

BANKFINANCIAL CORPORATION

THIRD QUARTER 2018

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)

| | 2018 | | | 2017 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| PERFORMANCE MEASUREMENTS | | | | | |
| Return on assets (ratio of net income to average total assets) ⁽¹⁾ | 0.97% | 1.18% | 0.90% | 0.24% | 0.88% |
| Return on equity (ratio of net income to average equity) ⁽¹⁾ | 7.68 | 9.39 | 7.13 | 1.97 | 7.07 |
| Net interest rate spread ⁽¹⁾ | 3.30 | 3.31 | 3.38 | 3.26 | 3.10 |
| Net interest margin ⁽¹⁾ | 3.51 | 3.49 | 3.53 | 3.41 | 3.23 |
| Efficiency ratio | 64.84 | 63.55 | 68.40 | 62.37 | 72.19 |
| Noninterest expense to average total assets ⁽¹⁾ | 2.45 | 2.61 | 2.52 | 2.28 | 2.51 |
| Average interest-earning assets to average interest-bearing liabilities | 133.23 | 133.62 | 132.29 | 131.68 | 131.23 |
| Number of full service offices | 19 | 19 | 19 | 19 | 19 |
| Employees (full time equivalents) ⁽²⁾ | 245 | 250 | 237 | 236 | 238 |
| SUMMARY STATEMENT OF FINANCIAL CONDITION | | | | | |
| ASSETS | | | | | |
| Cash and due from other financial institutions | \$ 12,473 | \$ 11,738 | \$ 10,613 | \$ 13,572 | \$ 10,620 |
| Interest-bearing deposits in other financial institutions | 74,461 | 80,457 | 81,963 | 114,020 | 115,041 |
| Securities, at fair value | 103,921 | 112,452 | 102,661 | 93,383 | 98,787 |
| Loans receivable, net | 1,267,787 | 1,287,823 | 1,277,553 | 1,314,651 | 1,335,631 |
| Other real estate owned, net | 985 | 1,187 | 1,802 | 2,351 | 3,569 |
| Stock in Federal Home Loan Bank and Federal Reserve Bank, at cost | 8,026 | 8,311 | 8,290 | 8,290 | 8,290 |
| Premises held-for-sale | — | — | 5,581 | 5,667 | — |
| Premises and equipment, net | 24,473 | 24,441 | 24,628 | 24,856 | 30,774 |
| Intangible assets | 123 | 143 | 164 | 286 | 408 |
| Bank owned life insurance | 18,781 | 18,746 | 22,925 | 22,859 | 22,790 |
| Deferred taxes | 8,911 | 10,199 | 11,363 | 12,563 | 20,214 |
| Other assets | 12,543 | 12,001 | 12,386 | 13,060 | 8,145 |
| Total assets | <u>\$ 1,532,484</u> | <u>\$ 1,567,498</u> | <u>\$ 1,559,929</u> | <u>\$ 1,625,558</u> | <u>\$ 1,654,269</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| Deposits | \$ 1,295,770 | \$ 1,295,853 | \$ 1,278,007 | \$ 1,340,051 | \$ 1,371,089 |
| Borrowings | 21,232 | 50,901 | 60,983 | 60,768 | 60,928 |
| Other liabilities | 23,399 | 26,516 | 22,587 | 27,105 | 22,474 |
| Total liabilities | 1,340,401 | 1,373,270 | 1,361,577 | 1,427,924 | 1,454,491 |
| Stockholders' equity | 192,083 | 194,228 | 198,352 | 197,634 | 199,778 |
| Total liabilities and stockholders' equity | <u>\$ 1,532,484</u> | <u>\$ 1,567,498</u> | <u>\$ 1,559,929</u> | <u>\$ 1,625,558</u> | <u>\$ 1,654,269</u> |

