BankFinancial Corporation
(NASDAQ: BFIN)

Investor Presentation

August 2022

Forward Looking **Statements**

This Presentation contains, and the periodic and current reports we file with the SEC, press releases and other public stockholder communications of BankFinancial Corporation may contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which involve significant risks and uncertainties. Forward-looking statements may include statements relating to our future plans, strategies and expectations, as well as our future revenues, earnings, losses, financial performance, financial condition, asset quality metrics and future prospects. Forward looking statements are generally identifiable by use of the words "believe," "may," "will," "should," "could," "expect," "estimate," "intend," "anticipate," "project," "plan," or similar expressions. They are frequently based on assumptions that may or may not materialize, and are subject to numerous uncertainties that could cause actual results to differ materially from those anticipated in the forward looking statements. We intend all forward-looking statements, including the financial projections contained herein, to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for the purpose of invoking these safe harbor provisions. Forward looking statements speak only as of the date they are made. We do not undertake any obligation to update any forward-looking statement in the future, or to reflect circumstances and events that occur after the date on which the forward-looking statement was made.

Factors that could cause actual results to differ materially from the results anticipated or projected and which could materially and adversely affect our operating results, financial condition or future prospects include, but are not limited to: (i) less than anticipated loan growth due to intense competition for loans and leases, particularly in terms of pricing and credit underwriting, or a dearth of borrowers who meet our underwriting standards; (ii) the impact of re-pricing and competitors' pricing initiatives on loan and deposit products; (iii) interest rate movements and their impact on the economy, customer behavior and our net interest margin; (iv) adverse economic conditions in general, or specific events such as a pandemic or terrorism, and in the markets in which we lend that could result in increased delinquencies in our loan portfolio or a decline in the value of our investment securities and the collateral for our loans; (v) declines in real estate values that adversely impact the value of our loan collateral, OREO, asset dispositions and the level of borrower equity in their investments; (vi) borrowers that experience legal or financial difficulties that we do not currently foresee; (vii) results of supervisory monitoring or examinations by regulatory authorities, including the possibility that a regulatory authority could, among other things, require us to increase our allowance for loan losses or adversely change our loan classifications, write-down assets, reduce credit concentrations or maintain specific capital levels; (viii) changes, disruptions or illiquidity in national or global financial markets; {ix) the credit risks of lending activities, including risks that could cause changes in the level and direction of loan delinquencies and charge-offs or changes in estimates relating to the computation of our allowance for loan losses; (x) monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board; (xi) factors affecting our ability to access deposits or cost-effective funding, and the impact of competitors' pricing initiatives on our deposit products; (xii) legislative or regulatory changes, that have an adverse impact on our products, services, operations and operating expenses; (xiii) higher federal deposit insurance premiums; (xiv) higher than expected overhead, infrastructure and compliance costs; (xv) changes in accounting or tax principles, policies or guidelines; (xvi) the effects of any federal government shutdown; and (xvii) privacy and cybersecurity risks, including the risks of business interruption and the compromise of confidential customer information resulting from intrusions.

These risks and uncertainties, as well as the Risk Factors set forth in Item 1A of our Annual Report on Form 10-K, as well as, other filings we make with the SEC, should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

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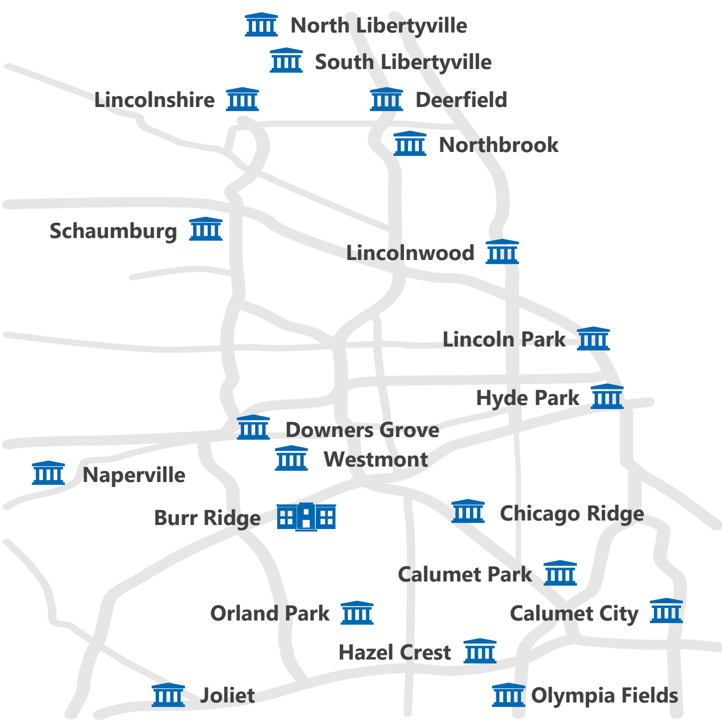
Franchise Overview and Credit Highlights

Company Overview

Franchise Overview



19 Banking Offices in Cook, Lake, DuPage, and Will Counties

Financial Highlights

Balance Sheet	6/30/22
Total Assets ($mm)	$1,645
Total Gross Loans ($mm)	$1,149
Deposits ($mm)	$1,445
Loans / Deposits (%)	79.1
Performance Ratios (Q2 Annualized)	
ROAA (%)	0.62
ROATCE (%)	6.64
Net Interest Margin (%)	3.07
Efficiency Ratio (%)	73.01
Asset Quality	
NPAs / Assets (%)	0.15
NPAs / (Loans + OREO) (%)	0.22
Reserves / NPLs (%)	427.2
Reserves / Loans (%)	0.63
Texas Ratio (%)	1.55
Capital Ratios	
TCE / TA (%)	9.37
Leverage Ratio (%)	9.48
CET1 Ratio (%)	15.78
Tier 1 Capital Ratio (%)	15.78
Total Capital Ratio (%)	18.49

10 Consecutive "Outstanding" CRA Ratings

All financial information as of 6/30/2022 unless indicated otherwise.

