

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): November 5, 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.

2.02 Results of Operations and Financial Condition.

BankFinancial Corporation (the “Company”) provides the following information with respect to operating results for the quarter ended September 30, 2024.

THIRD QUARTER 2024 OVERVIEW

We reported net income of \$2.0 million, or \$0.16 per common share for the three months ended September 30, 2024. At September 30, 2024, we had total assets of \$1.418 billion, total loans of \$923.9 million, total deposits of \$1.199 billion and stockholders' equity of \$159 million.

In the third quarter of 2024, interest income decreased by \$769,000 primarily due to declines in commercial loans and lease balances. Interest expense increased by \$146,000 due to retail depositors seeking higher-yielding account types. Our tax-equivalent net interest margin decreased to 3.47% from 3.67%.

Noninterest income increased by \$206,000, primarily due to increased deposit service charges and fees and trust department income, as well as improved returns on bank-owned life insurance.

Noninterest expense decreased by \$1.1 million. Compensation and benefits declined by \$502,000 due to a 9% reduction in full time equivalent headcount since the end of the first quarter of 2024 and reduced incentive compensation expense. Office occupancy and information technology expense declined by \$407,000 due to adjustments to estimated real estate tax accruals and reduced transaction processing software expense.

Cash & Cash Equivalent Assets

For the quarter ended September 30, 2024, cash and cash equivalent assets represented 9.8% of total assets, compared to 10.3% of total assets at June 30, 2024.

Investment Securities Portfolio

For the quarter ended September 30, 2024, total investment securities increased by \$42.0 million due to \$139.0 million in purchases, offset by \$98.5 million of maturities and redemptions of U.S. Treasury Notes and U.S. government-sponsored agency securities. The investment securities portfolio had a weighted-average term to maturity of 1.09 years as of September 30, 2024, with an after-tax unrealized loss of \$842,000 or 0.5% of Tier 1 capital.

Loan Portfolio

Our loan portfolio declined by \$63.8 million in the third quarter of 2024. Multi-family residential loans decreased by \$3.2 million (0.6%) due to scheduled loan repayments. Commercial finance balances decreased by \$21.8 million (23.5%) primarily due to a planned \$18.8 million reduction in balances within the healthcare finance portfolio and lessor finance portfolio for risk management purposes. Equipment finance balances declined by \$37.2 million (15.1%) due to scheduled repayments, partially offset by modestly higher originations of corporate equipment finance transactions. The average yield on our loan portfolio decreased to 5.07%.

Loan demand for all commercial credit categories was muted for the first two months of the third quarter of 2024. Towards the end of the quarter, demand for multi-family residential loans and nonresidential real estate loans expected to fund in the fourth quarter of 2024 increased due to lower market interest rates and expanded marketing activities. Demand for new equipment finance transactions remained stagnant while the equipment finance pipeline duration extended further due to delays in delivery and installation for approved equipment finance transactions. Demand for commercial finance transactions and commercial line utilization remained sporadic, as borrowers utilized available liquidity instead of unused credit availability; however, increased marketing to small- and medium-businesses continued to produce modest improvements in new credit facility opportunities compared to previous quarters.

Asset Quality

The ratio of nonperforming assets to total assets increased to 1.71% at September 30, 2024, from 1.54% at June 30, 2024, inclusive of two U.S. Government equipment finance transactions totaling \$18.9 million. Excluding these two U.S. Government transactions, our ratio of nonperforming assets to total assets would have been 0.38% at September 30, 2024. The Bank placed a \$1.5 million multi-family residential borrower relationship in the Chicago MSA market on nonaccrual status until the pending receivership and sale of the collateral is consummated in the fourth quarter of 2024. Past due trends improved, and nonperforming asset resolution activity continued to accelerate during the third quarter of 2024.

Our allowance for credit losses increased to 0.85% of total loans at September 30, 2024, compared to 0.82% at June 30, 2024.