(1) Annualized

(2) Second quarter 2018 full time equivalents employees include summer interns. These employees typically work from May through August.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

| | 2018 | | | 2017 | |
|---|-----------------|-----------------|-----------------|----------------|-----------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| SUMMARY STATEMENT OF OPERATIONS | | | | | |
| Total interest income | \$ 15,373 | \$ 15,020 | \$ 14,748 | \$ 15,047 | \$ 14,121 |
| Total interest expense | 2,408 | 2,039 | 1,727 | 1,742 | 1,615 |
| Net interest income before provision (recovery) | 12,965 | 12,981 | 13,021 | 13,305 | 12,506 |
| Provision for (recovery of) loan losses | (23) | 23 | (258) | (72) | (225) |
| Net interest income | 12,988 | 12,958 | 13,279 | 13,377 | 12,731 |
| Noninterest income | 1,570 | 3,094 | 1,539 | 1,634 | 1,623 |
| Noninterest expense | 9,425 | 10,215 | 9,959 | 9,318 | 10,200 |
| Income before income tax | 5,133 | 5,837 | 4,859 | 5,693 | 4,154 |
| Income tax expense ⁽¹⁾ | 1,396 | 1,207 | 1,300 | 4,702 | 594 |
| Net income | <u>\$ 3,737</u> | <u>\$ 4,630</u> | <u>\$ 3,559</u> | <u>\$ 991</u> | <u>\$ 3,560</u> |
| Basic earnings per common share | <u>\$ 0.22</u> | <u>\$ 0.26</u> | <u>\$ 0.20</u> | <u>\$ 0.06</u> | <u>\$ 0.20</u> |
| Diluted earnings per common share | <u>\$ 0.22</u> | <u>\$ 0.26</u> | <u>\$ 0.20</u> | <u>\$ 0.06</u> | <u>\$ 0.20</u> |

NONINTEREST INCOME AND EXPENSE

Noninterest Income

| | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Deposit service charges and fees | \$ 1,003 | \$ 989 | \$ 978 | \$ 989 | \$ 1,018 |
| Loan fee income | 71 | 90 | 70 | 114 | 89 |
| Commercial mortgage brokerage fees | 12 | 85 | 41 | — | — |
| Residential mortgage banking fees | 34 | 24 | 30 | 43 | 41 |
| Loss on sales of equity securities | — | (14) | — | — | — |
| Gain on disposition of premises and equipment | — | 93 | — | — | — |
| Trust insurance commissions and annuities income | 207 | 250 | 213 | 267 | 210 |
| Earnings on bank owned life insurance | 35 | 45 | 66 | 69 | 67 |
| Bank-owned life insurance death benefit | — | 1,389 | — | — | — |
| Other | 208 | 143 | 141 | 152 | 198 |
| Total noninterest income | <u>\$ 1,570</u> | <u>\$ 3,094</u> | <u>\$ 1,539</u> | <u>\$ 1,634</u> | <u>\$ 1,623</u> |

Noninterest Expense

| | | | | | |
|--|-----------------|------------------|-----------------|-----------------|------------------|
| Compensation and benefits | \$ 5,120 | \$ 5,790 | \$ 5,322 | \$ 4,975 | \$ 5,330 |
| Office occupancy and equipment | 1,629 | 1,662 | 1,731 | 1,709 | 1,693 |
| Advertising and public relations | 194 | 274 | 143 | 197 | 167 |
| Information technology | 717 | 708 | 641 | 673 | 638 |
| Supplies, telephone, and postage | 341 | 396 | 333 | 339 | 337 |
| Amortization of intangibles | 20 | 21 | 122 | 122 | 123 |
| Nonperforming asset management | 60 | 51 | 202 | 125 | 84 |
| Loss (gain) on sales of other real estate owned | (12) | 47 | 21 | (55) | 69 |
| Valuation adjustments of other real estate owned | 1 | 1 | 25 | 32 | 227 |
| Operations of other real estate owned | 70 | 87 | 115 | 85 | 107 |
| FDIC insurance premiums | 115 | 104 | 119 | 125 | 150 |
| Other | 1,170 | 1,074 | 1,185 | 991 | 1,275 |
| Total noninterest expense | <u>\$ 9,425</u> | <u>\$ 10,215</u> | <u>\$ 9,959</u> | <u>\$ 9,318</u> | <u>\$ 10,200</u> |

