

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 8-K**

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**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 13, 2006**

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**BANKFINANCIAL CORPORATION**

(Exact Name of Registrant as Specified in Charter)

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**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)

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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 November 13, 2006, the Company issued a press release announcing the filing of its Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and a Quarterly Financial and Statistical Supplement. The press release also reported earnings for the three and nine months ended September 30, 2006. 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) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated November 13, 2006
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: November 13, 2006

By: /s/ F. Morgan Gasior

F. Morgan Gasior  
Chairman of the Board, Chief Executive Officer and President

**FOR IMMEDIATE RELEASE****BankFinancial Corporation Reports Third Quarter 2006 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** - (November 13, 2006) BankFinancial Corporation (Nasdaq – BFIN) (“BankFinancial”) announced that it will file today its Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 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 \$2.8 million, or \$0.12 per common share, for the three months ended September 30, 2006, compared to \$3.7 million, or \$0.16 per common share, for the three months ended September 30, 2005. Net income includes \$996,000, or \$0.03 per common share, of stock-based compensation expense for the three months ended September 30, 2006 compared to \$345,000, or \$0.01 per common share, for the three months ended September 30, 2005.

For the nine months ended September 30, 2006, net income was \$8.8 million, or \$0.39 per common share, compared to \$8.2 million for the nine months ended September 30, 2005. Earnings per share for the nine-month period ending September 30, 2005 is reported as \$0.16 and only includes the net income for the period for which common shares were outstanding which was from the completion of our mutual-to-stock conversion on June 23, 2005 through September 30, 2005. Net income includes \$1.8 million, or \$0.05 per common share, of stock-based compensation expense for the nine months ended September 30, 2006 compared to \$370,000, or \$0.01 per common share, for the nine months ended September 30, 2005.

As previously reported, on August 30, 2006, its Board of Directors authorized the repurchase of up to 2,466,250 shares of common stock. During the third quarter of this year, BankFinancial repurchased 750,700 shares at an aggregate cost of approximately \$13.3 million.

At September 30, 2006, BankFinancial had total assets of \$1.610 billion, total loans of \$1.312 billion, total deposits of \$1.106 billion and stockholders’ equity of \$326 million.

The Quarterly Report on Form 10-Q and the Quarterly Financial and Statistical Supplement will be available today at BankFinancial’s Internet site, [www.bankfinancial.com](http://www.bankfinancial.com) under Stockholder Information and at the SEC’s Internet site, [www.sec.gov](http://www.sec.gov). Management will review third quarter 2006 results in a conference call and webcast for stockholders and analysts on Tuesday, November 14, 2006 at 9:30 a.m. Central Standard Time (CST). The conference call may be accessed by calling (866) 202-4367 and using participant passcode 27679340. The conference call will be simultaneously webcast at [www.bankfinancial.com](http://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. CST on November 28, 2006 on our website.

BankFinancial Corporation is the holding company for BankFinancial, F.S.B., a full-service, community-oriented savings 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 Stock Market under the symbol BFIN.

“Forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 may be included in this release. A variety of factors could cause BankFinancial Corporation’s actual results to differ from those expected at the time of this release. Investors are urged to carefully review and consider the various disclosures made by BankFinancial Corporation in its periodic reports filed with the Securities and Exchange Commission, including the risk factors and other information disclosed in BankFinancial Corporation’s Annual Report on Form 10-K for the most recently ended fiscal year. Copies of these filings are available at no cost on the SEC’s web site at <http://www.sec.gov> or on BankFinancial’s web site at <http://www.bankfinancial.com>.

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**For Further Information**

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**BankFinancial Corporation**  
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**BANKFINANCIAL CORPORATION**  
**THIRD QUARTER 2006**  
**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 any of its subsidiaries.