Deposit Portfolio

Total deposits decreased by \$52.9 million (4.2%). Noninterest-bearing demand deposit balances declined by \$35.7 million, primarily due to the withdrawal of \$20.0 million deposited in connection with the acquisition of a commercial real estate property late in the second quarter of 2024, the liquidation of \$4.8 million in cash collateral securing a commercial finance letter of credit drawn by the beneficiary, and typical balance volatility for certain other commercial depositors. Interest-bearing deposit balances (consisting of interest-bearing NOW accounts, money market accounts and savings deposits) declined by \$22.1 million primarily due to seasonal expenses such as real estate taxes, college tuition and capital expenditures, with competition from equity markets and non-bank money market mutual funds also being a contributing factor. Certificates of deposits increased by \$5.0 million due to retail depositors seeking higher long-term yields in anticipation of lower short-term market yields in the future. The cost of our total retail and commercial deposits increased to 1.94% during the third quarter of 2024 from 1.87% at June 30, 2024. Core deposits represented 81% of total deposits, with noninterest-bearing demand deposits representing 19% of total deposits at September 30, 2024. Total commercial deposits were 20% of total deposits at September 30, 2024 and 22% of total deposits at June 30, 2024. FDIC-insured deposits represented 84.42% of total deposits and collateralized public funds deposits represented 1.92% of total deposits as of September 30, 2024.

Capital Adequacy

The Company's capital position remained strong, with a Tier 1 leverage ratio of 11.11% at September 30, 2024. The book value of the Company's common shares increased to \$12.77 at September 30, 2024 from \$12.64 at June 30, 2024.

Item 7.01. Regulation FD Disclosure.

The Company provides the following information with respect to projected operations for the remainder of the year ending December 31, 2024.

FOURTH QUARTER OUTLOOK

Cash & Cash Equivalent Assets

For the fourth quarter of 2024, we expect cash and cash equivalent assets to be between 10% and 12% of total assets.

Investment Securities Portfolio

For the fourth quarter of 2024, we expect our investment securities portfolio balance to decline between 5% and 15% as we utilize maturing investment securities proceeds for commercial credit originations, commercial finance line utilization, maintaining short-term liquidity, and funding deposit withdrawals.

Loan Portfolio

Based on current loan origination pipelines, scheduled repayments and expected market conditions, we expect our loan portfolio to increase between 1% and 5% during the fourth quarter of 2024 due to improved pipelines for multi-family residential real estate loans and, to a lesser extent, commercial finance lines of credit; however, increases in prepayment rates on multi-family residential real estate loans related to project sales or delays in new loan origination closings (particularly within the equipment finance transaction pipeline) could affect these expected results. We will continue to focus on originating corporate and middle-market equipment finance transactions, commercial finance credit facilities, small business credit facilities and multi-family residential and nonresidential real estate loans to improve the yield on the loan portfolio while maintaining an appropriate balance of liquidity and interest rate risk.

Deposit Portfolio

For the fourth quarter of 2024, total deposit balances are expected to decline between 0% to 2% principally due to balance volatility by certain higher-balance commercial deposit customers and declines in public-fund deposit balances. We expect our cost of deposits to decrease by 0.05% to 0.10% during the fourth quarter of 2024.

Net Interest Income

For the fourth quarter of 2024, based on the expected activity in the loan, deposit and investment portfolios, we expect our net interest income before provision for credit losses to be consistent with the third quarter of 2024, as new loan originations late in the period will provide very limited benefit to interest income for the quarter and deposit interest expense will slowly diminish during the quarter, depending on Federal Reserve actions and market competition for deposits.

Noninterest Income

For the fourth quarter of 2024, we expect noninterest income to grow between 5% and 10% compared to the third quarter of 2024 due to higher revenues from retail deposit services, commercial/treasury services, trust services and bank-owned life insurance.

Noninterest Expense

For the fourth quarter of 2024, we expect noninterest expense to increase between 3% and 6% compared to the third quarter of 2024 due to increased seasonal fourth quarter expenses, particularly for occupancy expenses.

Item 8.01. Other Events.

On November 5, 2024, the Company filed its Quarterly Report on Form 10-Q for the third quarter ended September 30, 2024 and issued the Quarterly Financial and Statistical Supplement for the latest five quarters. The Quarterly Financial and Statistical Supplement is included as Exhibit 99.1 to this report.

