

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): January 31, 2024

BANKFINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

0-51331
(Commission
File No.)

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

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

60527
(Zip Code)

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	BFIN	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On January 31, 2024, BankFinancial Corporation (Nasdaq – BFIN) issued a press release announcing the results for the fourth quarter and year ended December 31, 2023 and issued the Quarterly Financial and Statistical Supplement for the latest five quarters. The press release and Quarterly Financial and Statistical Supplement are included as Exhibits 99.1 and 99.2 to this report.

BankFinancial Corporation will review results for the fourth quarter and year ended December 31, 2023 in a conference call and webcast for stockholders and analysts on Friday, February 2, 2024 at 9:30 a.m. Chicago, Illinois Time. All participants will need to register for the conference call using the conferencing link below. We will also publish the conferencing link on our website. **Participant registration URL: <https://register.vevent.com/register/BI0b6c092b40134a41a155b5c2d186393a>**

This link will take participants to the online registration form. On the day of the call participants will have their choice of options: dial-in to the call with the number and unique passcode provided OR select the dial-out “Call Me” option to connect their phone instantly. Participants can join via desktop, tablet or phone.

Item 9.01 Financial Statements and Exhibits.

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

Exhibit

<u>No.</u>	<u>Description</u>
99.1	Press Release dated January 31, 2024
99.2	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: January 31, 2024

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



FOR IMMEDIATE RELEASE

BankFinancial Corporation Reports Financial Results for 2023 and Will Host Conference Call and Webcast on Friday, February 2, 2024

Burr Ridge, Illinois - (January 31, 2024) BankFinancial Corporation (Nasdaq – BFIN) (the “Company”) announced today that the Company recorded net income of \$9.4 million and basic and diluted earnings per common share of \$0.74 for the year ended December 31, 2023. The Company recorded net income of \$2.1 million and basic and diluted earnings per common share of \$0.17 for the fourth quarter of 2023.

Total assets at December 31, 2023 were \$1.487 billion, a decline of \$88.1 million (5.6%) compared to December 31, 2022. Cash and interest-bearing deposits were \$178.5 million, an increase of \$111.7 million (167.3%) compared to 2022. Total net loans decreased by \$176.0 million (14.3%) to \$1.051 billion for the year ended 2023 due to business plan changes we implemented in 2023 focused on increasing liquidity, maintaining asset-liability flexibility and loan pricing discipline, and reducing credit risk to certain asset classes. Total commercial loans and leases decreased by \$159.7 million (28.9%) resulting from a \$153.1 million (33.6%) decline in equipment finance portfolio balances and a \$6.6 million (6.8%) decline in commercial finance loan balances. Total multi-family residential and nonresidential real estate loans decreased by \$11.6 million (1.8%). Our loan to deposit ratio was 83.3% as of December 31, 2023, compared to 89.2% as of December 31, 2022.

Total deposits decreased by \$113.3 million (8.2%) in 2023 primarily due to a general decline in balances related to retail and commercial depositors’ use of funds and to a lesser extent, national and local competition for interest-bearing retail deposits by banks and credit unions. Core deposits represented 82.4% of total deposits, with noninterest-bearing demand deposits representing 20.7% of total deposits. Commercial deposits were 21.2% of total deposits at December 31, 2023, consistent with 2022.

The Company’s capital position remained strong, with a Tier 1 leverage ratio of 10.54% as of December 31, 2023. Throughout 2023, the Company maintained its quarterly dividend rate at \$0.10 per common share. The Company repurchased 266,716 common shares during 2023, which represented 2.1% of the common shares that were outstanding on December 31, 2022. The book value of the Company’s common shares increased from \$11.90 per share at December 31, 2022 to \$12.45 per share at December 31, 2023.

For the year ended December 31, 2023, interest income increased by \$10.9 million (19.6%) due to our investment of scheduled loan and lease portfolio repayments into short-term liquidity investments and higher yields earned within the commercial loan portfolio. Interest expense increased by \$9.8 million (219.7%) due to higher rates paid on deposit accounts, as certain depositors managed their funds in a way that benefited from increases in short-term market interest rates. Accordingly, the Company's net interest income before the provision for credit losses increased by \$1.0 million (2.0%) in 2023.