Key **Business Lines**

Multi-Family Real Estate

- $486MM, 42% of loans
- Focus on stabilized Class B & C apartment buildings
- 57% Chicago / 43% nationwide
- Wtd. avg. DSCR – 1.8x
- Wtd. avg. LTV – 52%

Equipment Finance

- $433MM, 38% of loans
- Direct origination with independent lessors
- Fully amortizing equipment leases
- Equipment types are predominantly IT & Material Handling

Non-Residential Real Estate

- $116MM, 10% of loans
- 80% non-owner occ.
- Concentrated in Chicago
- Avg. Loan Size - $847k
- Wtd. avg. DSCR – 2.3x
- Wtd. avg. LTV – 45%

Commercial Finance

- $87MM, 8% of loans
- Direct Lessor Finance ($37MM)
- Healthcare Finance ($34MM)
- Community and Commercial Finance ($16MM)

Highlights

Franchise and Management Strength

- Regional / Nationwide business model that results in a geographically diverse commercial loan portfolio
- 97.6% Commercial-related Loan Portfolio
- Minimal borrower concentration – Top 5 loan relationships represent approximately 8% of loan portfolio
- Strong risk management culture with robust governance and experienced credit personnel

Granular Loan and Deposit Portfolio

- 80% loan-to-deposit ratio
- Core funded franchise with 85% core transactional deposits; 75% Retail and 25% Commercial
- Low-risk loan portfolio given product types, conservative underwriting and strong recoveries profile
- Consistent progress towards goal of 50% C&I / 50% Multi-Family and CRE balanced portfolios
- Prudent credit culture and strong asset quality

Strong Capital Position and Consistent Profitability

- Capital ratios in excess of well capitalized minimums (Q2 22 CET1 of 15.8% and TRBC of 18.5%)
- Net interest margin positioned for relative stability in all rate environments given asset and liability durations
- Consistent and improving bottom-line (38 consecutive quarters of profitability)
- Limited holding company double leverage

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Priorities

Continue growth & diversification of loan portfolio

- Expanded capabilities and capacity in Commercial Finance Lending and Equipment Finance now enable additional yield support/enhancement
- Continue progress towards goal of 50% Commercial Finance / 50% Multi-Family and CRE balanced portfolios

Maximize contribution of deposit infrastructure to support loan growth & stronger non-interest income

- Further improvements to operating efficiency (deposit balances and non-interest income) from existing branch and other deposit-focused channels including new Treasury Services Department and Trust Department

Maintain Asset Quality

Continue utilization of shareholder return capabilities

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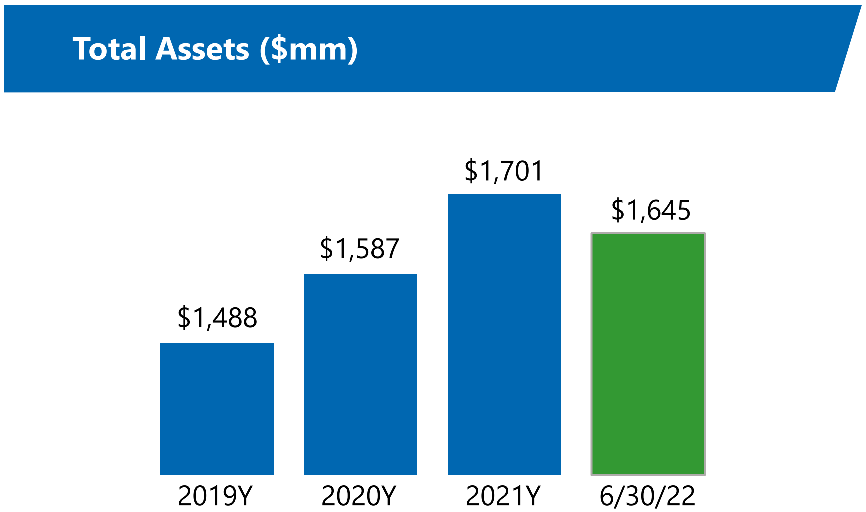
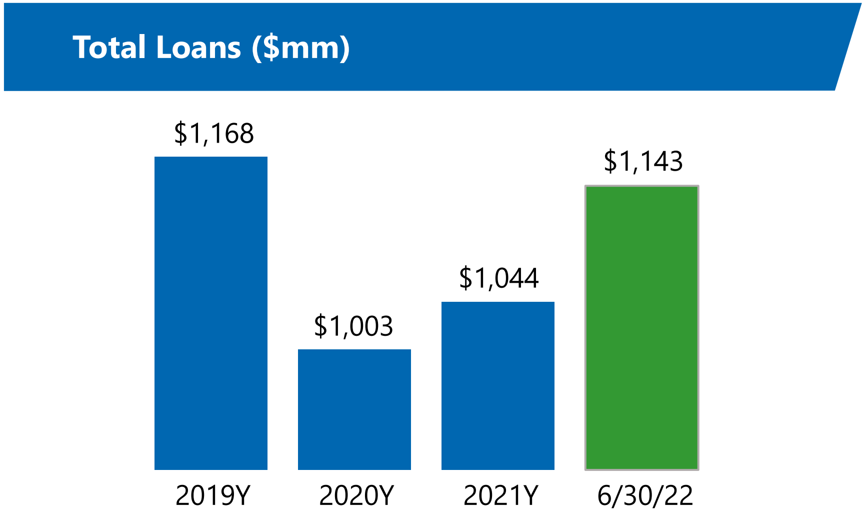
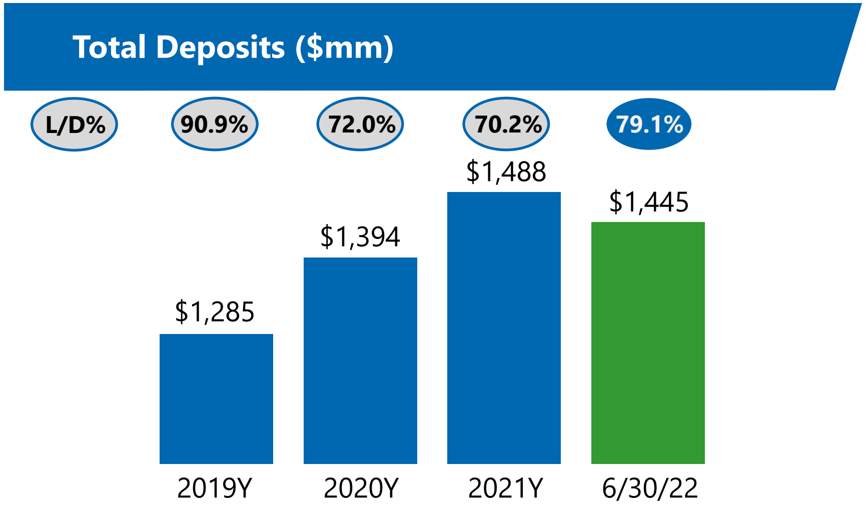
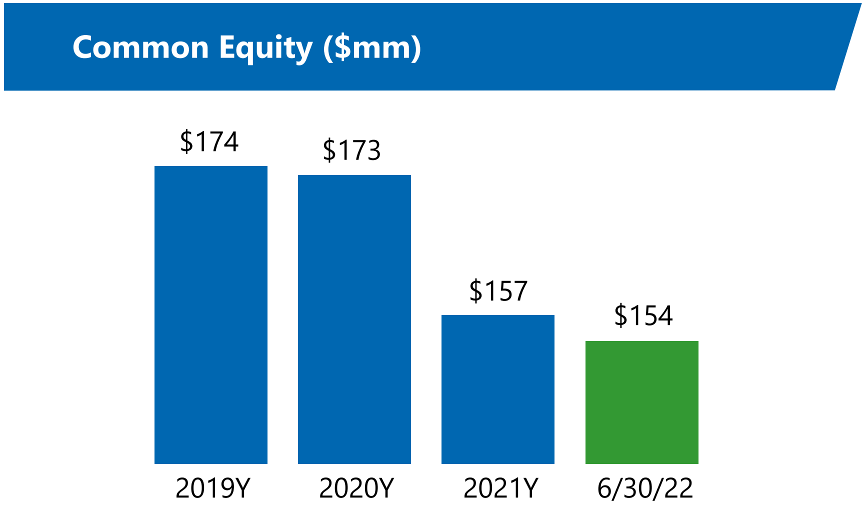
Financial Highlights