This current report includes “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. A variety of factors could cause BankFinancial’s actual results to differ from those expected at the time of this release. For a discussion of some of the factors that may cause actual results to differ from expectations, please refer to BankFinancial’s most recent Annual Report on Form 10-K as filed with the SEC, as supplemented by subsequent filings with the SEC. Investors are urged to review all information contained in these reports, including the risk factors discussed therein. Copies of these filings are available at no cost on the SEC's web site at www.sec.gov or on BankFinancial’s web site at www.bankfinancial.com. Forward-looking statements speak only as of the date they are made, and we do not undertake to update them to reflect changes.

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	Quarterly Financial and Statistical Supplement
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

Dated: November 5, 2024

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

BANKFINANCIAL CORPORATION
THIRD QUARTER 2024
QUARTERLY FINANCIAL AND STATISTICAL SUPPLEMENT
FOR THE LATEST FIVE QUARTERS

Note: Certain reclassifications have been made in the prior period's financial statements and reflected in the Selected Quarterly Financial and Statistical Data tables to conform to the current period's presentation.

The information and statistical data contained herein have been prepared by BankFinancial Corporation and have been derived or calculated from selected unaudited 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)

	2024			2023	
	IIIQ	IIQ	IQ	IVQ	IIIQ
PERFORMANCE MEASUREMENTS					
Return on assets (ratio of net income to average total assets) ⁽¹⁾	0.56%	0.58%	0.46%	0.56%	0.63%
Return on equity (ratio of net income to average equity) ⁽¹⁾	5.03	5.44	4.38	5.37	6.16
Net interest rate spread ⁽¹⁾	2.90	3.11	3.07	3.01	3.16
Net interest margin (TEB) ^{(1) (2)}	3.47	3.67	3.59	3.48	3.57
Efficiency ratio ⁽³⁾	76.73	80.39	84.11	77.39	76.02
Noninterest expense to average total assets ⁽¹⁾	2.82	3.03	3.17	2.92	2.86
Average interest-earning assets to average interest-bearing liabilities	133.26	134.44	135.89	136.25	136.78
Number of full service offices	18	18	18	18	18
Employees (full time equivalents)	198	206	217	205	200
SUMMARY STATEMENT OF FINANCIAL CONDITION					
ASSETS					
Cash and due from other financial institutions	\$ 19,412	\$ 19,505	\$ 18,533	\$ 19,781	\$ 19,691
Interest-bearing deposits in other financial institutions	118,866	132,273	113,907	158,703	151,870
Interest-bearing time deposits in other financial institutions	22,005	34,913	30,748	29,513	2,725
Securities, at fair value	264,905	222,906	239,549	153,203	155,700
Loans receivable, net	923,939	987,745	1,007,980	1,050,761	1,105,604
Foreclosed assets, net	1,966	1,898	2,332	2,777	902
Stock in Federal Home Loan Bank and Federal Reserve Bank, at cost	7,490	7,490	7,490	7,490	7,490
Premises held-for-sale	—	—	—	523	540
Premises and equipment, net	22,674	22,765	22,614	22,950	22,914
Bank-owned life insurance	18,277	18,291	18,382	18,469	18,556
Deferred taxes	3,590	4,019	4,159	4,512	4,979
Other assets	14,536	25,885	14,364	18,702	14,483
Total assets	<u>\$ 1,417,660</u>	<u>\$ 1,477,690</u>	<u>\$ 1,480,058</u>	<u>\$ 1,487,384</u>	<u>\$ 1,505,454</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits	\$ 1,199,412	\$ 1,252,273	\$ 1,259,286	\$ 1,261,623	\$ 1,275,828
Borrowings	20,000	25,000	25,000	25,000	25,000
Subordinated notes, net of unamortized issuance costs	18,726	18,715	18,705	19,678	19,667
Other liabilities	20,414	24,224	21,036	25,700	31,204
Total liabilities	<u>1,258,552</u>	<u>1,320,212</u>	<u>1,324,027</u>	<u>1,332,001</u>	<u>1,351,699</u>
Stockholders' equity	159,108	157,478	156,031	155,383	153,755
Total liabilities and stockholders' equity	<u>\$ 1,417,660</u>	<u>\$ 1,477,690</u>	<u>\$ 1,480,058</u>	<u>\$ 1,487,384</u>	<u>\$ 1,505,454</u>

(1) Annualized

(2) Calculated on a tax equivalent basis ("TEB") assuming a federal income tax rate of 21% and an average state income tax rate of 9.5%.