Noninterest income decreased by \$1.6 million primarily due to a \$753,000 reduction in Bank-Owned Life Insurance revenues and death benefits and a \$602,000 asset valuation reduction related to the closure of two branch office facilities. Trust Department income increased by \$77,000 due to growth in assets under management during 2023. Noninterest expense increased by \$2.1 million primarily due to increases in compensation expenses, FDIC insurance expense related to higher uniform premium rates assessed on all insured depository institutions, and other expenses.

The ratio of nonperforming loans to total loans was 2.11% and the ratio of nonperforming assets to total assets was 1.69% at December 31, 2023 primarily due to two U.S. Government equipment finance transactions totaling 1.78% of total loans and 1.27% of total assets for which the government did not remit required payments and are now subject to a federal claims process. The provision for credit losses - loans decreased by \$1.4 million in 2023 primarily due to the decrease in loan portfolio balances during 2023 and the impact of the Current Expected Credit Loss accounting standard implemented in 2023. Our allowance for credit losses increased to 0.79% of total loans at December 31, 2023, compared to 0.66% at December 31, 2022.

F. Morgan Gasior, the Chairman and CEO of the Company, said: “The Company ended 2023 in good financial and operational condition. Our asset-liability management strategies enabled us to strengthen liquidity and improve interest income in a highly uncertain environment. In turn, the improvement in interest income enabled us to improve net interest income despite a significant increase in deposit interest expense due to sharply rising market interest rates. To ensure appropriate liquidity, reduce risk exposures and maintain asset-liability flexibility in a rising rate environment, we reduced commercial credit originations in our equipment finance and commercial real estate portfolios, which provided liquidity to fund the reduction in total deposits and increases in short-term investments. These actions resulted in strong liquidity and capital ratios as of December 31, 2023. The reduction in loan balances and the unexpected developments in our government equipment finance portfolio reduced the earnings benefits from our asset-liability management actions. We expect our Commercial Finance, Commercial Equipment Finance and Treasury Services originations capabilities will contribute to earnings improvements and to loan portfolio diversity in 2024. We remain committed to delivering strong financial results and contributions to our shareholders and communities.”

The Company's Quarterly Financial and Statistical Supplement will be available today on BankFinancial's website, www.bankfinancial.com on the “Investor Relations” page, and through the EDGAR database on the SEC's website, www.sec.gov. The Quarterly Financial and Statistical Supplement includes comparative GAAP and non-GAAP performance data and financial measures for the most recent five quarters.

BankFinancial's management will review fourth quarter 2023 results in a conference call and webcast for stockholders and analysts on Friday, February 2, 2024 at 9:30 a.m. Chicago, Illinois Time. All participants will need to register for the conference call using the conferencing link below. We will also publish the conferencing link on our website. **Participant registration URL: <https://register.vevent.com/register/B10b6c092b40134a41a155b5c2d186393a>**

This link will take participants to the online registration form. On the day of the call participants will have their choice of options: dial-in to the call with the number and unique passcode provided OR select the dial-out “Call Me” option to connect their phone instantly. Participants can join via desktop, tablet or phone.

For those unable to participate in the conference call, the webcast will be archived through Friday, February 23, 2024 on our website.



BankFinancial Corporation is the holding company for BankFinancial, NA, a national bank providing banking, wealth management and fiduciary services to individuals, families and businesses in the Chicago metropolitan area and on a regional or national basis for commercial finance, equipment finance, commercial real estate finance and treasury management business customers. BankFinancial Corporation's common stock trades on the Nasdaq Global Select Market under the symbol "BFIN." Additional information may be found at the company's website, www.bankfinancial.com.

