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4Q23 Investor Presentation

January 24th, 2024

This presentation may contain certain forward-looking statements about Bankwell Financial Group, Inc. (the “Company”). Forward-looking statements include statements regarding anticipated future events and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believe,” “expect,” “would,” “should,” “could,” or “may.” Forward-looking statements, by their nature, are subject to risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results include increased competitive pressures, changes in the interest rate environment, general economic conditions or conditions within the banking industry or securities markets, and legislative and regulatory changes that could adversely affect the business in which the Company and its subsidiaries are engaged.



- 4Q23 & 2023 Performance
- Deposits & Liquidity
- Loans
- Credit Quality & Capital
- Bankwell History & Overview





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4Q23 & 2023 Performance

Dollars in millions, except per share data

	4Q23	TY23
Net Income	\$8.5	\$36.7
Earnings Per Share (EPS)	\$1.09	\$4.67
Return on Average Assets	1.03%	1.13%
Return on Average Equity	12.82%	14.55%
Net Interest Margin (NIM)	2.81%	2.98%
Non-Interest Expense / Assets	1.56%	1.55%
Tangible Book Value Per Share		\$33.39
Total Risk Based Capital		12.15%

Highlights

- Balanced loan growth (1.6%) with solid capital build
- \$33.39 Tangible Book Value generated a 15% 3-year CAGR
- \$1.6 billion immediately available liquidity providing more than 2X coverage of uninsured deposits
- \$83 million reduction in brokered deposits in 2023
- Addition of Chief Innovation Officer in 2Q23



Dollars in millions, except per share data

Income Statement	4Q23	3Q23	Var ¹	Balance Sheet	4Q23	3Q23	Var ¹
Total Interest Income	\$49.4	\$48.3	\$1.1	Cash & Cash Equivalents	\$269	\$258	\$11
Total Interest Expense	\$27.1	\$25.6	\$(1.6)	Investment Securities	\$128	\$116	\$12
<i>Net Interest Income</i>	<i>\$22.2</i>	<i>\$22.7</i>	<i>\$(0.5)</i>	Loans Receivable, net	\$2,685	\$2,735	\$(50)
Non-Interest Income	\$1.1	\$0.8	\$0.3	All Other Assets	\$133	\$141	\$(7)
Non-Interest Expense	\$12.9	\$12.2	\$(0.7)	Total Assets	\$3,215	\$3,250	\$(35)
Pre-Tax, Pre-Provision Net Revenue	\$10.5	\$11.3	\$(0.8)	Total Deposits	\$2,737	\$2,769	\$(32)
(Credit) for Credit Losses ²	\$(1.0)	\$(1.6)	\$(0.6)	Total Borrowings	\$159	\$159	\$0
Pre-Tax Income	\$11.5	\$12.9	\$(1.4)	Other Liabilities	\$54	\$64	\$(10)
Income Tax Expense	\$2.9	\$3.1	\$0.2	Total Liabilities	\$2,950	\$2,992	\$(42)
Reported Net Income	\$8.5	\$9.8	\$(1.3)	Equity	\$265	\$258	\$7
EPS	\$1.09	\$1.25	\$(0.16)	Total Liabilities & Equity	\$3,215	\$3,250	\$(35)
<i>Pre-Tax, Pre-Provision Net Revenue per share³</i>	<i>\$1.37</i>	<i>\$1.48</i>	<i>\$(0.11)</i>				

¹ Variances are rounded based on actual whole dollar amounts

² 3Q23 credit given CECL methodology refinement on loan portfolio segmentation; 4Q23 credit given decrease in loan balances and a release of specific reserves, partially offset by net charge-offs

³ Pre-tax, pre-provision net revenue per share is a non-GAAP metric & excludes provision for loan losses and income tax expense



YTD Consolidated Income Statement

Prior Year

Dollars in millions, except per share data

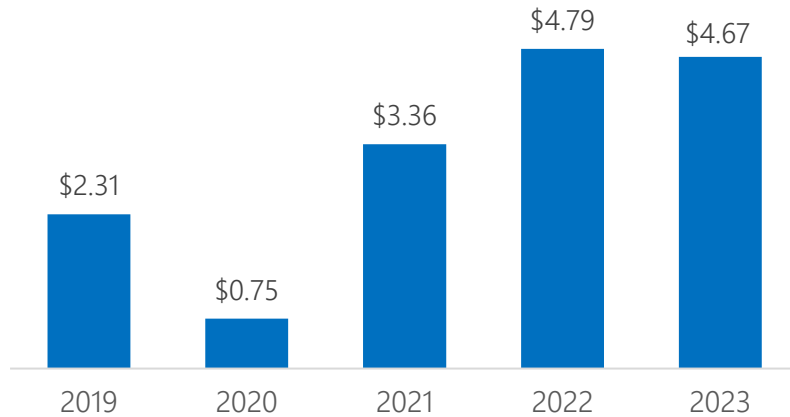
Income Statement	2023	2022	Var ¹
Total Interest Income	\$188.4	\$117.9	\$70.5
Total Interest Expense	\$94.0	\$23.2	\$(70.8)
<i>Net Interest Income</i>	<i>\$94.5</i>	<i>\$94.7</i>	<i>\$(0.2)</i>
Non-Interest Income	\$4.8	\$3.0	\$1.8
Non-Interest Expense	\$50.4	\$44.4	\$(6.0)
Pre-Tax, Pre-Provision Net Revenue	\$48.9	\$53.4	\$(4.5)
Provision for Loan Losses	\$0.9	\$5.4	\$4.5
Pre-Tax Income	\$48.0	\$48.0	\$0.0
Income Tax Expense	\$11.4	\$10.6	\$(0.8)
Reported Net Income	\$36.7	\$37.4	\$(0.7)
EPS	\$4.67	\$4.79	\$(0.12)
<i>Pre-Tax, Pre-Provision Net Revenue per share²</i>	<i>\$6.40</i>	<i>\$6.99</i>	<i>\$(0.59)</i>