(3) The efficiency ratio represents noninterest expense, divided by the sum of net interest income and noninterest income.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2024			2023	
	IIIQ	IIQ	IQ	IVQ	IIIQ
SUMMARY STATEMENT OF OPERATIONS					
Total interest income	\$ 16,886	\$ 17,655	\$ 17,345	\$ 16,923	\$ 16,894
Total interest expense	5,225	5,079	4,818	4,491	3,940
Net interest income	11,661	12,576	12,527	12,432	12,954
Provision for (recovery of) credit losses	485	(122)	12	317	136
Net interest income after provision for (recovery of) credit losses	11,176	12,698	12,515	12,115	12,818
Noninterest income	1,482	1,276	1,461	1,625	1,240
Noninterest expense	10,084	11,135	11,766	10,879	10,790
Income before income tax	2,574	2,839	2,210	2,861	3,268
Income tax expense	581	705	500	782	899
Net income	<u>\$ 1,993</u>	<u>\$ 2,134</u>	<u>\$ 1,710</u>	<u>\$ 2,079</u>	<u>\$ 2,369</u>
Basic and diluted earnings per common share	<u>\$ 0.16</u>	<u>\$ 0.17</u>	<u>\$ 0.14</u>	<u>\$ 0.17</u>	<u>\$ 0.19</u>
NONINTEREST INCOME AND EXPENSE					
Noninterest Income					
Deposit service charges and fees	\$ 915	\$ 834	\$ 809	\$ 836	\$ 836
Loan servicing fees	97	97	156	164	98
Trust insurance commissions and annuities income	405	349	450	347	290
Loss on sale of premises and equipment	(20)	(9)	(75)	—	—
Valuation adjustment on bank premises held-for-sale	—	—	—	(17)	—
Loss on bank-owned life insurance	(14)	(91)	(87)	(87)	(88)
Gain on repurchase of Subordinated notes	—	—	107	—	—
Other	99	96	101	382	104
Total noninterest income	<u>\$ 1,482</u>	<u>\$ 1,276</u>	<u>\$ 1,461</u>	<u>\$ 1,625</u>	<u>\$ 1,240</u>
Noninterest Expense					
Compensation and benefits	\$ 5,441	\$ 5,943	\$ 6,052	\$ 5,679	\$ 5,369
Office occupancy and equipment	1,532	1,861	2,241	1,937	2,046
Advertising and public relations	117	112	90	139	171
Information technology	971	1,049	1,002	974	944
Professional fees	299	382	454	292	366
Supplies, telephone, and postage	281	292	286	289	311
FDIC insurance premiums	156	144	161	207	222
Other	1,287	1,352	1,480	1,362	1,361
Total noninterest expense	<u>\$ 10,084</u>	<u>\$ 11,135</u>	<u>\$ 11,766</u>	<u>\$ 10,879</u>	<u>\$ 10,790</u>