(1) 2017 Q4 income tax expense includes valuation of \$2.5 million related to Tax Cuts and Jobs Act of 2017.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

| | 2018 | | | 2017 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| LOANS | | | | | |
| One-to-four family residential real estate | \$ 77,591 | \$ 84,048 | \$ 92,056 | \$ 97,814 | \$ 105,186 |
| Multi-family mortgage | 581,880 | 571,886 | 578,144 | 588,383 | 576,425 |
| Nonresidential real estate | 148,010 | 155,627 | 163,856 | 169,971 | 176,301 |
| Construction and land | 1,130 | 1,316 | 1,328 | 1,358 | 2,827 |
| Commercial loans | 167,547 | 163,925 | 162,564 | 152,552 | 147,079 |
| Commercial leases | 297,103 | 316,555 | 285,222 | 310,076 | 333,120 |
| Consumer | 1,416 | 1,469 | 1,494 | 1,597 | 1,747 |
| | 1,274,677 | 1,294,826 | 1,284,664 | 1,321,751 | 1,342,685 |
| Net deferred loan origination costs | 1,213 | 1,176 | 1,230 | 1,266 | 1,320 |
| Allowance for loan losses | (8,103) | (8,179) | (8,341) | (8,366) | (8,374) |
| Loans, net | \$ 1,267,787 | \$ 1,287,823 | \$ 1,277,553 | \$ 1,314,651 | \$ 1,335,631 |
| LOAN ORIGINATIONS ⁽¹⁾ | | | | | |
| One-to-four family residential real estate | \$ 1,290 | \$ 987 | \$ 964 | \$ 1,103 | \$ 1,654 |
| Multi-family mortgage | 31,633 | 21,838 | 14,339 | 26,830 | 40,695 |
| Nonresidential real estate | 1,166 | 1,310 | 2,011 | 2,311 | 2,462 |
| Construction and land | — | — | — | — | 646 |
| Commercial loans | 164,974 | 164,048 | 150,804 | 100,667 | 90,617 |
| Commercial leases | 27,296 | 77,744 | 20,771 | 42,700 | 27,199 |
| Consumer | 695 | 672 | 584 | 781 | 1,002 |
| | \$ 227,054 | \$ 266,599 | \$ 189,473 | \$ 174,392 | \$ 164,275 |
| Weighted average rate | 5.96% | 5.62% | 5.61% | 5.12% | 4.77% |
| LOAN PAYMENTS and PAYOFFS ⁽²⁾ | | | | | |
| One-to-four family residential real estate | \$ 7,135 | \$ 8,959 | \$ 6,453 | \$ 7,611 | \$ 11,931 |
| Multi-family mortgage | 19,804 | 27,911 | 24,524 | 14,998 | 19,966 |
| Nonresidential real estate | 8,890 | 9,499 | 8,148 | 9,577 | 3,658 |
| Construction and land | 184 | 15 | 31 | 31 | 67 |
| Commercial loans | 161,359 | 162,544 | 140,449 | 94,996 | 71,481 |
| Commercial leases | 46,885 | 47,417 | 45,790 | 65,707 | 57,061 |
| Consumer | 762 | 704 | 631 | 732 | 1,159 |
| | \$ 245,019 | \$ 257,049 | \$ 226,026 | \$ 193,652 | \$ 165,323 |
| Weighted average rate | 5.56% | 5.28% | 4.97% | 4.67% | 4.30% |