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

For Further Information Contact:

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BANKFINANCIAL CORPORATION
FOURTH QUARTER 2023
QUARTERLY FINANCIAL AND STATISTICAL SUPPLEMENT
FOR THE LATEST FIVE QUARTERS

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

The information and statistical data contained herein have been prepared by BankFinancial Corporation and have been derived or calculated from selected quarterly and period-end historical financial statements prepared in accordance with accounting principles generally accepted in the United States. BankFinancial Corporation is under no obligation to update, keep current, or continue to provide the information contained herein. This information is provided solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or establish any business relationships with BankFinancial Corporation or its subsidiary.

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

	2023				2022
	IVQ	IIIQ	IIQ	IQ	IVQ
PERFORMANCE MEASUREMENTS					
Return on assets (ratio of net income to average total assets) (1)	0.56%	0.63%	0.61%	0.68%	0.86%
Return on equity (ratio of net income to average equity) (1)	5.37	6.16	6.02	6.96	9.01
Net interest rate spread (1)	3.01	3.16	3.23	3.41	3.39
Net interest margin (1)	3.46	3.56	3.56	3.66	3.59
Efficiency ratio (2)	77.39	76.02	79.11	74.51	65.12
Noninterest expense to average total assets (1)	2.92	2.86	2.94	2.65	2.50
Average interest-earning assets to average interest-bearing liabilities	136.25	136.78	136.86	135.85	137.62
Number of full service offices	18	18	18	18	20
Employees (full time equivalents)	205	200	198	202	203
SUMMARY STATEMENT OF FINANCIAL CONDITION					
ASSETS					
Cash and due from other financial institutions	\$ 19,781	\$ 19,691	\$ 20,401	\$ 19,963	\$ 12,046
Interest-bearing deposits in other financial institutions	158,703	151,870	94,930	57,042	54,725
Securities, at fair value	182,716	158,425	169,647	170,239	210,338
Loans receivable, net	1,050,761	1,105,604	1,170,767	1,225,288	1,226,743
Foreclosed assets, net	2,777	902	950	1,393	476
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	540	1,246	—
Premises and equipment, net	22,950	22,914	22,957	22,955	24,956
Bank-owned life insurance	18,469	18,556	18,644	18,731	18,815
Deferred taxes	4,512	4,979	5,476	5,395	5,480
Other assets	18,702	14,483	14,894	14,368	14,373
Total assets	<u>\$ 1,487,384</u>	<u>\$ 1,505,454</u>	<u>\$ 1,526,696</u>	<u>\$ 1,544,110</u>	<u>\$ 1,575,442</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Deposits	\$ 1,261,623	\$ 1,275,828	\$ 1,303,720	\$ 1,315,214	\$ 1,374,934
Borrowings	25,000	25,000	25,000	35,000	—
Subordinated Notes, net of unamortized issuance costs	19,678	19,667	19,656	19,645	19,634
Other liabilities	25,700	31,204	26,017	21,892	29,203
Total liabilities	1,332,001	1,351,699	1,374,393	1,391,751	1,423,771
Stockholders' equity	155,383	153,755	152,303	152,359	151,671
Total liabilities and stockholders' equity	<u>\$ 1,487,384</u>	<u>\$ 1,505,454</u>	<u>\$ 1,526,696</u>	<u>\$ 1,544,110</u>	<u>\$ 1,575,442</u>

Annualized

(1)

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

(2)