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2024			2023	
	IIIQ	IIQ	IQ	IVQ	IIIQ
LOANS					
One-to-four family residential real estate	\$ 15,634	\$ 17,707	\$ 18,247	\$ 18,945	\$ 19,233
Multi-family residential real estate	524,340	527,542	526,087	527,460	528,251
Nonresidential real estate	109,799	109,635	110,319	118,016	117,641
Commercial loans and leases	280,218	339,216	360,328	393,321	447,687
Consumer	1,847	1,787	1,248	1,364	1,351
	<u>931,838</u>	<u>995,887</u>	<u>1,016,229</u>	<u>1,059,106</u>	<u>1,114,163</u>
Allowance for credit losses	(7,899)	(8,142)	(8,249)	(8,345)	(8,559)
Loans, net	<u>\$ 923,939</u>	<u>\$ 987,745</u>	<u>\$ 1,007,980</u>	<u>\$ 1,050,761</u>	<u>\$ 1,105,604</u>
LOAN ORIGINATIONS (1)					
One-to-four family residential real estate	\$ 149	\$ 268	\$ 173	\$ 758	\$ 137
Multi-family residential real estate	4,837	14,177	5,561	6,226	5,902
Nonresidential real estate	2,658	34	—	3,183	834
Commercial loans	149,449	171,430	158,172	145,930	172,081
Equipment finance	8,068	6,207	3,427	8,141	14,442
Consumer	722	1,184	471	617	514
	<u>\$ 165,883</u>	<u>\$ 193,300</u>	<u>\$ 167,804</u>	<u>\$ 164,855</u>	<u>\$ 193,910</u>
Weighted average interest rate	8.26%	8.76%	9.04%	9.09%	9.11%
LOAN PAYMENTS and PAYOFFS (2)					
One-to-four family residential real estate	\$ 2,280	\$ 823	\$ 852	\$ 1,049	\$ 1,409
Multi-family residential real estate	8,094	12,387	6,931	7,336	19,784
Nonresidential real estate	2,619	711	7,684	3,278	3,253
Commercial loans	171,276	165,347	161,429	148,964	176,493
Equipment finance	44,315	33,140	34,669	55,433	56,844
Consumer	722	682	612	565	529
	<u>\$ 229,307</u>	<u>\$ 213,090</u>	<u>\$ 212,177</u>	<u>\$ 216,625</u>	<u>\$ 258,312</u>
Weighted average interest rate	7.69%	8.16%	8.25%	7.85%	7.86%

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

(2) Loan payments and payoffs exclude loan renewals.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2024			2023	
	IIIQ	IIQ	IQ	IVQ	IIIQ
CREDIT QUALITY:					
Nonperforming Assets:					
Nonaccrual loans:					
One-to-four family residential real estate	\$ 34	\$ 39	\$ 34	\$ 37	\$ 40
Multi-family residential real estate	1,458	—	—	—	—
Nonresidential real estate	393	380	—	—	—
Equipment finance	20,446	20,395	20,475	21,294	23,468
	<u>22,331</u>	<u>20,814</u>	<u>20,509</u>	<u>21,331</u>	<u>23,508</u>
Loans past due over 90 days still accruing	—	—	—	1,007	6,245
Foreclosed assets, net					
Other real estate owned	—	—	—	405	468
Other foreclosed assets	1,966	1,898	2,332	2,372	434
	<u>1,966</u>	<u>1,898</u>	<u>2,332</u>	<u>2,777</u>	<u>902</u>
Nonperforming assets	<u>\$ 24,297</u>	<u>\$ 22,712</u>	<u>\$ 22,841</u>	<u>\$ 25,115</u>	<u>\$ 30,655</u>
Asset Quality Ratios					
Nonperforming assets to total assets	1.71%	1.54%	1.54%	1.69%	2.04%
Nonperforming loans to total loans (1)	2.40	2.09	2.02	2.11	2.67
Nonperforming commercial-related loans to total commercial-related loans (2)	2.44	2.13	2.05	2.15	2.72
Nonperforming residential and consumer loans to total residential and consumer loans	0.19	0.20	0.17	0.18	0.19
Allowance for credit losses to nonperforming loans	35.37	39.12	40.22	37.36	28.77
Concentrations of Credit					
Commercial real estate for FFIEC concentration limits	\$ 616,985	\$ 621,628	\$ 620,694	\$ 624,575	\$ 624,469
% FFIEC total capital	361.51%	359.51%	364.28%	370.83%	363.55%
Multi-family mortgage loans - 50% risk based capital qualified (included above)	\$ 253,491	\$ 269,868	\$ 297,958	\$ 315,179	\$ 248,128
% FFIEC total capital	148.53%	156.07%	174.87%	187.13%	144.45%

(1) Nonperforming loans include nonaccrual loans and loans past due 90 days and still accruing.