¹ Variances are rounded based on actual whole dollar amounts

² Pre-tax, pre-provision net revenue per share is a non-GAAP metric & excludes provision for loan losses and income tax expense

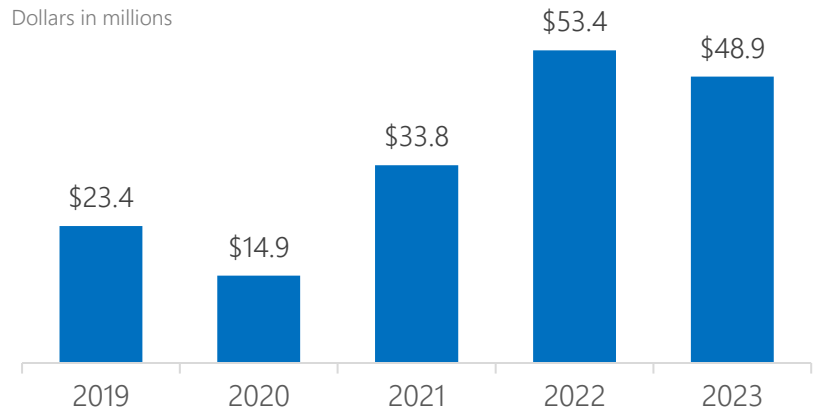


Diluted EPS

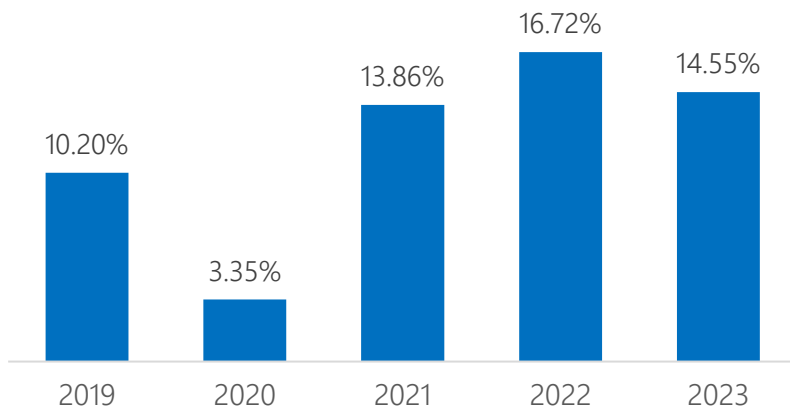


Pre Provision Net Revenue¹