Historical **Balance Sheet Growth**





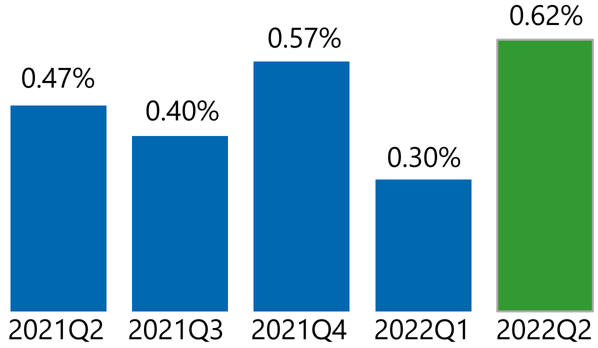




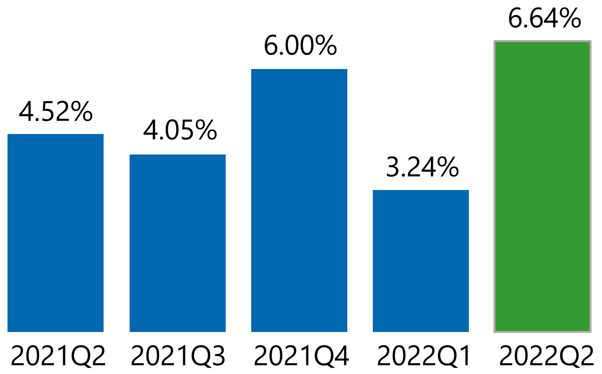
All financial information as of June 30, 2022 unless indicated otherwise.

Historical **Earnings Performance**

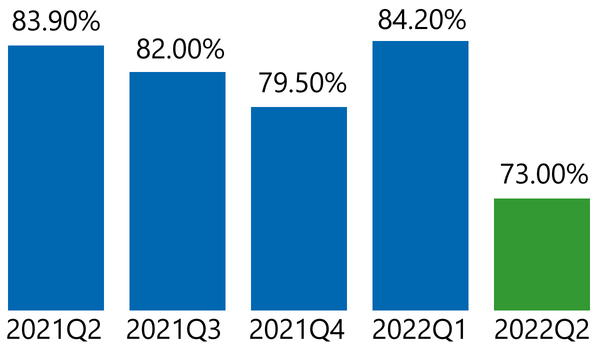
Annualized ROAA (%)



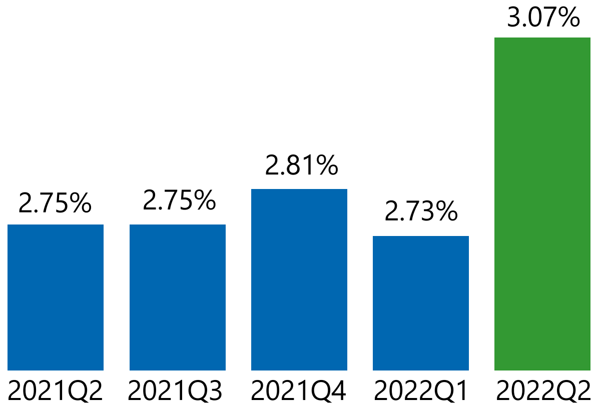
Annualized ROATCE (%)



Efficiency Ratio (%)



Annualized Net Interest Margin (%)