(2) Commercial-related loans include multi-family mortgage, nonresidential real estate, and commercial loans and leases.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2024			2023	
	IIIQ	IIQ	IQ	IVQ	IIIQ
SUBSTANDARD PERFORMING LOANS					
One-to-four family residential real estate	\$ 164	\$ 167	\$ 204	\$ 272	\$ 282
Multi-family residential real estate	686	1,421	—	—	—
Nonresidential real estate	449	457	465	—	—
Commercial loans and leases	4,700	3,154	3,606	4,056	5,685
Consumer	3	3	5	3	3
	<u>\$ 6,002</u>	<u>\$ 5,202</u>	<u>\$ 4,280</u>	<u>\$ 4,331</u>	<u>\$ 5,970</u>
ALLOWANCE FOR CREDIT LOSSES					
Beginning balance	\$ 8,142	\$ 8,249	\$ 8,345	\$ 8,559	\$ 9,226
Charge-offs:					
One-to-four family residential real estate	—	—	—	(1)	—
Commercial loans and leases	(731)	(10)	(158)	(570)	(889)
Consumer	(12)	(12)	(13)	(9)	(14)
	<u>(743)</u>	<u>(22)</u>	<u>(171)</u>	<u>(580)</u>	<u>(903)</u>
Recoveries:					
One-to-four family residential real estate	22	2	3	1	32
Multi-family residential real estate	6	4	6	5	4
Commercial loans and leases	—	7	5	50	20
	<u>28</u>	<u>13</u>	<u>14</u>	<u>56</u>	<u>56</u>
Net charge-offs	(715)	(9)	(157)	(524)	(847)
Provision for (recovery of) credit losses - loans	472	(98)	61	310	180
Ending balance	<u>\$ 7,899</u>	<u>\$ 8,142</u>	<u>\$ 8,249</u>	<u>\$ 8,345</u>	<u>\$ 8,559</u>
Allowance for credit losses to total loans	0.85%	0.82%	0.81%	0.79%	0.77%
Net charge-offs ratio (1)	(0.30)	—	(0.06)	(0.19)	(0.30)

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2024			2023	
	IIIQ	IIQ	IQ	IVQ	IIIQ
DEPOSITS					
Noninterest-bearing demand	\$ 226,882	\$ 262,585	\$ 256,698	\$ 260,851	\$ 258,318
Interest-bearing NOW accounts	276,551	287,668	297,010	306,548	326,874
Money market accounts	306,679	311,276	309,695	297,074	291,154
Savings deposits	160,815	167,250	171,521	174,759	178,318
Certificates of deposit - retail	228,485	223,494	224,362	222,391	220,915
Certificates of deposit - wholesale	—	—	—	—	249
	<u>\$ 1,199,412</u>	<u>\$ 1,252,273</u>	<u>\$ 1,259,286</u>	<u>\$ 1,261,623</u>	<u>\$ 1,275,828</u>

SELECTED AVERAGE BALANCES

Total average assets	\$ 1,430,931	\$ 1,470,076	\$ 1,484,332	\$ 1,492,759	\$ 1,511,422
Total average interest-earning assets	1,359,833	1,399,280	1,415,175	1,425,504	1,444,259
Average loans	964,827	1,010,123	1,031,256	1,088,172	1,141,788
Average securities	252,735	242,591	186,339	161,772	167,046
Average stock in FHLB & FRB	7,490	7,490	7,490	7,490	7,490
Average other interest-earning assets	134,781	139,076	190,090	168,070	127,935
Total average interest-bearing liabilities	1,020,434	1,040,842	1,041,381	1,046,249	1,055,874
Average interest-bearing deposits	977,529	997,132	996,741	1,001,576	1,011,212
Average borrowings and Subordinated notes	42,905	43,710	44,640	44,673	44,662
Average stockholders' equity	158,540	156,785	156,115	154,927	153,796

SELECTED YIELDS AND COST OF FUNDS (1)