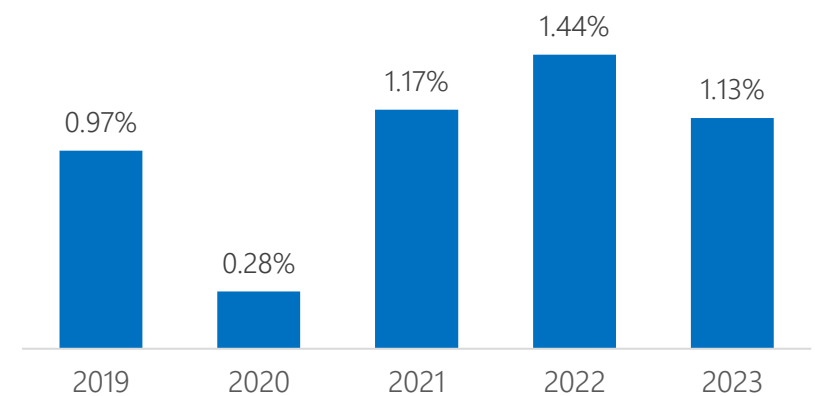
Dollars in millions



Return on Average Equity



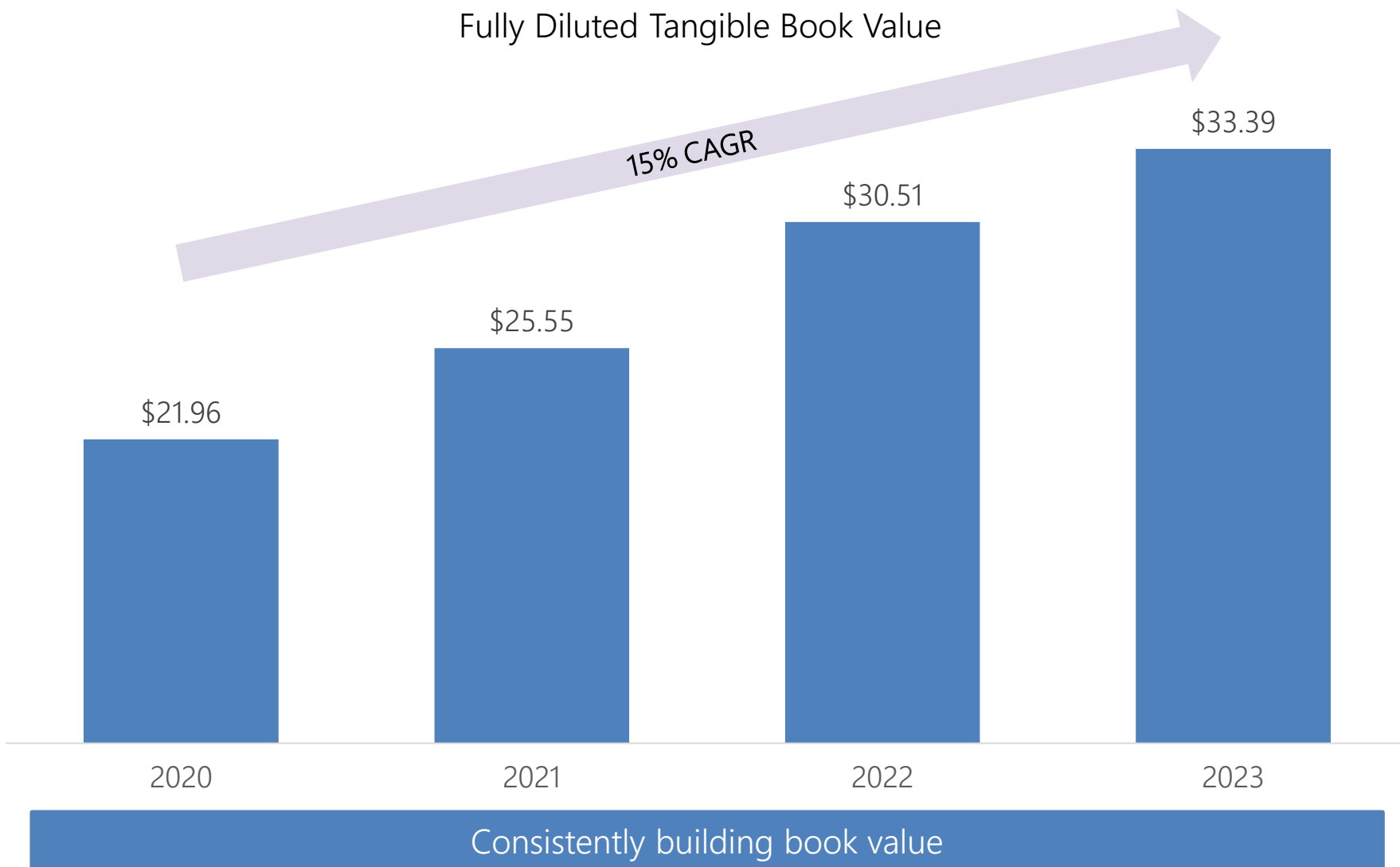
Return on Average Assets

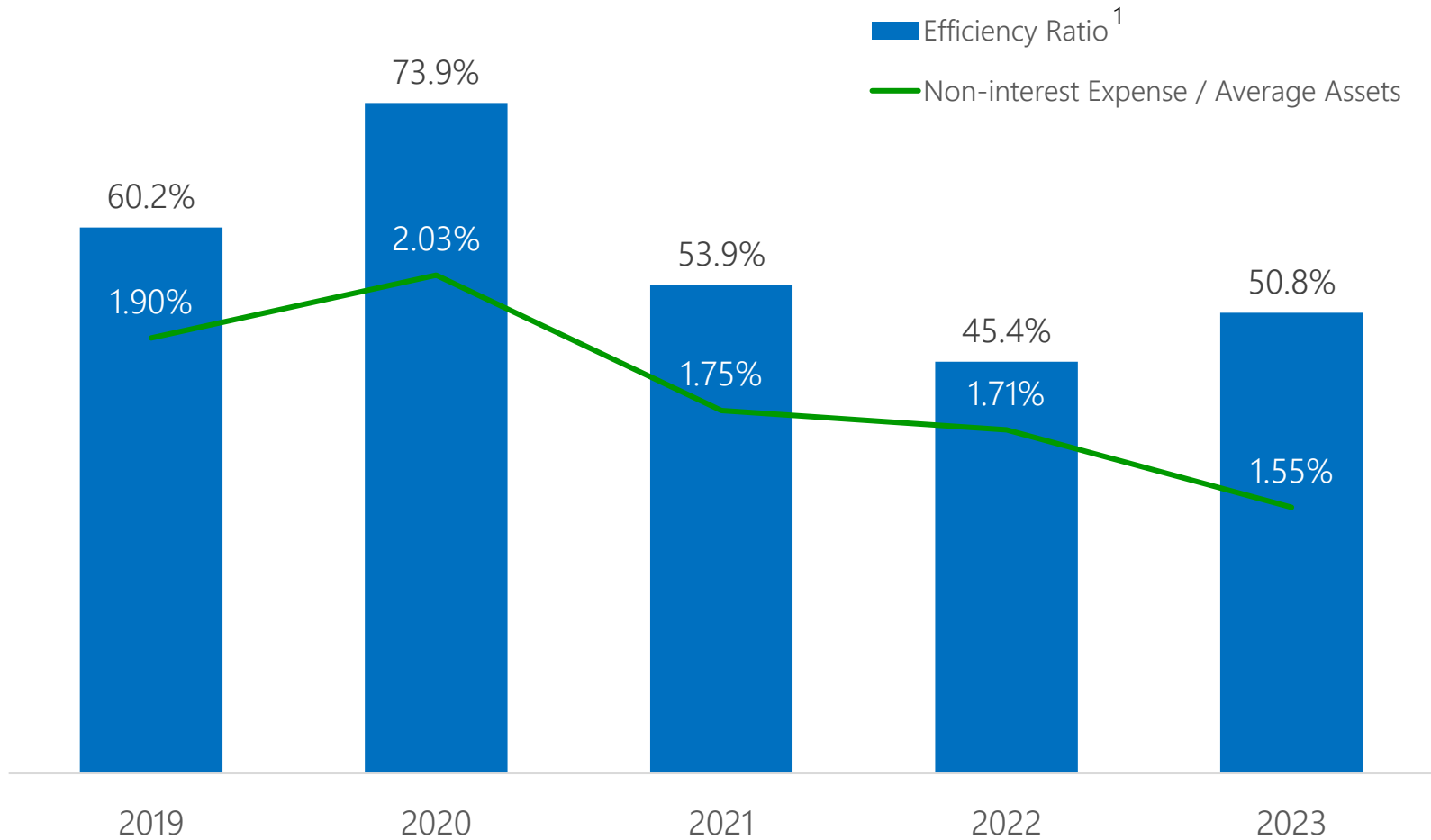


¹ Pre-tax, pre-provision net revenue is a non-GAAP metric & excludes provision for loan losses and income tax expense