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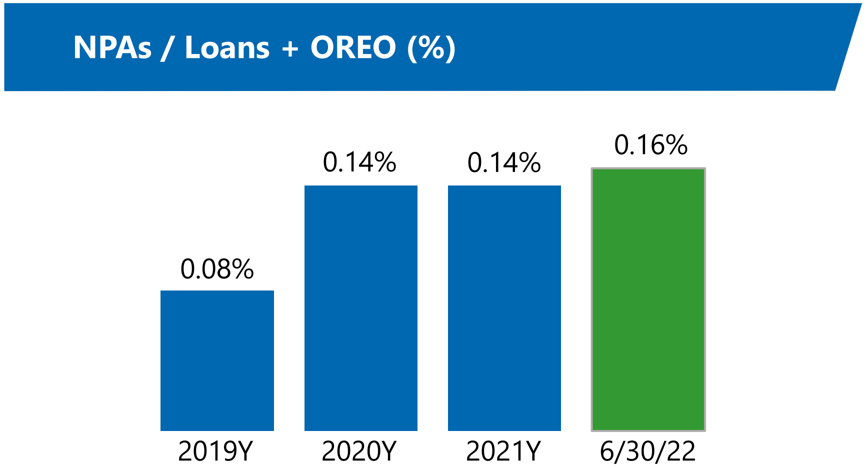
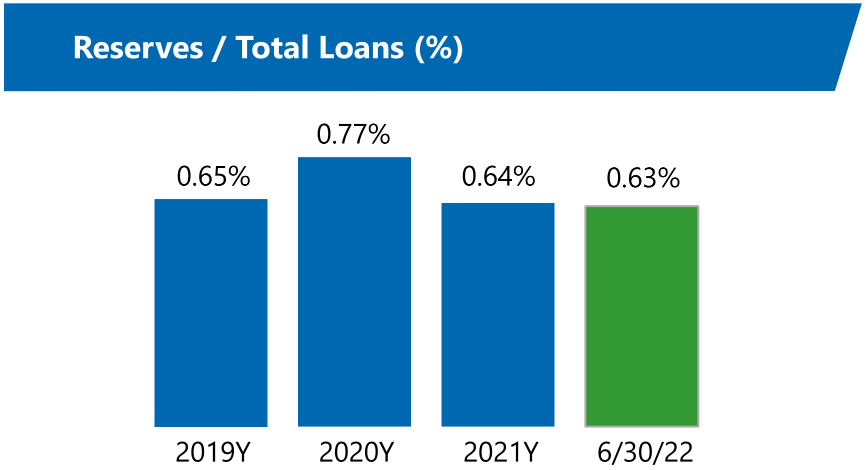
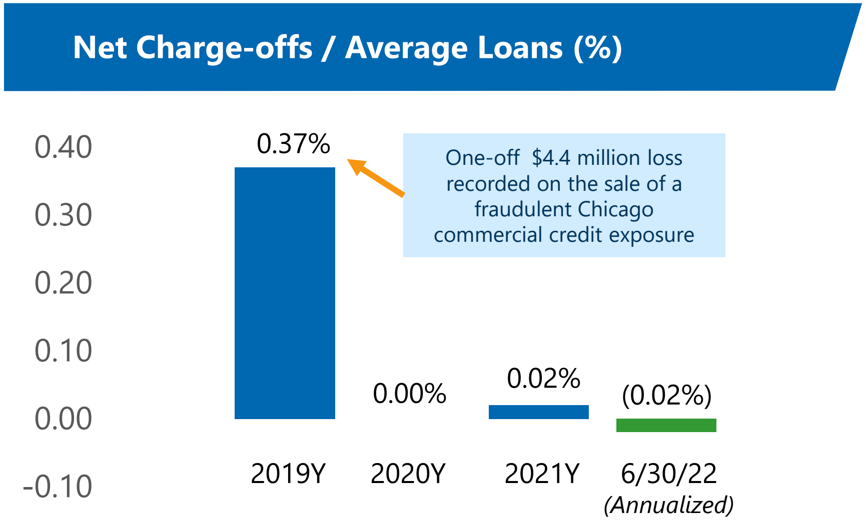
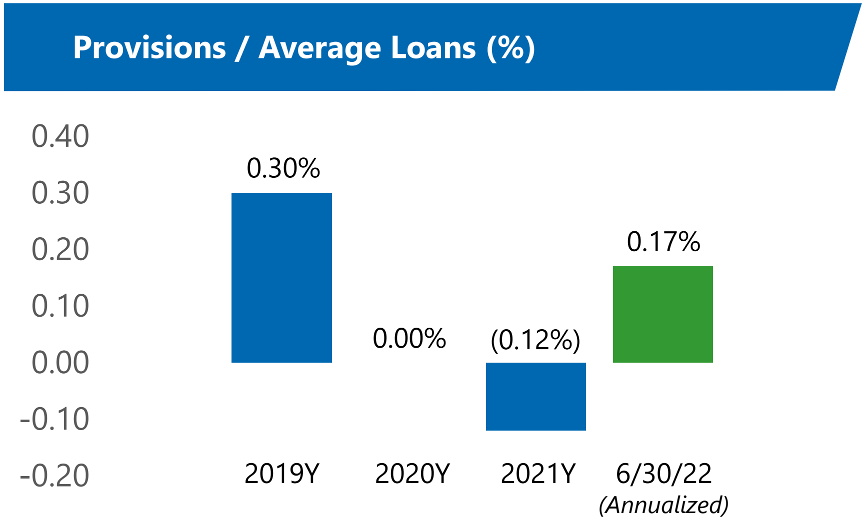
Historical **Asset Quality**





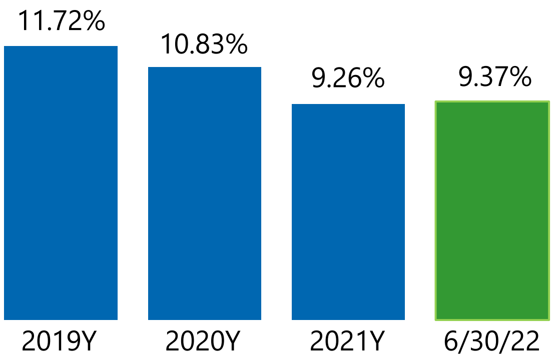




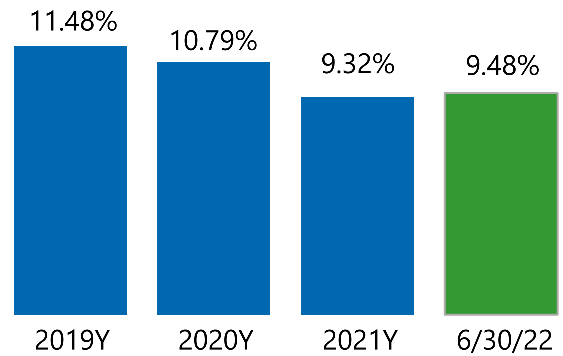
All financial information as of June 30, 2022 unless indicated otherwise.