(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)

| | 2018 | | | 2017 | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| CREDIT QUALITY: | | | | | |
| Nonperforming Assets: | | | | | |
| Nonaccrual loans: | | | | | |
| One-to-four family residential real estate | \$ 1,369 | \$ 1,538 | \$ 1,589 | \$ 2,027 | \$ 2,234 |
| Multi-family mortgage | 102 | 92 | 369 | 363 | 371 |
| Consumer loans | — | 6 | — | — | — |
| Nonaccrual loans | <u>1,471</u> | <u>1,636</u> | <u>1,958</u> | <u>2,390</u> | <u>2,605</u> |
| Other real estate owned: | | | | | |
| One-to-four family residential real estate | 634 | 833 | 935 | 827 | 1,748 |
| Multi-family real estate | 276 | 276 | — | — | — |
| Nonresidential real estate | 74 | 74 | 863 | 1,520 | 1,551 |
| Land | 1 | 4 | 4 | 4 | 270 |
| Other real estate owned | <u>985</u> | <u>1,187</u> | <u>1,802</u> | <u>2,351</u> | <u>3,569</u> |
| Nonperforming assets | <u>\$ 2,456</u> | <u>\$ 2,823</u> | <u>\$ 3,760</u> | <u>\$ 4,741</u> | <u>\$ 6,174</u> |
| Asset Quality Ratios | | | | | |
| Nonperforming assets to total assets | 0.16% | 0.18% | 0.24% | 0.29% | 0.37% |
| Nonperforming loans to total loans | 0.12 | 0.13 | 0.15 | 0.18 | 0.19 |
| Nonperforming commercial-related loans to total commercial-related loans ⁽¹⁾ | 0.01 | 0.01 | 0.03 | 0.03 | 0.03 |
| Nonperforming residential and consumer loans to total residential and consumer loans | 1.73 | 1.81 | 1.70 | 2.04 | 2.09 |
| Allowance for loan losses to nonperforming loans | 550.85 | 499.94 | 426.00 | 350.04 | 321.46 |
| Concentrations of Credit | | | | | |
| Commercial Real Estate for FFIEC Concentration Limits | \$ 697,843 | \$ 694,555 | \$ 706,488 | \$ 721,587 | \$ 723,797 |
| % FFIEC Total Capital | 378.64% | 378.45% | 370.18% | 382.64% | 392.91% |
| Multi-family mortgage loans - 50% risk based capital qualified (included above) | \$ 357,947 | \$ 299,138 | \$ 353,686 | \$ 365,713 | \$ 330,181 |
| % FFIEC Total Capital | 194.22% | 162.99% | 185.32% | 193.93% | 179.24% |
| Commercial Leases - Investment Grade | \$ 181,131 | \$ 197,746 | \$ 186,052 | \$ 207,460 | \$ 230,931 |
| Commercial Leases - Other | 115,972 | 118,809 | 99,170 | 102,616 | 102,189 |

(1) Commercial-related loans include Multi-family mortgage, Nonresidential, Construction, Land and Commercial loans and Leases.

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

| | 2018 | | | 2017 | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| SUBSTANDARD PERFORMING LOANS | | | | | |
| One-to-four family residential real estate | \$ 409 | \$ 295 | \$ 362 | \$ 295 | \$ 297 |
| Multi-family mortgage | 310 | 218 | 222 | 225 | 480 |
| Nonresidential real estate | 99 | 100 | 149 | 154 | 162 |
| Commercial loans | 4,699 | 3,820 | 2,258 | 2,248 | 982 |
| Consumer | 10 | 1 | — | — | — |
| | <u>\$ 5,527</u> | <u>\$ 4,434</u> | <u>\$ 2,991</u> | <u>\$ 2,922</u> | <u>\$ 1,921</u> |
| ALLOWANCE FOR LOAN LOSSES | | | | | |
| Beginning balance | \$ 8,179 | \$ 8,341 | \$ 8,366 | \$ 8,374 | \$ 8,122 |
| Charge offs: | | | | | |
| One-to-four family residential real estate | (84) | (33) | (97) | (36) | (89) |
| Multi-family mortgage | — | (35) | — | — | (7) |
| Commercial loans | — | (140) | — | — | — |
| Consumer | (6) | (1) | — | (3) | (7) |
| | <u>(90)</u> | <u>(209)</u> | <u>(97)</u> | <u>(39)</u> | <u>(103)</u> |
| Recoveries: | | | | | |
| One-to-four family residential real estate | 25 | 6 | 99 | 45 | 15 |
| Multi-family mortgage | 8 | 10 | 8 | 8 | 11 |
| Nonresidential real estate | — | — | — | 7 | 10 |
| Construction and land loans | 2 | — | — | — | — |
| Commercial loans | 2 | 2 | 223 | 42 | 542 |
| Commercial leases | — | 5 | — | — | 2 |
| Consumer | — | 1 | — | 1 | — |
| | <u>37</u> | <u>24</u> | <u>330</u> | <u>103</u> | <u>580</u> |
| Net (charge-offs) recoveries | (53) | (185) | 233 | 64 | 477 |
| Provision for (recovery of) loan losses | (23) | 23 | (258) | (72) | (225) |
| Ending balance | <u>\$ 8,103</u> | <u>\$ 8,179</u> | <u>\$ 8,341</u> | <u>\$ 8,366</u> | <u>\$ 8,374</u> |
| Allowance for loan losses to total loans | 0.64% | 0.63% | 0.65% | 0.63% | 0.62% |
| Net (charge-off) recovery ratio ⁽¹⁾ | (0.02) | (0.06) | 0.07 | 0.02 | 0.14 |