Fully Diluted Tangible Book Value





¹ A non-GAAP metric





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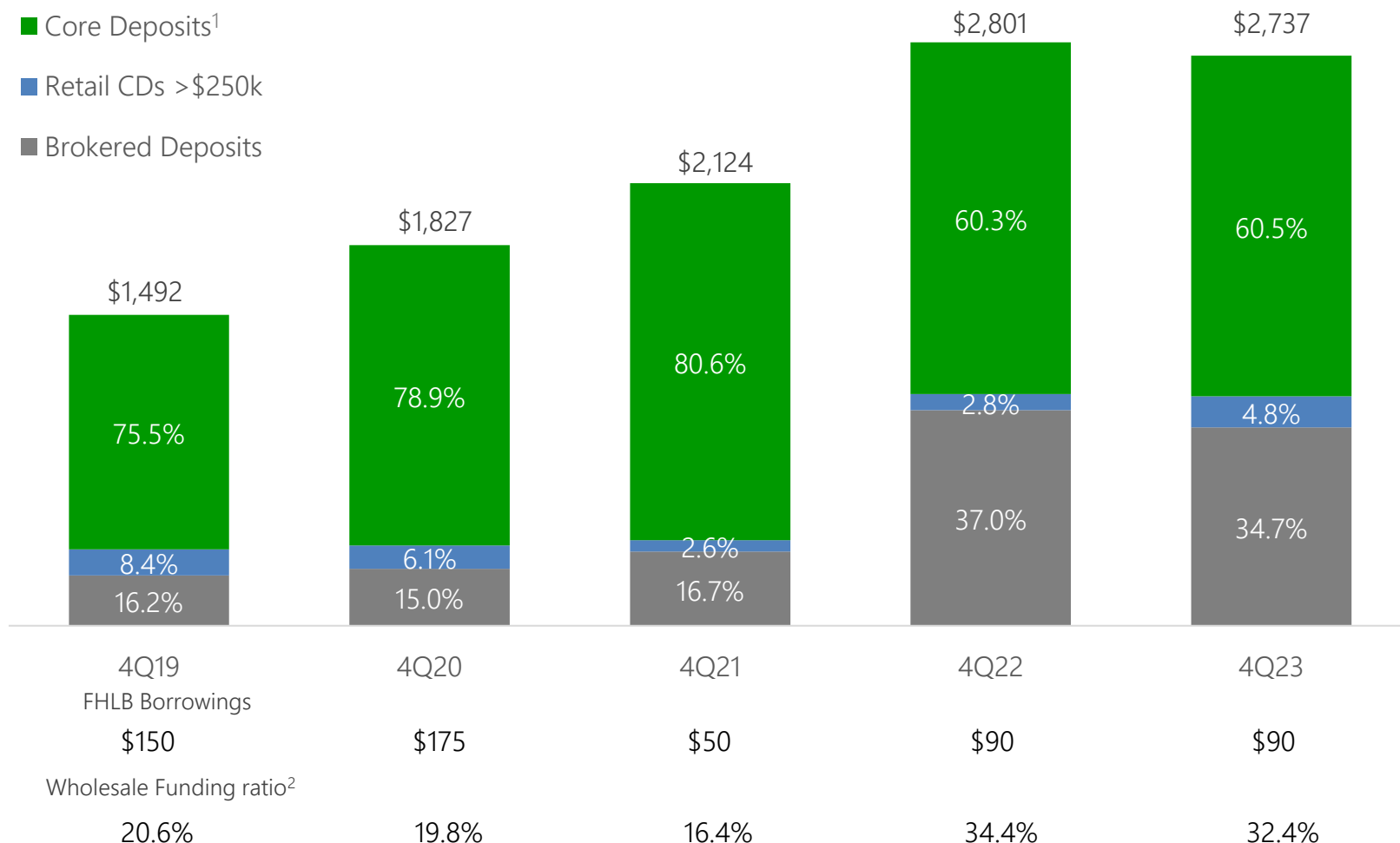
Deposits & Liquidity