Historical **Capital Position**

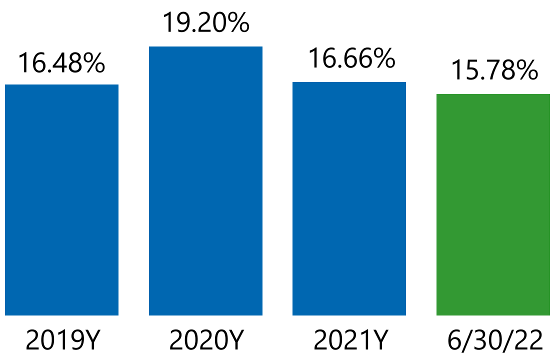
Tangible Common Equity / Tangible Assets (%)



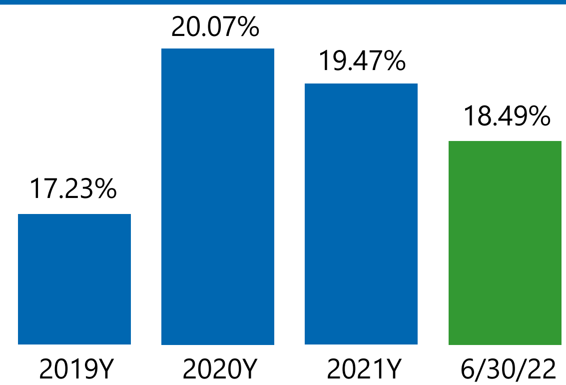
Tier I Leverage Ratio (%)



Tier I Risk-Based Ratio (%)



Total Risk-Based Capital Ratio (%)



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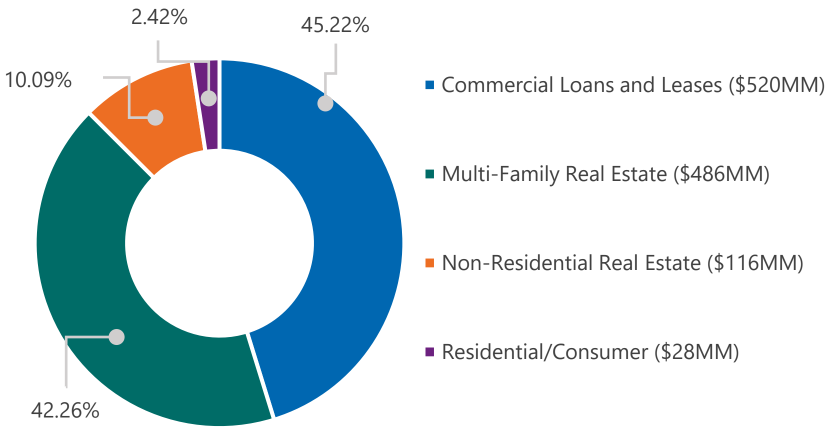
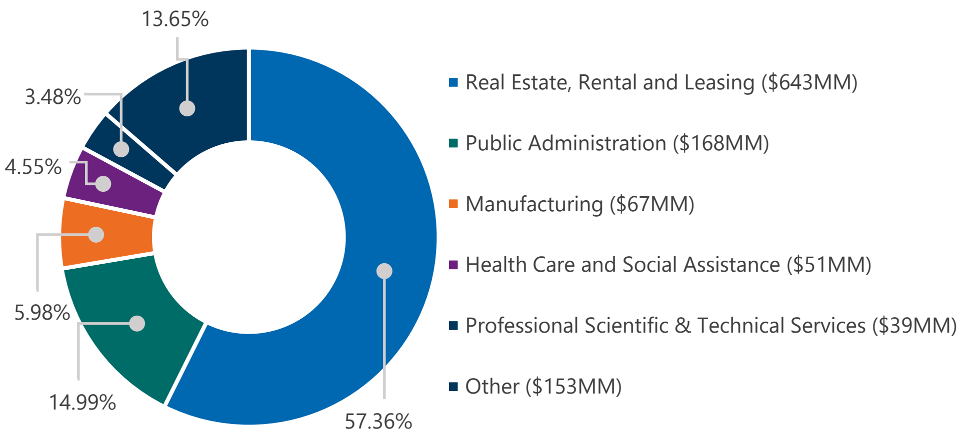
3 Loan, Investment and Deposit Portfolios

Loan Portfolio **Composition**

6/30/22 Loan Composition



Commercial Loan Industry Concentrations



Targeted Organic Loan Origination on National, Regional, or Local Basis

1. Commercial Finance/Healthcare and Lessor Financing
2. Commercial Equipment Leases
3. Multi-Family

Minimal Borrower Concentration:

Top 5 Loan Relationships represent approximately 8% of Loan Portfolio

Minimal Construction/Land Loans exposure:

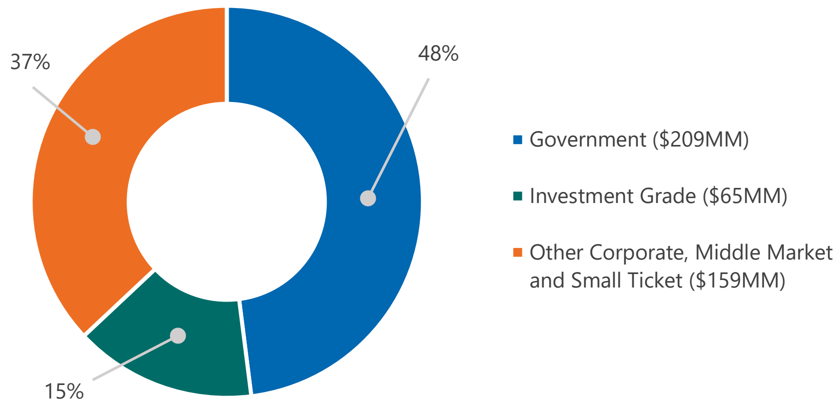
(< .01% of total loans)

Limited total exposure to Hospitality, Restaurant, Oil and Gas representing less than 2% of loans

All financial information as of June 30, 2022 unless indicated otherwise.