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**

**Latest Five Quarters**

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

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>PERFORMANCE MEASUREMENTS:</b>					
Return on assets (ratio of net income to average total assets)	0.68%	0.69%	0.78%	0.74%	0.92%
Return on equity (ratio of net income to average equity)	3.34	3.43	3.82	3.58	4.56
Net interest rate spread	2.86	2.84	2.92	2.91	3.06
Net interest margin	3.71	3.62	3.65	3.60	3.64
Efficiency ratio	75.37	73.68	70.29	71.54	69.41
Noninterest expense to average total assets	3.14	2.95	2.87	2.93	2.83
Average interest-earning assets to average interest-bearing liabilities	133.87	132.60	132.66	134.70	132.39
Offices	18	18	16	16	16
Employees (full time equivalents)	452	468	443	451	449

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>SUMMARY INCOME STATEMENT:</b>					
Total interest income	\$24,244	\$23,683	\$22,292	\$21,191	\$20,785
Total interest expense	9,792	9,363	8,480	7,554	6,837
Net interest income before provision	14,452	14,320	13,812	13,637	13,948
Provision (credit) for loan losses	49	156	196	524	334
Net interest income	14,403	14,164	13,616	13,113	13,614
Noninterest income	2,658	2,587	2,731	2,453	2,464
Noninterest expense	12,895	12,457	11,628	11,510	11,391
Income before income tax	4,166	4,294	4,719	4,056	4,687
Income tax expense	1,371	1,390	1,579	1,137	990
Net income	<u>\$ 2,795</u>	<u>\$ 2,904</u>	<u>\$ 3,140</u>	<u>\$ 2,919</u>	<u>\$ 3,697</u>
Basic earnings per common share	<u>\$ 0.12</u>	<u>\$ 0.13</u>	<u>\$ 0.14</u>	<u>\$ 0.13</u>	<u>\$ 0.16</u>
Diluted earnings per common share	<u>\$ 0.12</u>	<u>\$ 0.13</u>	<u>\$ 0.14</u>	<u>\$ 0.13</u>	<u>\$ 0.16</u>

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>NONINTEREST INCOME AND EXPENSE:</b>					
<b>Noninterest Income:</b>					
Deposit service charges and fees	\$ 1,142	\$ 1,117	\$ 917	\$ 986	\$ 1,090
Other fee income	466	482	461	490	463
Insurance commissions and annuities income	363	352	228	242	265
Gain on sales of loans	95	53	37	27	50
Gain on sales of investment securities	89	55	—	—	—
Gain on disposition of premises and equipment	—	1	393	—	—
Loan servicing fee income	230	237	244	249	257
Amortization and impairment of servicing assets	(120)	(146)	(61)	18	(73)
REO operations	(15)	(26)	(5)	—	(1)
Other	408	462	517	441	413
Total noninterest income	<u>\$ 2,658</u>	<u>\$ 2,587</u>	<u>\$ 2,731</u>	<u>\$ 2,453</u>	<u>\$ 2,464</u>
<b>Noninterest Expense:</b>					
Compensation	\$ 8,237	\$ 7,875	\$ 7,668	\$ 7,398	\$ 7,335
Office occupancy	1,530	1,340	1,316	1,377	1,275
Advertising	396	389	165	216	177
Data processing	873	825	788	814	777
Supplies, telephone and postage	583	450	507	468	490
Amortization of intangibles	496	495	393	405	410
Other general & administrative	780	1,083	791	832	927
Total noninterest expenses	<u>\$12,895</u>	<u>\$12,457</u>	<u>\$11,628</u>	<u>\$11,510</u>	<u>\$11,391</u>

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**

**Latest Five Quarters**

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

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>SUMMARY BALANCE SHEET:</b>					
<b>ASSETS:</b>					
Cash	\$ 34,515	\$ 31,475	\$ 31,059	\$ 34,437	\$ 28,016
Interest-bearing deposits and short-term investments	2,964	1,566	11,129	3,589	54,373
Securities available for sale, net	157,396	251,927	245,641	248,238	258,981
Loans held for sale	605	1,882	86	375	523
Loans receivable, net	1,312,114	1,280,365	1,261,820	1,231,891	1,135,709
Federal Home Loan Bank stock	18,911	18,911	25,434	25,434	25,197
Premises and equipment	35,069	35,206	32,182	32,819	32,810
Intangible assets	32,727	33,387	18,720	19,113	19,518
Other assets	15,676	16,911	17,050	18,540	17,953
Total assets	<u>\$1,609,977</u>	<u>\$1,671,630</u>	<u>\$1,643,121</u>	<u>\$1,614,436</u>	<u>\$1,573,080</u>
<b>LIABILITIES AND EQUITY:</b>					
Deposits	\$1,106,249	\$1,137,664	\$1,053,411	\$1,067,874	\$1,044,242
Borrowings	165,082	175,349	236,251	191,388	181,252
Other liabilities	12,763	23,901	20,331	26,397	22,260
Total liabilities	<u>1,284,094</u>	<u>1,336,914</u>	<u>1,309,993</u>	<u>1,285,659</u>	<u>1,247,754</u>
Stockholders' equity	325,883	334,716	333,128	328,777	325,326
Total liabilities and equity	<u>\$1,609,977</u>	<u>\$1,671,630</u>	<u>\$1,643,121</u>	<u>\$1,614,436</u>	<u>\$1,573,080</u>