Dollars in millions

■ Core Deposits¹

■ Retail CDs > \$250k

■ Brokered Deposits

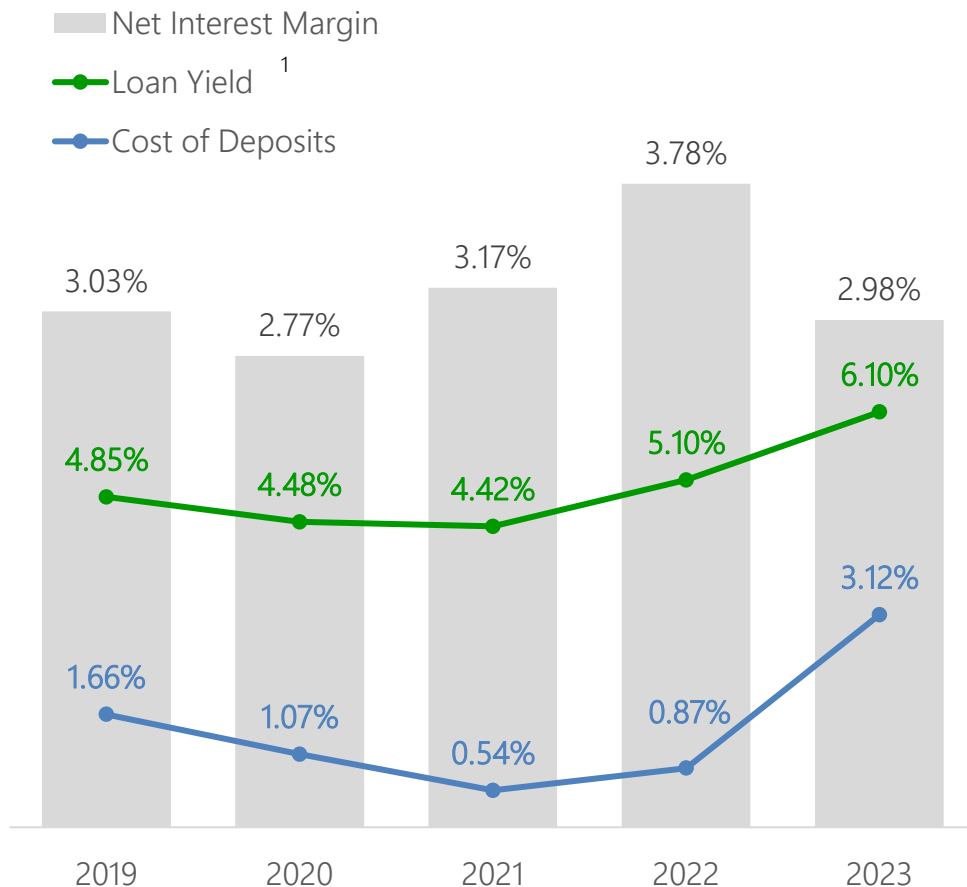


\$83 million reduction of brokered deposits in 2023

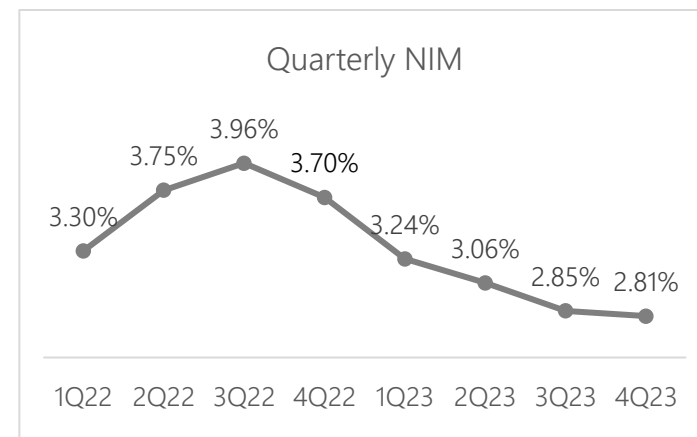
¹ Core Deposits include Commercial and Consumer checking, savings and money market accounts, and retail CD under \$250k

² Wholesale Funding ratio defined as brokered deposits and FHLB borrowings to total assets





- NIM declining with inverted yield curve:

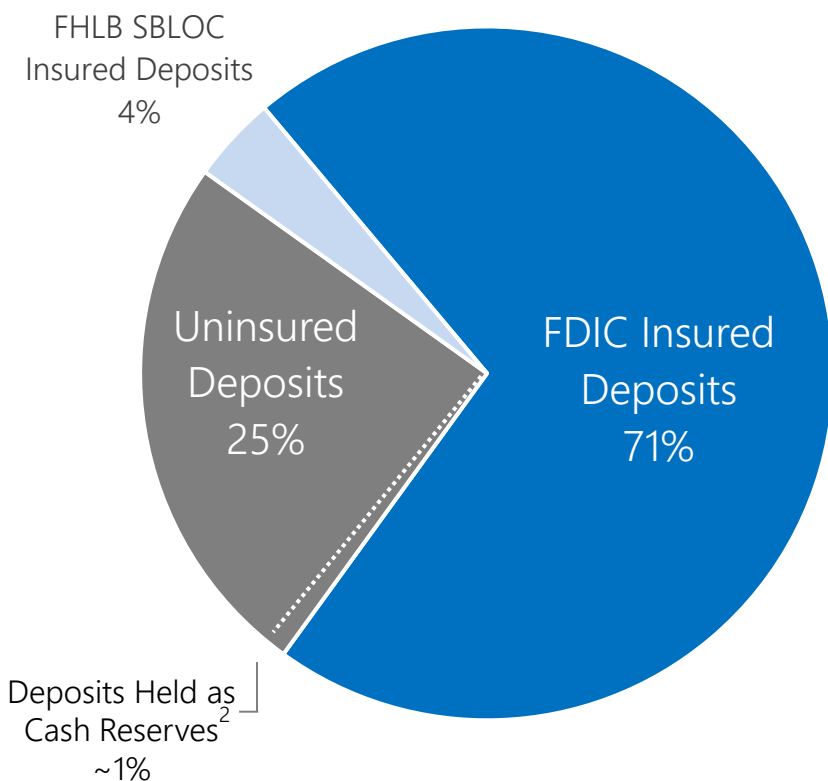


- December 2023 NIM of 2.54%
- 12/31/2023 'exit rates' of 6.20% on loans & 3.65% on deposits

¹ Includes origination fee amortization



Total Deposits = \$2,737 million



- \$2,056 million total insured deposits, including \$1,946 million FDIC-insured deposits
- Uninsured deposits include restricted funds held as cash reserves against loans
- **Over 2X liquidity coverage** on \$681 million uninsured deposits:

+ Unencumbered Cash	\$263
+ AFS Securities	\$111
+ Borrowing Capacity ¹	\$1,264
Immediately Available Liquidity	\$1,637
- 12% liquidity on balance sheet (Cash & AFS Securities)