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2023				2022	For the years ended December 31,	
	IVQ	IIIQ	IIQ	IQ	IVQ	2023	2022
SUMMARY STATEMENT OF OPERATIONS							
Total interest income	\$ 16,923	\$ 16,894	\$ 16,178	\$ 16,160	\$ 16,064	\$ 66,155	\$ 55,296
Total interest expense	4,491	3,940	3,235	2,660	2,076	14,326	4,481
Net interest income	12,432	12,954	12,943	13,500	13,988	51,829	50,815
Provision for (recovery of) credit losses	317	136	(188)	48	743	313	1,828
Net interest income after provision for (recovery of) credit losses	12,115	12,818	13,131	13,452	13,245	51,516	48,987
Noninterest income	1,625	1,240	1,239	313	1,406	4,417	5,976
Noninterest expense	10,879	10,790	11,220	10,292	10,039	43,181	41,128
Income before income tax	2,861	3,268	3,150	3,473	4,612	12,752	13,835
Income tax expense	782	899	838	840	1,174	3,359	3,341
Net income	<u>\$ 2,079</u>	<u>\$ 2,369</u>	<u>\$ 2,312</u>	<u>\$ 2,633</u>	<u>\$ 3,438</u>	<u>\$ 9,393</u>	<u>\$ 10,494</u>
Basic and diluted earnings per common share	\$ 0.17	\$ 0.19	\$ 0.18	\$ 0.21	\$ 0.27	\$ 0.74	\$ 0.80
NONINTEREST INCOME AND EXPENSE							
Noninterest Income							
Deposit service charges and fees	\$ 836	\$ 836	\$ 830	\$ 816	\$ 835	\$ 3,318	\$ 3,271
Loan servicing fees	164	98	141	129	240	532	590
Trust insurance commissions and annuities income	347	290	276	367	266	1,280	1,153
Losses on sales of securities	—	—	—	(454)	—	(454)	—
Gain (loss) on sale of premises and equipment	—	—	13	(4)	—	9	—
Valuation adjustment on bank premises held-for-sale	(17)	—	(32)	(553)	—	(602)	—
Loss on bank-owned life insurance	(87)	(88)	(87)	(84)	(64)	(346)	(39)
Bank-owned life insurance death benefit	—	—	—	—	—	—	446
Other	382	104	98	96	129	680	555
Total noninterest income	<u>\$ 1,625</u>	<u>\$ 1,240</u>	<u>\$ 1,239</u>	<u>\$ 313</u>	<u>\$ 1,406</u>	<u>\$ 4,417</u>	<u>\$ 5,976</u>
Noninterest Expense							
Compensation and benefits	\$ 5,679	\$ 5,369	\$ 5,629	\$ 5,555	\$ 5,366	\$ 22,232	\$ 21,576
Office occupancy and equipment	1,937	2,046	2,031	2,038	1,944	8,052	7,981
Advertising and public relations	139	171	262	190	202	762	690
Information technology	974	944	965	849	926	3,732	3,566
Professional fees	292	366	355	317	262	1,330	1,292
Supplies, telephone, and postage	289	311	295	359	342	1,254	1,393
FDIC insurance premiums	207	222	282	154	111	865	467
Other	1,362	1,361	1,401	830	886	4,954	4,163
Total noninterest expense	<u>\$ 10,879</u>	<u>\$ 10,790</u>	<u>\$ 11,220</u>	<u>\$ 10,292</u>	<u>\$ 10,039</u>	<u>\$ 43,181</u>	<u>\$ 41,128</u>