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>CAPITAL RATIOS:</b>					
BankFinancial Corporation:					
Equity to total assets (end of period)	20.24%	20.02%	20.27%	20.36%	20.68%
Tangible equity to total assets (end of period)	18.59	18.39	19.36	19.41	19.68
BankFinancial FSB:					
Risk-based total capital ratio	19.91	19.70	18.56	19.01	19.91
Risk-based tier 1 capital ratio	19.05	18.88	17.77	18.21	19.11
Tier 1 leverage ratio	14.95	14.33	13.83	13.82	13.96

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>COMMON STOCK AND DIVIDENDS:</b>					
Stock Prices:					
Close	\$ 17.49	\$ 17.30	\$ 15.92	\$ 14.68	\$ 14.20
High	18.11	17.30	16.41	14.91	15.00
Low	16.31	15.15	14.55	12.99	13.10
Cash dividends paid	\$ 0.06	\$ 0.06	—	—	—

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>DEPOSITS:</b>					
Non-interest-bearing demand	\$ 130,491	\$ 136,046	\$ 105,251	\$ 117,443	\$ 109,022
Interest-bearing NOW	251,938	244,173	224,732	227,893	219,457
Money market	250,767	249,133	244,916	248,871	236,285
Savings	118,898	129,482	121,016	123,260	122,783
Certificates of deposit	354,155	378,830	357,496	350,407	356,695
Total deposits	<u>\$1,106,249</u>	<u>\$1,137,664</u>	<u>\$1,053,411</u>	<u>\$1,067,874</u>	<u>\$1,044,242</u>



**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**

**Latest Five Quarters**

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

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>LOANS:</b>					
One- to four-family residential real estate	\$ 409,288	\$ 402,097	\$ 408,206	\$ 404,196	\$ 395,499
Multi-family mortgage loans	292,100	291,005	289,364	280,238	242,910
Nonresidential real estate	307,619	303,901	282,496	275,418	266,898
Construction and land loans	83,526	78,900	85,761	80,705	74,523
Commercial loans	84,947	76,070	69,702	68,988	64,527
Commercial leases	135,019	127,971	128,062	121,898	92,268
Consumer loans	3,989	4,019	2,041	2,022	1,975
Other loans (including municipal)	4,959	4,959	5,159	5,219	5,492
Total loans	<u>1,321,447</u>	<u>1,288,922</u>	<u>1,270,791</u>	<u>1,238,684</u>	<u>1,144,092</u>
Loans in process	113	934	174	2,180	193
Net deferred loan origination costs	2,478	2,478	2,563	2,541	2,355
Allowance for loan losses	(11,924)	(11,969)	(11,708)	(11,514)	(10,931)
Loans, net	<u>\$ 1,312,114</u>	<u>\$ 1,280,365</u>	<u>\$ 1,261,820</u>	<u>\$ 1,231,891</u>	<u>\$ 1,135,709</u>