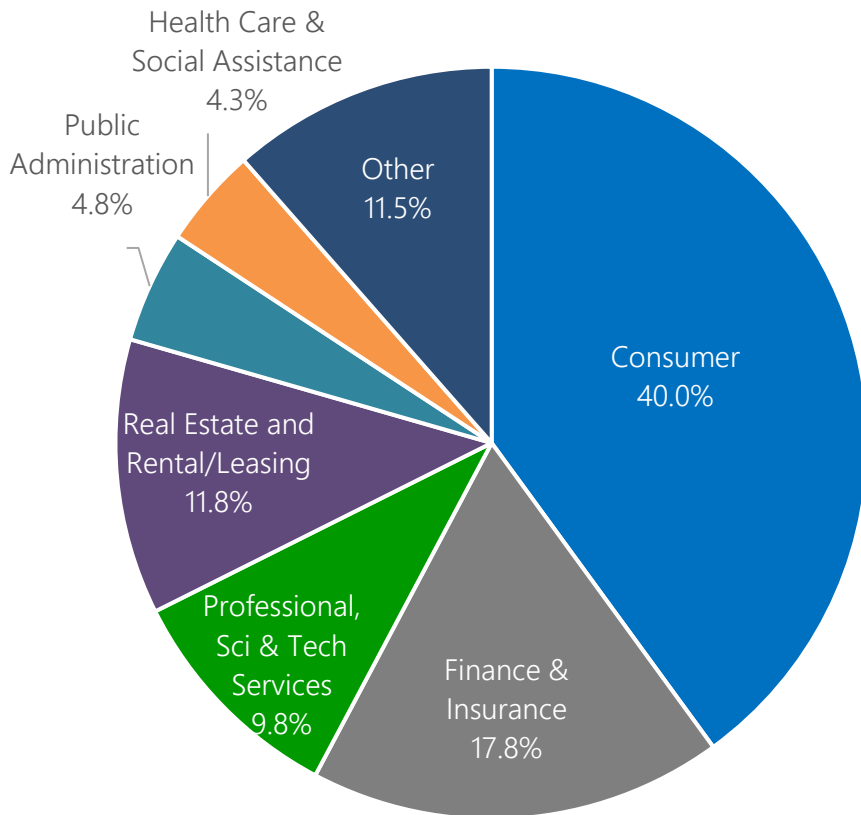
Ample coverage of uninsured deposits



¹ Bank lines, including FHLB & FRB

² Cash held with right of offset as collateral against loans

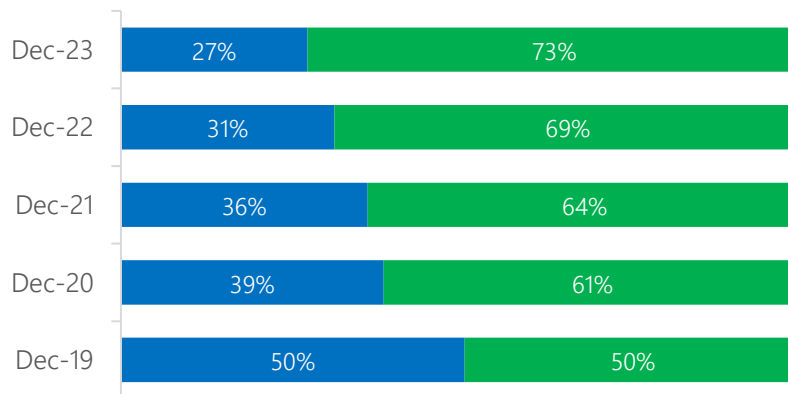
Deposits by Industry¹



- No digital currency deposits
- No single depositor greater than 3% of total deposits
- Average account size of \$86K¹
- Long-term mix shift into Business deposits

■ Consumer
■ Business

Core Deposit Mix excluding Retail CDs



Well diversified deposit base



¹ Excluding Brokered deposits



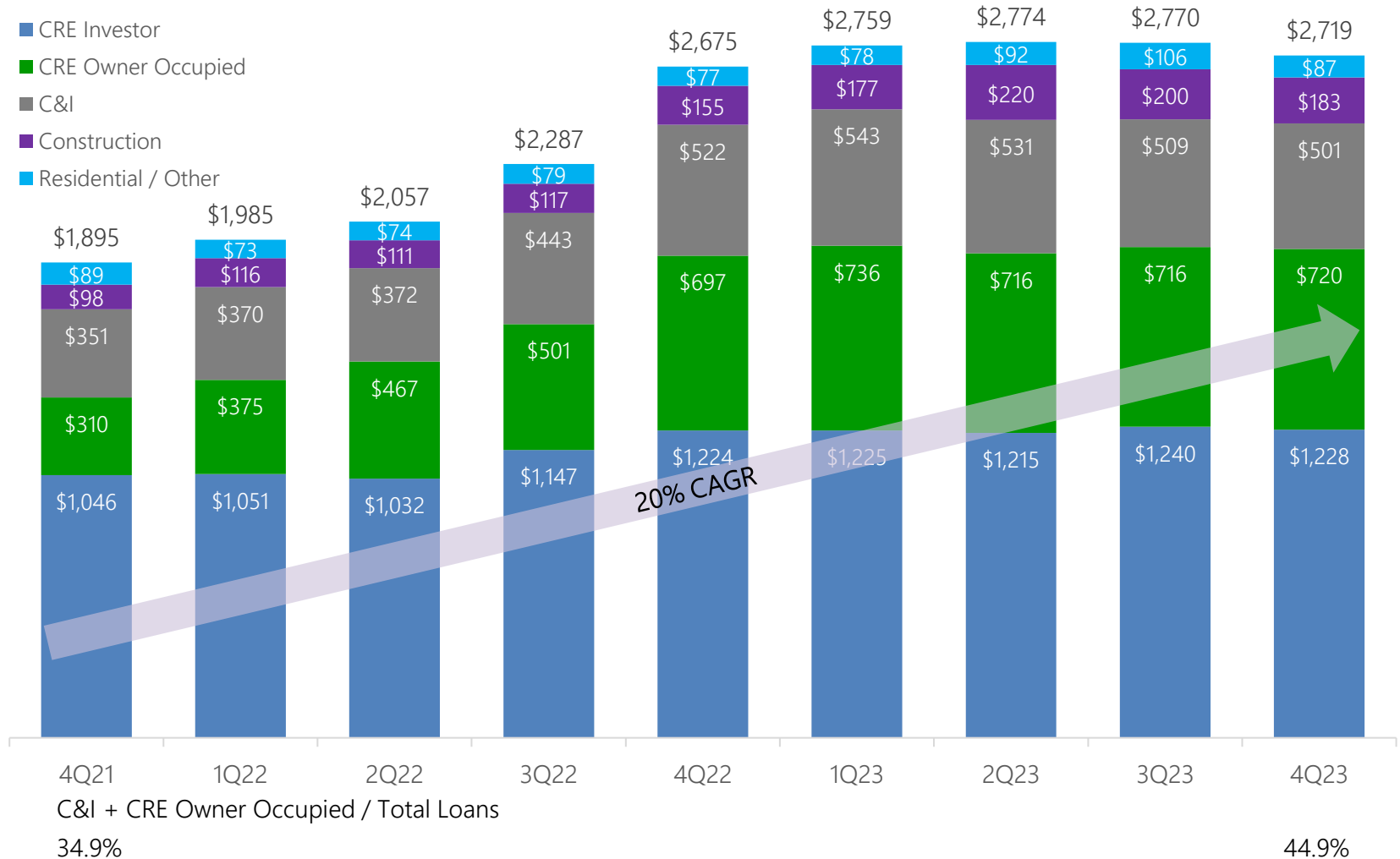
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Loans