Commercial **Loan Portfolio**

Equipment Finance



Direct origination relationships with independent lessors throughout US, including several ELFA Top 25 Independent Lessors

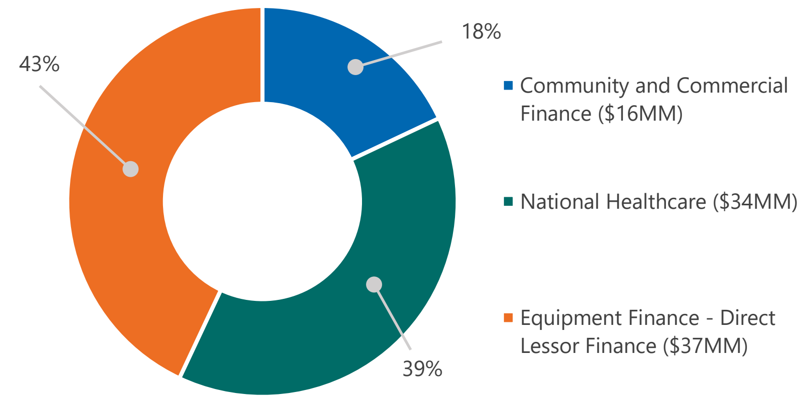
Typical structure is fully amortizing commercial equipment lease or financing agreement

- Weighted average life of the portfolio is 1.42 years based on expected cash flows
- Lease terms range from 24 months to 84 months, depending on lessee credit and equipment type
- Support Fair Market Value, Finance, Operating and Capital Lease structures

Equipment types are predominantly Information Technology & Material Handling

- "Essential-use/Mission-critical" hardware and software to lessee operations
- Lessee distribution governed by concentration of credit limits

Commercial Finance



Community and Commercial Finance

- Focus on companies $2MM to $10MM in sales
- Working capital, equipment, and owner-occupied CRE
- $30 million in total commitments with 53% utilization at 6/30/22

Healthcare Finance

- Working capital, equipment, acquisition & HUD bridge financing
- $101 million in total commitments with 34% utilization at 6/30/22

Equipment Finance: Direct Lessor Finance

- Bridge/warehouse, working capital, retained portfolio and residual equity loan/equity pool credit products
- $127 million in total commitments with 29% utilization at 6/30/22

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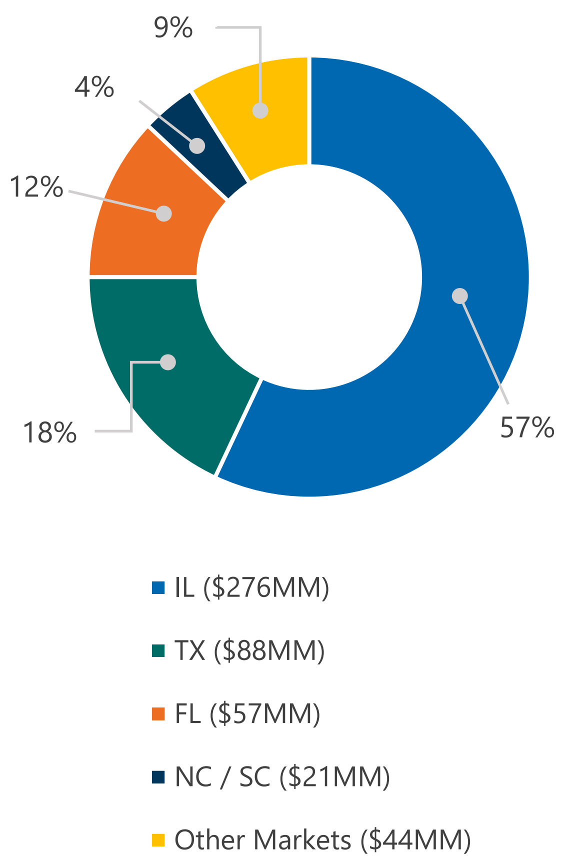
Multi-Family **Loan Portfolio**



Focus on Stabilized Class B & C Apartment Buildings

- Chicago MSA and selected geographic markets with strong macroeconomic and employment growth trends
- "Rent By Necessity" / Affordable Housing tenants – no Class A luxury properties
- Tenant base and geographic location result in assets with high demand and limited new supply

Strong Underwriting Metrics

- Weighted Average DSCR – 1.79x
- Weighted Average LTV – 52%
- 25% of Total Portfolio / 76% of Seasoned Portfolio qualifies for 50% Risk-Based Capital Treatment

Geographic Diversification in Selected High-Performing Markets

- Risk assessments & concentration of credit limits maintained for all markets

Direct Loan Originations Supported by Independent Underwriting

- Commercial Bankers located in all targeted geographic markets
- Loan-level stress parameters: NOI, Debt Service & Valuation
- Independent credit analysis & collateral inspection practices

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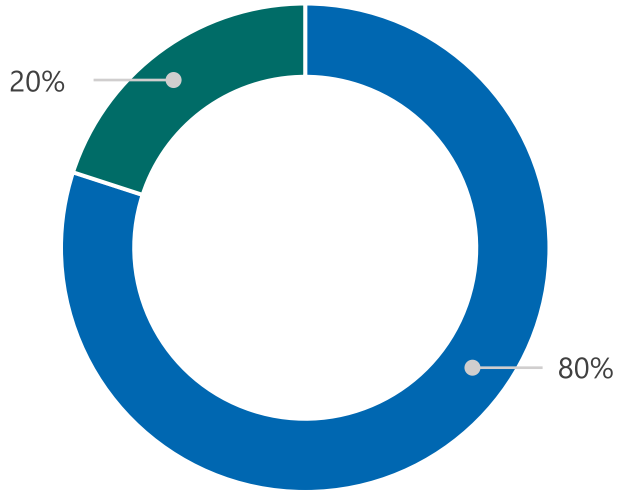
Non-Residential Real Estate **Loan Portfolio**



■ Non-Owner Occupied ($93MM)

■ Owner Occupied ($23MM)