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2023				2022	For the years ended December 31,	
	IVQ	IIIQ	IIQ	IQ	IVQ	2023	2022
LOANS							
One-to-four family residential real estate	\$ 18,945	\$ 19,233	\$ 20,448	\$ 21,475	\$ 23,133		
Multi-family residential real estate	527,460	528,251	542,165	544,673	537,394		
Nonresidential real estate	118,016	117,641	120,505	123,360	119,705		
Commercial loans and leases	393,321	447,687	495,520	544,216	553,056		
Consumer	1,364	1,351	1,355	1,596	1,584		
	<u>1,059,106</u>	<u>1,114,163</u>	<u>1,179,993</u>	<u>1,235,320</u>	<u>1,234,872</u>		
Allowance for credit losses	(8,345)	(8,559)	(9,226)	(10,032)	(8,129)		
Loans, net	<u>\$ 1,050,761</u>	<u>\$ 1,105,604</u>	<u>\$ 1,170,767</u>	<u>\$ 1,225,288</u>	<u>\$ 1,226,743</u>		
LOAN ORIGINATIONS (1)							
One-to-four family residential real estate	\$ 758	\$ 137	\$ 128	\$ 173	\$ 215	\$ 1,196	\$ 1,423
Multi-family residential real estate	6,226	5,902	6,686	17,097	67,888	35,911	223,918
Nonresidential real estate	3,183	834	200	5,436	7,694	9,653	43,732
Commercial loans	145,930	172,081	157,704	181,227	179,421	656,942	715,613
Equipment finance	8,141	14,442	7,290	24,623	90,157	54,496	265,227
Consumer	617	514	539	565	544	2,235	2,147
	<u>\$ 164,855</u>	<u>\$ 193,910</u>	<u>\$ 172,547</u>	<u>\$ 229,121</u>	<u>\$ 345,919</u>	<u>\$ 760,433</u>	<u>\$ 1,252,060</u>
Weighted average interest rate	9.09%	9.11%	9.24%	8.67%	6.88%	9.00%	5.67%
LOAN PAYMENTS and PAYOFFS (2)							
One-to-four family residential real estate	\$ 1,049	\$ 1,409	\$ 1,139	\$ 1,826	\$ 1,525	\$ 5,423	\$ 8,378
Multi-family residential real estate	7,336	19,784	9,095	10,151	13,465	46,366	113,377
Nonresidential real estate	3,278	3,253	2,934	1,967	3,708	11,432	27,009
Commercial loans	148,964	176,493	169,402	168,461	177,205	663,320	706,162
Equipment finance	55,433	56,844	43,567	45,250	64,144	201,094	211,295
Consumer	565	529	675	615	541	2,384	2,210
	<u>\$ 216,625</u>	<u>\$ 258,312</u>	<u>\$ 226,812</u>	<u>\$ 228,270</u>	<u>\$ 260,588</u>	<u>\$ 930,019</u>	<u>\$ 1,068,431</u>
Weighted average interest rate	7.85%	7.86%	8.35%	8.20%	6.97%	8.06%	5.56%

(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)

	2023				2022
	IVQ	IIIQ	IIQ	IQ	IVQ
CREDIT QUALITY:					
Nonperforming Assets:					
Nonaccrual loans:					
One-to-four family residential real estate	\$ 37	\$ 40	\$ 45	\$ 55	\$ 92
Multi-family residential real estate	—	—	148	—	—
Equipment finance	21,294	23,468	23,965	8,807	1,310
Consumer	—	—	—	—	5
	<u>21,331</u>	<u>23,508</u>	<u>24,158</u>	<u>8,862</u>	<u>1,407</u>
Loans past due over 90 days, still accruing	1,007	6,245	—	—	238
Foreclosed assets, net					
Other real estate owned	405	468	472	472	472
Other foreclosed assets	2,372	434	478	921	4
	<u>2,777</u>	<u>902</u>	<u>950</u>	<u>1,393</u>	<u>476</u>
Nonperforming assets	<u>\$ 25,115</u>	<u>\$ 30,655</u>	<u>\$ 25,108</u>	<u>\$ 10,255</u>	<u>\$ 2,121</u>
Asset Quality Ratios					
Nonperforming assets to total assets	1.69%	2.04%	1.64%	0.66%	0.13%
Nonperforming loans to total loans (1)	2.11	2.67	2.05	0.72	0.13
Nonperforming commercial-related loans to total commercial-related loans (2)	2.15	2.72	2.08	0.73	0.13
Nonperforming residential and consumer loans to total residential and consumer loans	0.18	0.19	0.21	0.24	0.39
Allowance for credit losses to nonperforming loans	37.36	28.77	38.19	113.20	494.16
Concentrations of Credit					
Commercial real estate for FFIEC concentration limits	\$ 624,575	\$ 624,469	\$ 641,022	\$ 645,768	\$ 634,482
% FFIEC total capital	370.83%	363.55%	372.44%	374.63%	365.95%
Multi-family residential real estate loans - 50% risk based capital qualified (included above)	\$ 315,179	\$ 248,128	\$ 175,902	\$ 122,213	\$ 101,052
% FFIEC total capital	187.13%	144.45%	102.20%	70.90%	58.28%