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

| | 2018 | | | 2017 | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| DEPOSITS | | | | | |
| Noninterest-bearing demand | \$ 225,446 | \$ 229,717 | \$ 232,593 | \$ 234,354 | \$ 231,049 |
| Interest-bearing NOW accounts | 283,561 | 281,603 | 283,311 | 289,657 | 283,411 |
| Money market accounts | 266,070 | 281,493 | 290,575 | 299,581 | 301,905 |
| Savings deposits | 155,232 | 158,731 | 160,093 | 160,501 | 158,696 |
| Certificates of deposits - retail | 275,160 | 251,974 | 232,910 | 224,401 | 219,478 |
| Certificates of deposits - wholesale | 90,301 | 92,335 | 78,525 | 131,557 | 176,550 |
| | <u>\$ 1,295,770</u> | <u>\$ 1,295,853</u> | <u>\$ 1,278,007</u> | <u>\$ 1,340,051</u> | <u>\$ 1,371,089</u> |

SELECTED AVERAGE BALANCES

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Total average assets | \$ 1,540,522 | \$ 1,565,996 | \$ 1,581,833 | \$ 1,637,309 | \$ 1,624,437 |
| Total average interest-earning assets | 1,463,404 | 1,492,824 | 1,496,682 | 1,549,746 | 1,535,843 |
| Average loans | 1,274,788 | 1,291,339 | 1,294,387 | 1,330,276 | 1,331,302 |
| Average securities | 113,234 | 107,384 | 103,928 | 95,065 | 108,050 |
| Average stock in FHLB & FRB | 8,125 | 8,411 | 8,289 | 8,290 | 8,290 |
| Average other interest-earning assets | 67,257 | 85,690 | 90,078 | 116,115 | 88,201 |
| Total average interest-bearing liabilities | 1,098,424 | 1,117,188 | 1,131,372 | 1,176,898 | 1,170,322 |
| Average interest-bearing deposits | 1,059,929 | 1,055,228 | 1,070,635 | 1,116,057 | 1,112,210 |
| Average borrowings | 38,495 | 61,960 | 60,737 | 60,841 | 58,112 |
| Average stockholders' equity | 194,745 | 197,314 | 199,672 | 201,604 | 201,420 |

SELECTED YIELDS AND COST OF FUNDS ⁽¹⁾:

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Total average interest-earning assets | 4.17% | 4.04% | 4.00% | 3.85% | 3.65% |
| Average loans | 4.43 | 4.34 | 4.33 | 4.22 | 3.98 |
| Average securities | 2.20 | 2.04 | 1.81 | 1.58 | 1.43 |
| Average other interest-earning assets | 2.28 | 1.81 | 1.62 | 1.60 | 1.29 |
| Total average interest-bearing liabilities | 0.87 | 0.73 | 0.62 | 0.59 | 0.55 |
| Average interest-bearing deposits | 0.85 | 0.70 | 0.58 | 0.55 | 0.51 |
| Average borrowings | 1.34 | 1.36 | 1.35 | 1.35 | 1.34 |
| Average cost of total deposits | 0.70 | 0.57 | 0.48 | 0.45 | 0.42 |
| Average cost of funds | 0.72 | 0.61 | 0.52 | 0.49 | 0.46 |
| Net interest rate spread | 3.30 | 3.31 | 3.38 | 3.26 | 3.10 |
| Net interest margin | 3.51 | 3.49 | 3.53 | 3.41 | 3.23 |

(1) Annualized

BANKFINANCIAL CORPORATION
SELECTED QUARTERLY FINANCIAL AND STATISTICAL DATA
Latest Five Quarters

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

| | 2018 | | | 2017 | |
|--|------------|------------|------------|------------|------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| CAPITAL RATIOS | | | | | |
| BankFinancial Corporation | | | | | |
| Equity to total assets (end of period) | 12.53% | 12.39% | 12.72% | 12.16% | 12.08% |
| Tangible equity to tangible total assets (end of period) | 12.53 | 12.38 | 12.71 | 12.14 | 12.05 |
| Risk-based total capital ratio | 17.40 | 16.73 | 17.72 | 17.06 | 16.43 |
| Common Tier 1 (CET1) | 16.67 | 16.02 | 16.98 | 16.33 | 15.71 |
| Risk-based tier 1 capital ratio | 16.67 | 16.02 | 16.98 | 16.33 | 15.71 |
| Tier 1 leverage ratio | 12.06 | 11.93 | 12.03 | 11.49 | 11.36 |
| Tier 1 capital | \$ 185,015 | \$ 185,836 | \$ 189,152 | \$ 187,005 | \$ 182,683 |
| BankFinancial, NA | | | | | |
| Risk-based total capital ratio | 16.61% | 15.83% | 17.13% | 16.48% | 15.85% |
| Common Tier 1 (CET1) | 15.88 | 15.12 | 16.38 | 15.74 | 15.13 |
| Risk-based tier 1 capital ratio | 15.88 | 15.12 | 16.38 | 15.74 | 15.13 |
| Tier 1 leverage ratio | 11.49 | 11.26 | 11.60 | 11.08 | 10.94 |
| Tier 1 capital | \$ 176,199 | \$ 175,349 | \$ 182,464 | \$ 180,216 | \$ 175,838 |
| COMMON STOCK AND DIVIDENDS | | | | | |
| Stock Prices: | | | | | |
| Close | \$ 15.94 | \$ 17.65 | \$ 16.98 | \$ 15.34 | \$ 15.89 |
| High | 18.08 | 18.62 | 17.20 | 17.00 | 16.89 |
| Low | 15.32 | 15.07 | 15.07 | 14.79 | 14.66 |
| Common shares outstanding | 17,206,303 | 17,461,088 | 17,877,223 | 17,958,723 | 18,063,623 |
| Book value per share | \$ 11.16 | \$ 11.12 | \$ 11.10 | \$ 11.00 | \$ 11.06 |
| Tangible book value per share | \$ 11.16 | \$ 11.12 | \$ 11.09 | \$ 10.99 | \$ 11.04 |
| Cash dividends declared on common stock | \$ 0.10 | \$ 0.09 | \$ 0.08 | \$ 0.08 | \$ 0.07 |
| Dividend payout ratio | 46.65% | 34.20% | 40.35% | 145.59% | 35.69% |
| Stock repurchases | \$ 4,103 | \$ 7,167 | \$ 1,323 | \$ 1,671 | \$ 2,581 |
| Stock repurchases – shares | 254,785 | 415,889 | 81,500 | 104,900 | 166,237 |
| EARNINGS PER SHARE COMPUTATIONS | | | | | |
| Net income | \$ 3,737 | \$ 4,630 | \$ 3,559 | \$ 991 | \$ 3,560 |
| Average common shares outstanding | 17,365,679 | 17,634,190 | 17,931,579 | 18,017,708 | 18,140,599 |
| Unvested restricted stock shares | — | (375) | (940) | (940) | (940) |
| Weighted average common shares outstanding | 17,365,679 | 17,633,815 | 17,930,639 | 18,016,768 | 18,139,659 |
| Plus: Dilutive common shares equivalents | — | — | 461 | 461 | 450 |
| Weighted average dilutive common shares outstanding | 17,365,679 | 17,633,815 | 17,931,100 | 18,017,229 | 18,140,109 |
| Basic earnings per common share | \$ 0.22 | \$ 0.26 | \$ 0.20 | \$ 0.06 | \$ 0.20 |
| Diluted earnings per common share | \$ 0.22 | \$ 0.26 | \$ 0.20 | \$ 0.06 | \$ 0.20 |