Loan Balance Trends

Dollars in millions

- CRE Investor
- CRE Owner Occupied
- C&I
- Construction
- Residential / Other



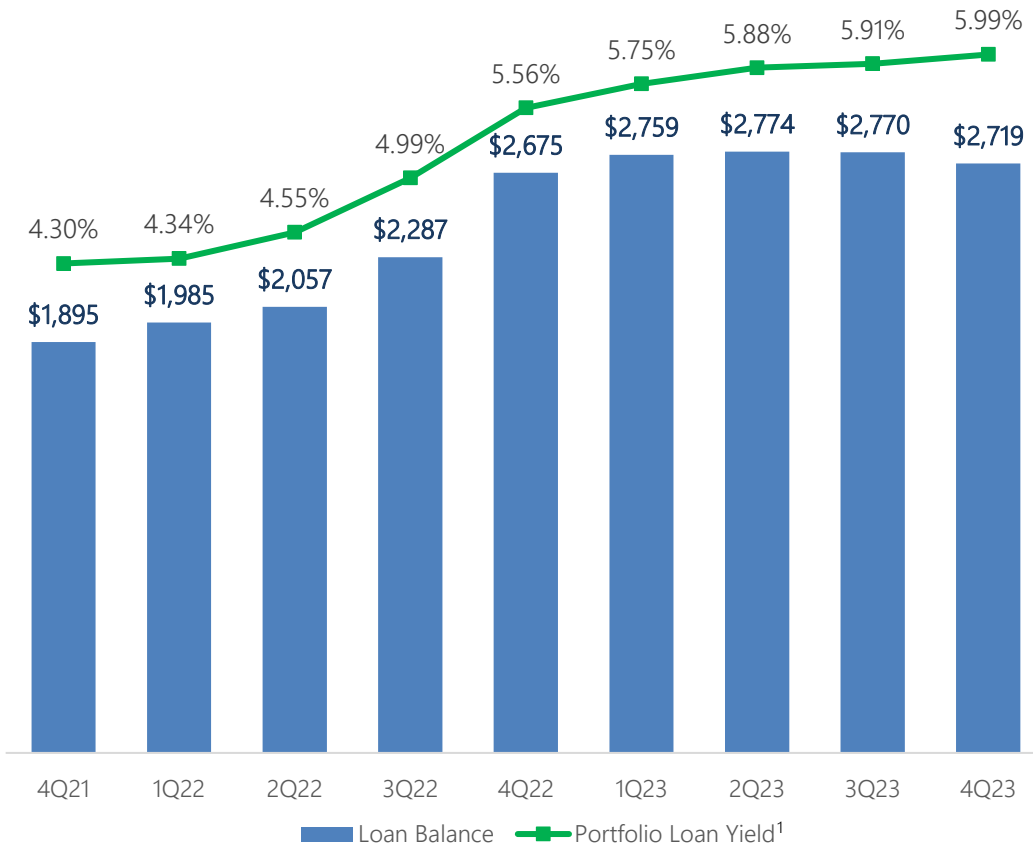
36% CAGR for C&I + CRE Owner Occupied over same period



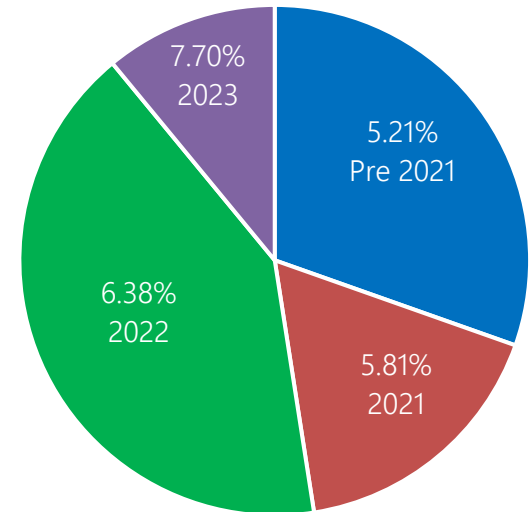
Loan Yields Steadily Increasing

Dollars in millions

Loan portfolio yields increased
169 bps since December 31, 2021



December 2023 Yield² by Vintage



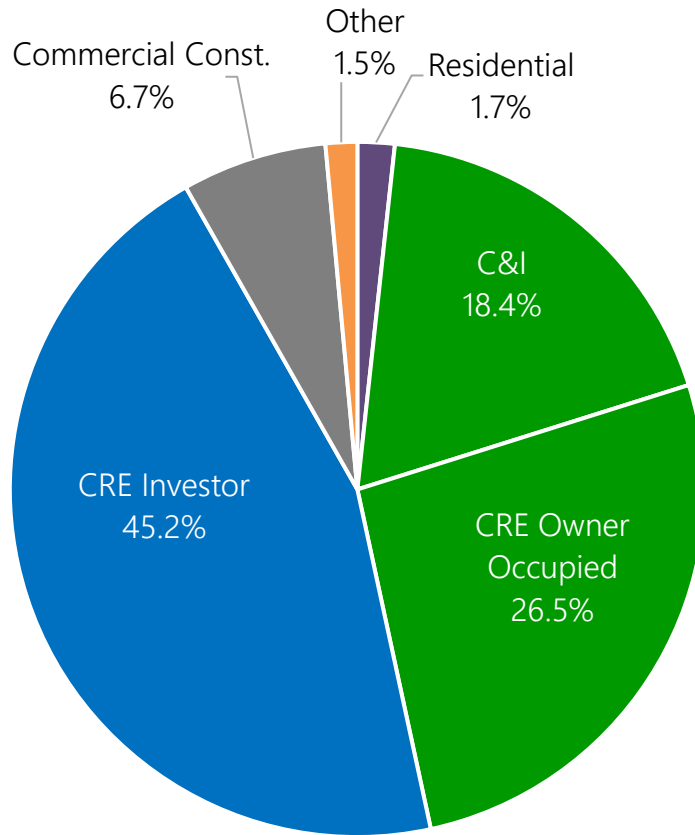
- 70% of balances are 2021 - 2023 vintages