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

(2) Commercial-related loans include multi-family residential real estate, 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)

	2023				2022
	IVQ	IIIQ	IIQ	IQ	IVQ
SUBSTANDARD PERFORMING LOANS					
One-to-four family residential real estate	\$ 272	\$ 282	\$ 272	\$ 280	\$ 327
Multi-family residential real estate	—	—	—	148	—
Commercial loans and leases	4,056	5,685	3,759	3,846	4,041
Consumer	3	3	5	5	4
	<u>\$ 4,331</u>	<u>\$ 5,970</u>	<u>\$ 4,036</u>	<u>\$ 4,279</u>	<u>\$ 4,372</u>
ALLOWANCE FOR CREDIT LOSSES					
Beginning balance	\$ 8,559	\$ 9,226	\$ 10,032	\$ 8,129	\$ 7,386
Impact of adopting ASC 326	—	—	—	1,907	—
Charge-offs:					
One-to-four family residential real estate	(1)	—	—	—	—
Commercial loans and leases	(570)	(889)	(638)	(79)	(1)
Consumer	(9)	(14)	(7)	(22)	(12)
	<u>(580)</u>	<u>(903)</u>	<u>(645)</u>	<u>(101)</u>	<u>(13)</u>
Recoveries:					
One-to-four family residential real estate	1	32	7	5	4
Multi-family residential real estate	5	4	6	5	5
Commercial loans and leases	50	20	6	1	4
Consumer	—	—	—	1	—
	<u>56</u>	<u>56</u>	<u>19</u>	<u>12</u>	<u>13</u>
Net charge-offs	<u>(524)</u>	<u>(847)</u>	<u>(626)</u>	<u>(89)</u>	<u>—</u>
Provision for (recovery of) credit losses	310	180	(180)	85	743
Ending balance	<u>\$ 8,345</u>	<u>\$ 8,559</u>	<u>\$ 9,226</u>	<u>\$ 10,032</u>	<u>\$ 8,129</u>
Allowance for credit losses to total loans	0.79%	0.77%	0.78%	0.81%	0.66%
Net charge-offs ratio (1)	(0.19)	(0.30)	(0.21)	(0.03)	—

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA

Latest Five Quarters

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

	2023				2022
	IVQ	IIIQ	IIQ	IQ	IVQ
DEPOSITS					
Noninterest-bearing demand	\$ 260,851	\$ 258,318	\$ 278,170	\$ 287,493	\$ 280,625
Interest-bearing NOW accounts	306,548	326,874	349,374	360,441	400,416
Money market accounts	297,074	291,154	271,194	273,256	302,863
Savings deposits	174,759	178,318	190,277	200,659	204,506
Certificates of deposit - retail	222,391	220,915	214,456	193,116	186,524
Certificates of deposit - wholesale	—	249	249	249	—
	<u>\$ 1,261,623</u>	<u>\$ 1,275,828</u>	<u>\$ 1,303,720</u>	<u>\$ 1,315,214</u>	<u>\$ 1,374,934</u>
SELECTED AVERAGE BALANCES					
Total average assets	\$ 1,492,759	\$ 1,511,422	\$ 1,526,246	\$ 1,553,445	\$ 1,605,375
Total average interest-earning assets	1,425,504	1,444,259	1,459,369	1,494,248	1,546,499
Average loans	1,088,172	1,141,788	1,206,175	1,225,636	1,158,474
Average securities	171,903	170,806	176,052	212,344	215,359
Average stock in FHLB & FRB	7,490	7,490	7,490	7,490	7,490
Average other interest-earning assets	157,939	124,175	69,652	48,778	165,176
Total average interest-bearing liabilities	1,046,249	1,055,874	1,066,332	1,099,950	1,123,780
Average interest-bearing deposits	1,001,576	1,011,212	1,021,023	1,066,321	1,104,152
Average borrowings and Subordinated Notes	44,673	44,662	45,309	33,629	19,628
Average stockholders' equity	154,927	153,796	153,703	151,417	152,672
SELECTED YIELDS AND COST OF FUNDS (1)					
Total average interest-earning assets	4.71%	4.64%	4.45%	4.39%	4.12%
Average loans	4.99	4.96	4.77	4.76	4.57
Average securities	2.18	1.88	1.92	2.13	2.04
Average other interest-earning assets	5.47	5.42	5.14	4.66	3.69
Total average interest-bearing liabilities	1.70	1.48	1.22	0.98	0.73
Average interest-bearing deposits	1.59	1.36	1.08	0.87	0.67
Average cost of total deposits	1.26	1.07	0.85	0.70	0.53
Average cost of retail and commercial deposits	1.59	1.36	1.08	0.87	0.67
Average cost of wholesale deposits, borrowings and Subordinated Notes	4.18	4.18	4.21	4.34	4.01
Average cost of funds	1.36	1.18	0.96	0.79	0.58
Net interest rate spread	3.01	3.16	3.23	3.41	3.39
Net interest margin	3.46	3.56	3.56	3.66	3.59