Top Three Portfolios – Non-Owner Occupied

- Retail - $52MM
- Mixed Use Building - $10MM
- Office Building - $8MM

Strong Underwriting Metrics

- Weighted Average DSCR – 2.33x
- Weighted Average LTV – 45%

Concentrated in Chicago MSA

No Significant Tenant Concentrations

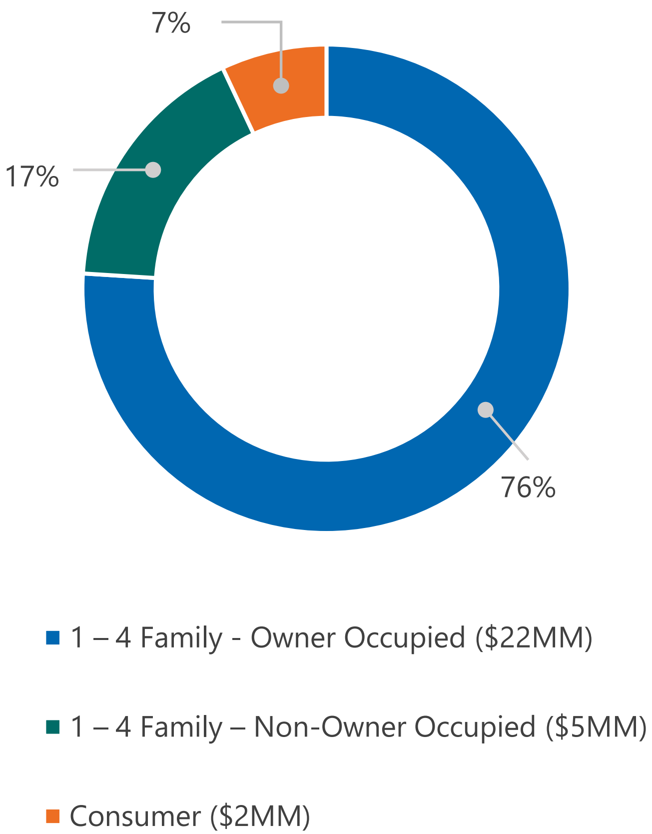
- No Big Box/Anchor Exposure
- Minimal Single Tenant Exposures

Largest Exposure is Less Than 5% of Capital and ALLL

- Average Loan Size - $847,000

All financial information as of June 30, 2022 unless indicated otherwise.

1 – 4 Family and Consumer **Loan Portfolio**



Concentrated in Chicago MSA

91% of the 1 – 4 Family Loans are 1st Liens

Portfolio Status

- Residential / Home Equity Loans: Legacy portfolio status – No new loans since 2017
- Consumer Loans: Micro-credit loans & lines of credit for retail deposit customers

HELOC's

- $19 million in total commitments with 32% utilization at 6/30/22

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Loan Origination **Priorities**

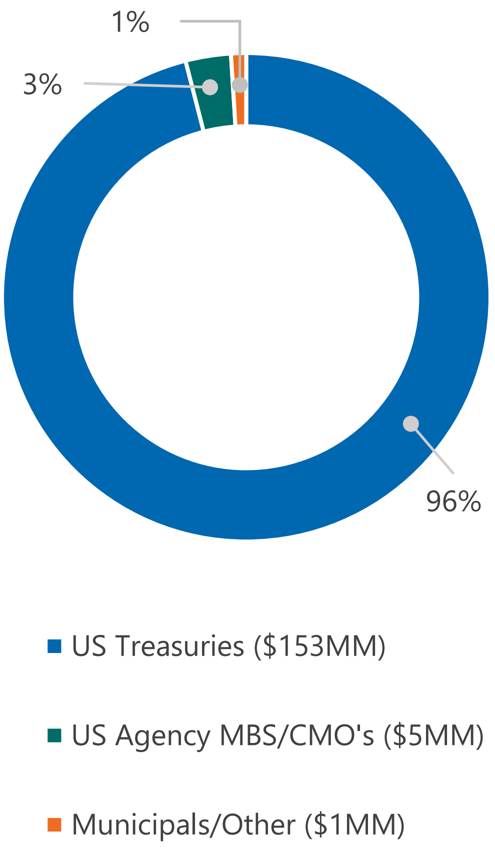
1 Commercial Finance/Healthcare

- Chicago MSA commercial lending to small and lower-middle market companies
- Working Capital finance to Equipment Finance lessors
- Working Capital finance to commercial and governmental borrowers nationwide
- Working Capital and Equipment finance to selected hospitals, healthcare professional practices, ambulatory/surgical centers, residential care and medical suppliers, non-profit community healthcare providers, and home health care on national basis based on specific market underwriting

2 Equipment Finance

- Focus on publicly-traded/rated, governmental, middle-market and small-ticket lessees

Investment **Portfolio**

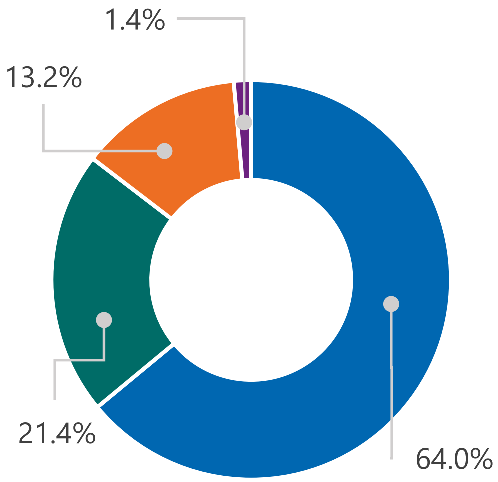


Portfolio Status

- Unrealized (Loss) at 6/30/22 was ($5.0 million) representing 3% of total book value
- US Treasuries have a weighted average life of 2.21 years
- All investments held in AFS portfolio

Funding **Composition**

85% Core Funded



- Retail Core ($937MM)
- Commercial Core ($314MM)
- Retail Certificates of Deposit ($193MM)
- Other ($20MM)

Retail:	Core Transactional ($937MM) Certificates of Deposit ($193MM)
Commercial:	Core Transactional ($314MM)
Other:	Bank Wholesale Funding (<$1MM) Subordinated Debt ($20MM)

Traditional and Digital Banking Channels

Over 90% of Direct Customer Transactions via Electronic/Online/Mobile

Stable Funding Composition

Wholesale Funding ($20MM) represent less than 2% of Total Funding

All financial information as of June 30, 2022 unless indicated otherwise.