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>CREDIT QUALITY RATIOS:</b>					
<b>Nonperforming Loans and Assets:</b>					
Nonperforming loans	\$ 8,469	\$ 6,440	\$ 3,192	\$ 5,723	\$ 7,280
Real estate owned	—	30	56	153	—
Nonperforming assets	<u>\$ 8,469</u>	<u>\$ 6,470</u>	<u>\$ 3,248</u>	<u>\$ 5,876</u>	<u>\$ 7,280</u>
<b>Asset Quality Ratios:</b>					
Nonperforming assets to total assets	0.53%	0.39%	0.20%	0.36%	0.46%
Nonperforming loans to total loans	0.64	0.50	0.25	0.46	0.63
Allowance for loan losses to nonperforming loans	140.80	185.85	366.79	201.19	150.15
Allowance for loan losses to total loans	0.90	0.93	0.92	0.93	0.95
Net charge-off ratio	0.03	0.03	0.00	(0.02)	0.00

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>ALLOWANCE FOR LOAN LOSSES:</b>					
Beginning balance	\$ 11,969	\$ 11,708	\$ 11,514	\$ 10,931	\$ 10,596
Allowance of acquired bank	—	212	—	—	—
Provision (credit) for loan losses	49	156	196	524	334
Loans charged off	(96)	(107)	(2)	(29)	(1)
Recoveries	2	—	—	88	2
Ending balance	<u>\$ 11,924</u>	<u>\$ 11,969</u>	<u>\$ 11,708</u>	<u>\$ 11,514</u>	<u>\$ 10,931</u>

**BANKFINANCIAL CORPORATION**  
**SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA**  
**Latest Five Quarters**

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

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>SELECTED AVERAGE BALANCES:</b>					
Average total assets	\$ 1,644,304	\$ 1,688,410	\$ 1,618,258	\$ 1,573,867	\$ 1,607,277
Average earning assets	1,544,356	1,588,219	1,533,951	1,501,205	1,520,234
Average total loans	1,320,016	1,288,063	1,260,870	1,197,545	1,130,131
Average investment securities	211,992	293,301	270,944	291,478	362,141
Average other earning assets	12,348	6,855	2,137	12,182	27,962
Average interest-bearing deposits	982,859	1,006,818	932,918	931,895	957,240
Average total borrowings	170,804	190,935	223,359	182,613	191,076
Average interest-bearing liabilities	1,153,663	1,197,753	1,156,277	1,114,508	1,148,316
Average total stockholders' equity	335,015	339,050	328,652	326,549	324,058

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>SELECTED YIELDS AND COST OF FUNDS:</b>					
Average earning assets	6.23%	5.98%	5.89%	5.60%	5.42%
Average total loans	6.50	6.38	6.30	6.02	5.97
Average investment securities	4.57	4.27	4.02	3.94	3.87
Average other earning assets	5.75	5.03	4.18	3.81	3.23
Average interest-bearing deposits	3.22	2.97	2.73	2.49	2.11
Average total borrowings	4.19	4.01	4.01	3.70	3.64
Average interest-bearing liabilities	3.37	3.14	2.97	2.69	2.36
Interest rate spread	2.86	2.84	2.92	2.91	3.06
Net interest margin	3.71	3.62	3.65	3.60	3.64

	2006			2005	
	IIIQ	IIQ	IQ	IVQ	IIIQ
<b>EARNINGS PER SHARE COMPUTATIONS:</b>					
Net income	\$ 2,795	\$ 2,904	\$ 3,140	\$ 2,919	\$ 3,697
Average common shares outstanding	24,556,236	24,466,250	24,466,250	24,466,250	24,466,250
Less: Unearned ESOP shares	(1,851,346)	(1,871,668)	(1,896,134)	(1,920,152)	(1,935,652)
Less: Unvested restricted stock	(210,082)	—	—	—	—
Weighted average common shares outstanding	22,494,808	22,594,582	22,570,116	22,546,098	22,530,598
Plus: Dilutive common shares equivalents	12,294	—	—	—	—
Weighted average dilutive shares outstanding	22,507,102	22,594,582	22,570,116	22,546,098	22,530,598
Number of antidilutive stock options excluded from the diluted earnings per share calculation	1,140,000	N.A.	N.A.	N.A.	N.A.
Weighted average exercise price of anti-dilutive option shares	\$ 17.62	N.A.	N.A.	N.A.	N.A.
Basic earnings per common share	\$ 0.12	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.16
Diluted earnings per common share	\$ 0.12	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.16

N.A. = Not Applicable