Total average interest-earning assets	4.94%	5.07%	4.93%	4.71%	4.64%
Average loans	5.07	5.32	5.21	4.99	4.96
Average securities (TEB) (2)	4.45	4.09	2.96	2.12	1.95
Average other interest-earning assets	5.46	5.51	5.51	5.48	5.40
Total average interest-bearing liabilities	2.04	1.96	1.86	1.70	1.48
Average interest-bearing deposits	1.94	1.87	1.75	1.59	1.36
Average cost of total deposits	1.57	1.49	1.39	1.26	1.07
Average cost of retail and commercial deposits	1.94	1.87	1.75	1.59	1.36
Average cost of wholesale deposits, borrowings and Subordinated notes	4.18	4.19	4.34	4.18	4.18
Average cost of funds	1.66	1.58	1.49	1.36	1.18
Net interest rate spread	2.90	3.11	3.07	3.01	3.16
Net interest margin (TEB) (2)	3.47	3.67	3.59	3.48	3.57

(1) Annualized

(2) Calculated on a tax equivalent basis assuming a federal income tax rate of 21% and an average state income tax rate of 9.5%.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2024			2023	
	IIIQ	IIQ	IQ	IVQ	IIIQ
CAPITAL RATIOS					
BankFinancial Corporation (1)					
Equity to total assets (end of period)	11.22%	10.66%	10.54%	10.45%	10.21%
Risk-based total capital ratio	21.56	20.52	20.73	20.70	19.13
Common Tier 1 (CET1)	18.53	17.60	17.75	17.66	16.30
Risk-based tier 1 capital ratio	18.53	17.60	17.75	17.66	16.30
Tier 1 leverage ratio	11.11	10.75	10.59	10.54	10.38
Tier 1 capital	\$ 158,778	\$ 157,984	\$ 157,062	\$ 157,246	\$ 156,780
BankFinancial, NA (2)					
Risk-based total capital ratio	19.96%	19.31%	19.30%	18.96%	17.90%
Common Tier 1 (CET1)	19.11	18.46	18.43	18.13	17.10
Risk-based tier 1 capital ratio	19.11	18.46	18.43	18.13	17.10
Tier 1 leverage ratio	11.48	11.32	11.03	10.85	10.93
Tier 1 capital	\$ 163,355	\$ 165,368	\$ 162,715	\$ 161,037	\$ 164,172
COMMON STOCK AND DIVIDENDS					
Stock Prices:					
Close	\$ 12.18	\$ 10.29	\$ 10.50	\$ 10.26	\$ 8.62
High	12.56	10.70	11.12	10.76	9.11
Low	10.01	9.60	9.65	8.31	7.98
Common shares outstanding	12,460,678	12,460,678	12,460,678	12,475,881	12,547,390
Book value per share	\$ 12.77	\$ 12.64	\$ 12.52	\$ 12.45	\$ 12.25
Cash dividends declared on common stock	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Dividend payout ratio	62.52%	58.39%	72.94%	60.33%	53.16%
Stock repurchases	\$ —	\$ —	\$ 156	\$ 676	\$ 471
Stock repurchases – shares	—	—	15,203	71,509	53,088
EARNINGS PER SHARE COMPUTATIONS					
Net income	\$ 1,993	\$ 2,134	\$ 1,710	\$ 2,079	\$ 2,369
Weighted average basic and dilutive common shares outstanding	12,460,678	12,460,678	12,468,052	12,526,673	12,578,494
Basic and diluted earnings per common share	\$ 0.16	\$ 0.17	\$ 0.14	\$ 0.17	\$ 0.19

(1) As a small bank holding company, the Company is exempt from the Federal Reserve Board's risk-based capital and leverage rules. BankFinancial Corporation capital data is included for informational purposes only.

(2) As a qualifying community bank pursuant to Section 201 of the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018, the Bank elected to adopt the Community Bank Leverage Ratio requirement in 2020. The Community Bank Leverage Ratio is equal to the Bank's Tier 1 Leverage Ratio. Other BankFinancial, NA capital data is included for informational purposes only.