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, 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.

These measures include pre-tax pre-provision earnings from adjusted operations and pre-tax pre-provision earnings from adjusted operations to average total assets. Management believes that by excluding equity-based compensation expense, other real estate owned related income and expense items and nonperforming asset management expenses from noninterest expense, these measures better reflect our adjusted operating performance.

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|------------------------|--|-------------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Pre-tax pre-provision earnings from adjusted operations | | | | |
| Income before income taxes | \$ 5,133 | \$ 4,154 | \$ 15,829 | \$ 10,501 |
| Recovery of loan losses | (23) | (225) | (258) | (15) |
| | <u>5,110</u> | <u>3,929</u> | <u>15,571</u> | <u>10,486</u> |
| Adjustments: | | | | |
| Equity-based compensation | — | — | — | 1,076 |
| Bank-owned life insurance death benefit | — | — | (1,389) | — |
| Nonperforming asset management | 60 | 84 | 313 | 215 |
| Loss (gain) on sale of other real estate owned | (12) | 69 | 56 | 100 |
| Valuation adjustments of other real estate owned | 1 | 227 | 27 | 301 |
| Operations of other real estate owned | 70 | 107 | 272 | 460 |
| Adjustments | <u>119</u> | <u>487</u> | <u>(721)</u> | <u>2,152</u> |
| Pre-tax pre-provision earnings from adjusted operations | <u><u>\$ 5,229</u></u> | <u><u>\$ 4,416</u></u> | <u><u>\$ 14,850</u></u> | <u><u>\$ 12,638</u></u> |
| Pre-tax pre-provision earnings from adjusted operations to average total assets ⁽¹⁾ | 1.36% | 1.09% | 1.27% | 1.05% |

(1) Annualized

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

FOR THE LATEST FIVE QUARTERS

| | 2018 | | | 2017 | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | IIIQ | IIQ | IQ | IVQ | IIIQ |
| Pre-tax pre-provision earnings from adjusted operations | | | | | |
| Income before income taxes | \$ 5,133 | \$ 5,837 | \$ 4,859 | \$ 5,693 | \$ 4,154 |
| Provision for (recovery of) loan losses | (23) | 23 | (258) | (72) | (225) |
| | 5,110 | 5,860 | 4,601 | 5,621 | 3,929 |
| Adjustments: | | | | | |
| Bank-owned life insurance death benefit | — | (1,389) | — | — | — |
| Nonperforming asset management | 60 | 51 | 202 | 125 | 84 |
| Loss (gain) on sale of other real estate owned | (12) | 47 | 21 | (55) | 69 |
| Valuation adjustments of other real estate owned | 1 | 1 | 25 | 32 | 227 |
| Operations of other real estate owned | 70 | 87 | 115 | 85 | 107 |
| | 119 | (1,203) | 363 | 187 | 487 |
| Pre-tax pre-provision earnings from adjusted operations | \$ 5,229 | \$ 4,657 | \$ 4,964 | \$ 5,808 | \$ 4,416 |
| Pre-tax pre-provision earnings from adjusted operations to average total assets ⁽¹⁾ | 1.36% | 1.19% | 1.26% | 1.42% | 1.09% |

(1) Annualized