its net income (loss) facilitates the comparison of the Company’s operating results to the Company’s historical performance, including the prior periods in which it operated as a mutual institution and had no stock outstanding. In addition, the Company believes that this non-GAAP measure facilitates the comparison of the Company’s performance to the performance of other financial institutions that have different or more seasoned equity-based compensation plans, including plans pursuant to which stock option awards vested prior to the effective date of SFAS No. 123R.

Amortization of Intangibles Expense. The Company believes that the exclusion from its net income (loss) of expense for the amortization of the core deposit intangible assets resulting from its acquisition of Success Bancshares and University National Bank facilitates the comparison of the Company’s operating results to the Company’s historical performance and to the performance of other financial institutions with different acquisition histories. In addition, the level of amortization of core deposit intangible assets arising from an acquisition can vary significantly depending on the valuation methodology used and the interest rate environment that existed at the time of the acquisition.

Gain on sale of Visa stock and Gain on unredeemed Visa stock. The Company believes that the exclusion of these gains, related to the completion of Visa’s IPO in March of 2008, from its net income (loss) facilitates the comparison of the Company’s operating results to the Company’s historical performance.

Loss on Impairment of Securities. The Company believes that the exclusion from its net income (loss) of the impairment loss on our Freddie Mac preferred stocks, based on our determination that the unrealized loss that existed with respect to these securities constituted an other-than-temporary impairment, facilitates the comparison of the Company’s operating results to the Company’s historical performance. Any deferred tax valuation reserve related to the loss on impairment will also be excluded from net income (loss).

Core Return on Assets. The Company believes that adjusting the calculation of its return on assets to exclude the equity-based compensation expense, the amortization of intangibles expenses, the Visa gains and settlement expense, and the loss on impairment furthers the purposes described above. Thus, the Company calculates core return on assets by dividing net income (loss) for a period, adjusted to exclude these items, by its average assets for the period.

Core Return on Equity. The Company believes that adjusting the calculation of its return on equity to exclude the equity-based compensation expense, the amortization of intangibles expenses, the Visa gains and settlement expense, and the loss on impairment furthers the purposes described above. Thus, the Company calculates core return on equity by dividing average stockholders’ equity for a period by net income (loss), adjusted to exclude these items, for the period.

Core Dilutive Earnings per Share. The Company believes that adjusting the calculation of its dilutive earnings per share to exclude the equity-based compensation expense, the amortization of intangibles expenses, the Visa gains and settlement expense, and the loss on impairment furthers the purposes described above. Thus, the Company calculates core dilutive earnings per share by net income (loss), adjusted to exclude these items, for the period by the weighted average dilutive common shares outstanding, for the period.

Core Noninterest Expense to Average Total Assets. The Company believes that adjusting the calculation of its noninterest expense to average total assets to exclude the equity-based compensation expense, the amortization of intangibles expenses, the Visa settlement expense, and the loss on impairment furthers the purposes described above. Thus, the Company calculates noninterest expense to average total assets by dividing noninterest expense, adjusted to exclude these expenses, by average total assets for the period.

Core Efficiency Ratio. The Company believes that adjusting the calculation of its efficiency ratio to exclude the equity-based compensation expense, the amortization of intangibles expenses, the Visa gains and settlement expense, and the loss on impairment the purposes described above. Thus, the Company calculates core efficiency ratio by dividing noninterest expense, adjusted to exclude these expenses, by the sum of net interest income and noninterest income, adjusted to exclude these gains.

There are inherent limitations associated with the use of each of the above non-GAAP financial measures as an analytical tool. In particular, these non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles and reflect the exclusion of items that are recurring and will be reflected in the Company's financial results in the future. The Company has further highlighted these and the other limitations described above by providing a reconciliation of the GAAP amounts that have been excluded from these non-GAAP financial measures.