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Risk Management

Risk Assessment **Overview**

1 Enterprise Risk Assessment

- Comprehensive capital and asset allocation assessment for credit risk and concentration risk management
- Incorporates specific Risk Assessments for Multi-Family Real Estate Lending, Equipment Finance and Commercial Finance
- Enterprise Risk Assessment & Business Plan thus align with market conditions and opportunities

2 Credit Risk Assessments

- Market-focused assessments based on competitive and geographic-specific information, as applicable
- Product development aligned with Credit Risk Assessments

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Loan Portfolio – **Lending Overview**

1 Multi-Family Real Estate Lending

- Geographic diversity in markets with strong economic and employment growth (TX, FL, NC, SC, Others)
- Focused on rent-by-necessity apartment tenant market
- Demand for units typically exceeds supply, as new MF Project Rents exceed tenant ability-to-pay
- Risk segmentation using dual-note structure:
  - "**A Note**": Minimum 1.40X DSC / Maximum 65% LTV / 50% Risk-Weighted Capital Eligible
  - "**B Note**": Minimum 1.20X DSC / Maximum 75% LTV – Fixed-Rate, Fully Amortizing 25 Year Maturity Term
  - **Loan-Level Stress Testing**: Interest Rate, Vacancy & Collection, Capitalization Rate
- Capital Markets Capability for Opportunities Exceeding Portfolio Parameters

2 Equipment Finance

Portfolio Objectives:

- IG Corporate: 10%
- Government: 25%
- Other Corporate: 25%
- Middle: 20%
- Small: 10%

- Industry- and geographic-diversified portfolio of leveraged leases or equipment finance agreements
- Essential-Use Equipment, Technology & Software Applications
- No Current Residual Valuation Exposure

3 Commercial Finance

Portfolio Objectives:

- Commercial: 25%
- Government: 30%
- Healthcare: 30%
- Specialty: 15%

- Industry- and geographic-diversified portfolio categories
- DSC / Asset-Based / AR Factoring Capabilities
- Cash Dominion Controls Via BFNA Lockbox or Bank Deposit Account Control Agreements (DACA)

Loan Portfolio – **Controls Overview**

1 Originations

- Standard conforming products defined for all commercial credit originations
- Centralized underwriting – no individual lender authority
- Dual-signature or Management Committee approval/disbursement controls
- Board Asset Quality or Board of Directors approvals also required under certain circumstances

2 Portfolio Management

- Portfolio Management Committee monitors loan covenant compliance, Borrowing Base & Field Audit review function, and portfolio trend analyses, including annual portfolio-level stress test on Commercial RE portfolio
- Annual Loan Review conducted by Portfolio Management Committee independent of lender
- Independent Loan Risk Rating Committee

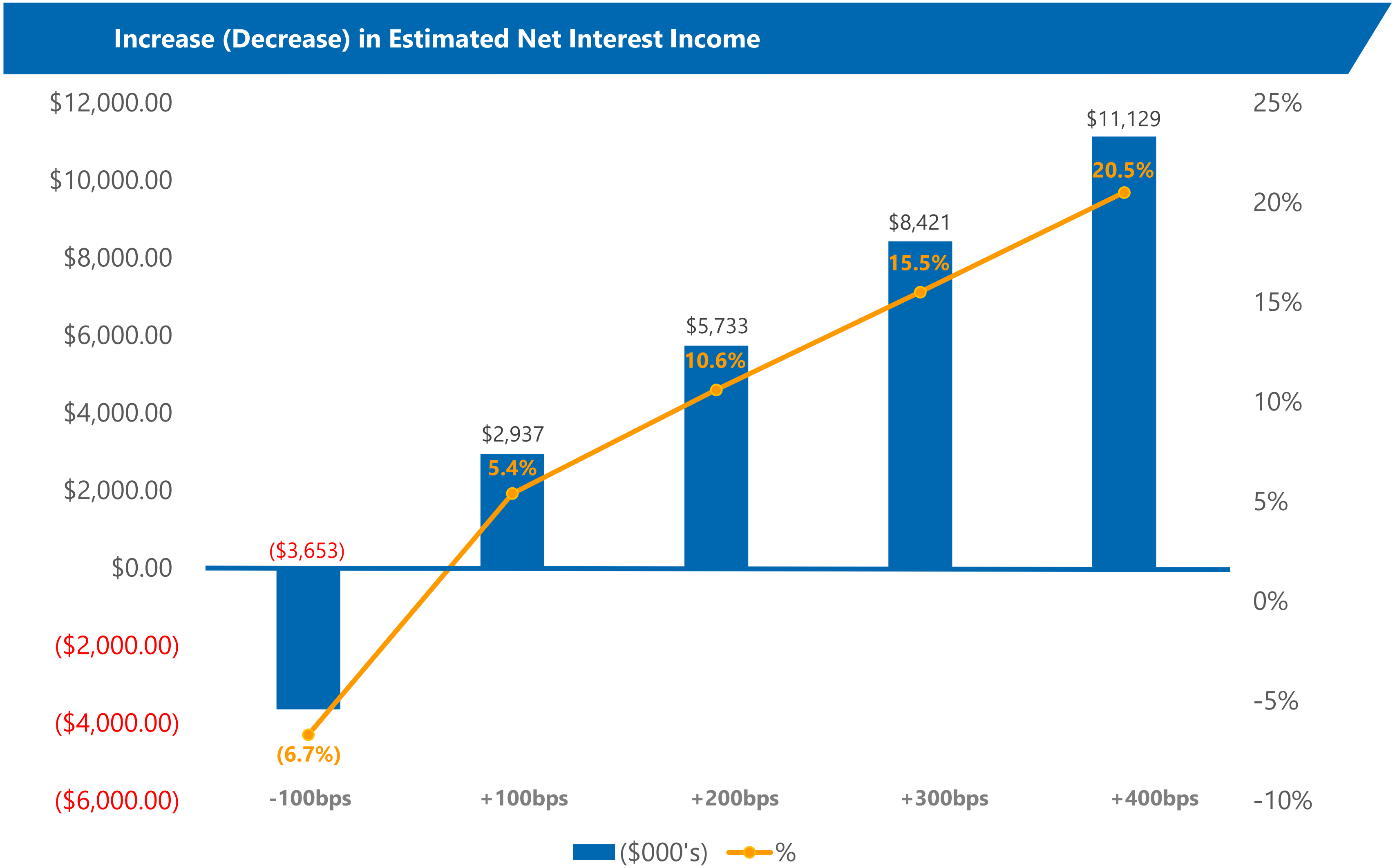
3 Audit

- Periodic operational audits conducted by Internal Audit Division for policy and procedure compliance
- Annual External Loan Review conducted by external review firm

4 ALLR / CECL

- National & Local Risk Factors – uses independent economic data pursuant to Credit Risk Assessments
- Loan-level reserve & loss ratios based on portfolio experience for each defined commercial credit product

Rate Shock Scenario Analysis



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