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

	2023				2022
	IVQ	IIIQ	IIQ	IQ	IVQ
CAPITAL RATIOS					
BankFinancial Corporation (1)					
Equity to total assets (end of period)	10.45%	10.21%	9.98%	9.87%	9.63%
Tangible equity to tangible total assets (end of period)	10.45	10.21	9.98	9.87	9.63
Risk-based total capital ratio	20.70	19.13	17.75	16.98	17.00
Common Tier 1 (CET1)	17.66	16.30	15.05	14.34	14.43
Risk-based tier 1 capital ratio	17.66	16.30	15.05	14.34	14.43
Tier 1 leverage ratio	10.54	10.38	10.23	10.03	9.73
Tier 1 capital	\$ 157,246	\$ 156,780	\$ 156,050	\$ 155,789	\$ 156,086
BankFinancial, NA (2)					
Risk-based total capital ratio	18.96%	17.90%	16.64%	15.88%	16.04%
Common Tier 1 (CET1)	18.13	17.10	15.83	15.04	15.28
Risk-based tier 1 capital ratio	18.13	17.10	15.83	15.04	15.28
Tier 1 leverage ratio	10.85	10.93	10.80	10.52	10.31
Tier 1 capital	\$ 161,037	\$ 164,172	\$ 163,806	\$ 163,249	\$ 165,252
COMMON STOCK AND DIVIDENDS					
Stock Prices:					
Close	\$ 10.26	\$ 8.62	\$ 8.18	\$ 8.75	\$ 10.53
High	10.76	9.11	8.94	10.59	10.60
Low	8.31	7.98	7.17	8.55	9.06
Common shares outstanding	12,475,881	12,547,390	12,600,478	12,693,993	12,742,597
Book value per share	\$ 12.45	\$ 12.25	\$ 12.09	\$ 12.00	\$ 11.90
Tangible book value per share	\$ 12.45	\$ 12.25	\$ 12.09	\$ 12.00	\$ 11.90
Cash dividends declared on common stock	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Dividend payout ratio	60.33%	53.16%	54.88%	48.36%	37.45%
Stock repurchases	\$ 676	\$ 471	\$ 744	\$ 502	\$ 1,760
Stock repurchases – shares	71,509	53,088	93,515	48,604	179,577
EARNINGS PER SHARE COMPUTATIONS					
Net income	\$ 2,079	\$ 2,369	\$ 2,312	\$ 2,633	\$ 3,438
Weighted average basic and dilutive common shares outstanding	12,526,673	12,578,494	12,667,129	12,721,841	12,861,529
Basic and diluted earnings per common share	\$ 0.17	\$ 0.19	\$ 0.18	\$ 0.21	\$ 0.27

- (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 the second quarter of 2020. Other BankFinancial, NA capital data is included for informational purposes only.