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

	Three months ended	
	March 31,	
	2009	2008
FOR THE QUARTERS ENDED		
March 31, 2009 AND 2008		
Core operating income:		
Net income	\$ 172	\$ 3,192
Adjustments:		
Equity-based compensation and benefits	1,060	1,249
Amortization of core deposit intangible	429	452
Gain on sale of VISA stock	—	(1,385)
Gain on unredeemed Visa stock	—	(1,240)
Tax effect on adjustments assuming 39.745% tax rate	(592)	367
Core operating income	<u>\$ 1,069</u>	<u>\$ 2,635</u>
Return on assets (ratio of net income to average total assets) ⁽¹⁾	0.04%	0.87%
Core return on assets (ratio of core operating income to average total assets) ⁽¹⁾	0.28%	0.72%
Return on equity (ratio of net income to average equity) ⁽¹⁾	0.26%	4.37%
Core return on equity (ratio of core operating income to average equity) ⁽¹⁾	1.60%	3.61%
Diluted earnings per common share	\$ 0.01	\$ 0.16
Core dilutive earnings per common share	\$ 0.05	\$ 0.13
Core noninterest expense:		
Noninterest expenses	\$12,789	\$13,228
Adjustments:		
Equity-based compensation and benefits	(1,060)	(1,249)
Amortization of core deposit intangible	(429)	(452)
Core noninterest expense	<u>\$11,300</u>	<u>\$11,527</u>
Noninterest expense to average total assets ⁽¹⁾	3.31%	3.60%
Core noninterest expense to average total assets ⁽¹⁾	2.93%	3.13%
Efficiency ratio (ratio of noninterest expense to net interest income plus noninterest income)	87.84%	73.57%
Core efficiency ratio (ratio of core noninterest expense to net interest income plus core noninterest income)	77.61%	75.08%

(1) Annualized for the three-month periods.

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

	2009	2008			
	IQ	IVQ	IIIQ	IIQ	IQ
FOR THE LATEST FIVE QUARTERS					
Core operating income:					
Net income (loss)	\$ 172	\$ 7,908	\$(25,082)	\$ (5,407)	\$ 3,192
Adjustments:					
Equity-based compensation and benefits	1,060	833	1,350	1,179	1,249
Amortization of core deposit intangible	429	440	446	446	452
Gain on sale of VISA stock	—	—	—	—	(1,385)
Gain on unredeemed Visa stock	—	—	—	—	(1,240)
Loss on impairment of securities	—	—	24,844	11,075	—
Tax effect on adjustments assuming 39.745% tax rate	(592)	(506)	(10,588)	(5,047)	367
Deferred tax valuation reserve on loss on impairment of securities	—	(10,087)	10,087	—	—
Core Operating Income (Loss)	<u>\$ 1,069</u>	<u>\$ (1,412)</u>	<u>\$ 1,057</u>	<u>\$ 2,246</u>	<u>\$ 2,635</u>
Return on assets (ratio of net income (loss) to average total assets) ⁽¹⁾	0.04%	2.14%	(6.93)%	(1.49)%	0.87%
Core return on assets (ratio of core operating income to average total assets) ⁽¹⁾	0.28%	(0.38)%	0.29%	0.62%	0.72%
Return on equity (ratio of net income (loss) to average equity) ⁽¹⁾	0.26%	11.81%	(35.24)%	(7.46)%	4.37%
Core return on equity (ratio of core operating income to average equity) ⁽¹⁾	1.60%	(2.11)%	1.48%	3.10%	3.61%
Diluted earnings (loss) per common share	\$ 0.01	\$ 0.40	\$ (1.26)	\$ (0.27)	\$ 0.16
Core diluted earnings (loss) per common share	\$ 0.05	\$ (0.07)	\$ 0.05	\$ 0.11	\$ 0.13
Core operating expense:					
Noninterest expense	\$12,789	\$ 14,796	\$ 37,345	\$ 23,253	\$13,228
Adjustments:					
Equity-based compensation and benefits	(1,060)	(833)	(1,350)	(1,179)	(1,249)
Amortization of core deposit intangible	(429)	(440)	(446)	(446)	(452)
Loss on impairment of securities	—	—	(24,844)	(11,075)	—
Core noninterest expense	<u>\$11,300</u>	<u>\$ 13,523</u>	<u>\$ 10,705</u>	<u>\$ 10,553</u>	<u>\$11,527</u>
Noninterest expense to average total assets ⁽¹⁾	3.31%	4.00%	10.32%	6.39%	3.60%
Core noninterest expense to average total assets ⁽¹⁾	2.93%	3.66%	2.96%	2.90%	3.13%
Efficiency ratio (ratio of noninterest expense to net interest income plus noninterest income)	87.84%	98.24%	253.46%	160.33%	73.57%
Core efficiency ratio (ratio of core noninterest expense to net interest income plus core noninterest income)	77.61%	89.79%	72.66%	72.77%	75.08%

(1) Annualized for the three-month periods.