¹ Weighted average yield based on active loans as of each date, an "exit" rate

² Weighted average yield based on active loans as of 12-31-2023, an "exit" rate

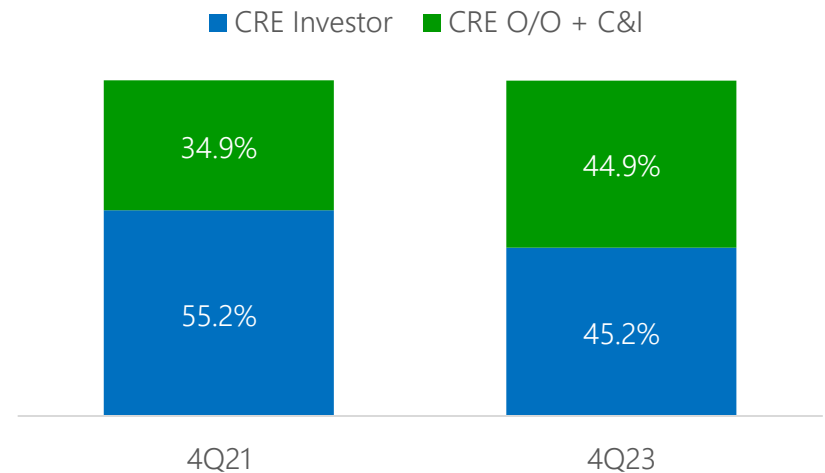


Loan Portfolio Composition

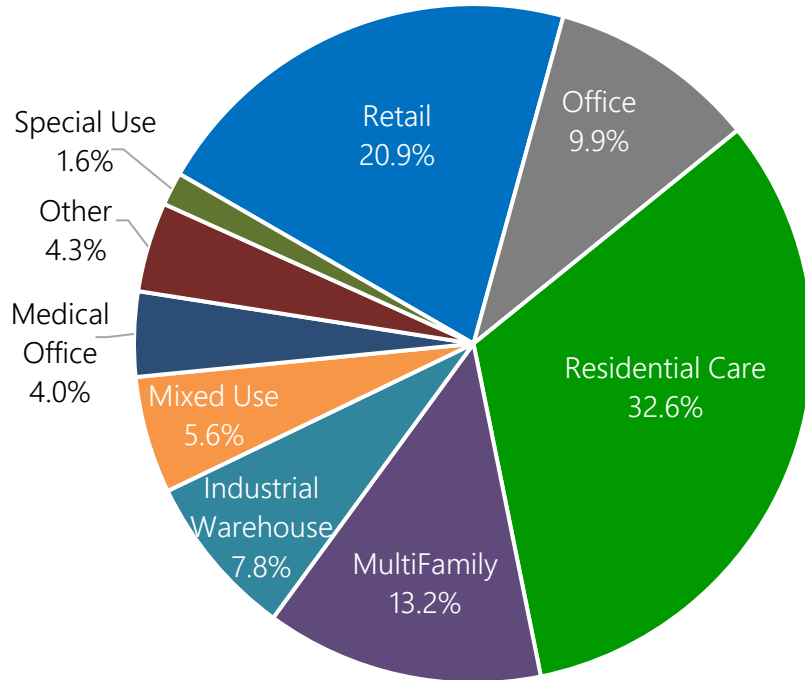


Total Loan Portfolio = \$2,719 million

- No single relationship represents more than ~4% of total loans, as of December 31, 2023
- Investor CRE continues to shrink as an overall percentage of the loan portfolio:

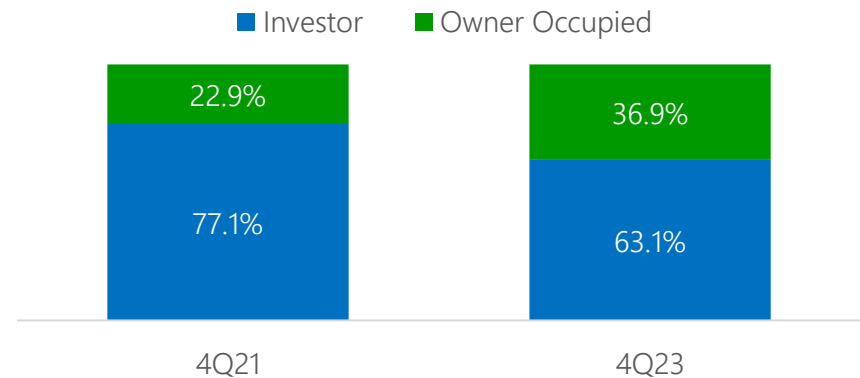


Dollars in millions



Total CRE Portfolio = \$1,947 million

- Portfolio weighted average LTV² of 64.4%
- ~67% of all CRE loan balances have recourse; up from ~50% at 1Q21
- \$193 million in Office loans (~7% total loan portfolio)
 - No New York City exposure
 - ~68% located in Bankwell's primary market
 - Out of primary market loans are generally either GSA-leased, credit tenants, or owner-occupied
 - ~97% of loans have "Pass" rating
- CRE loan portfolio mix improving favorably with Owner Occupied growth:

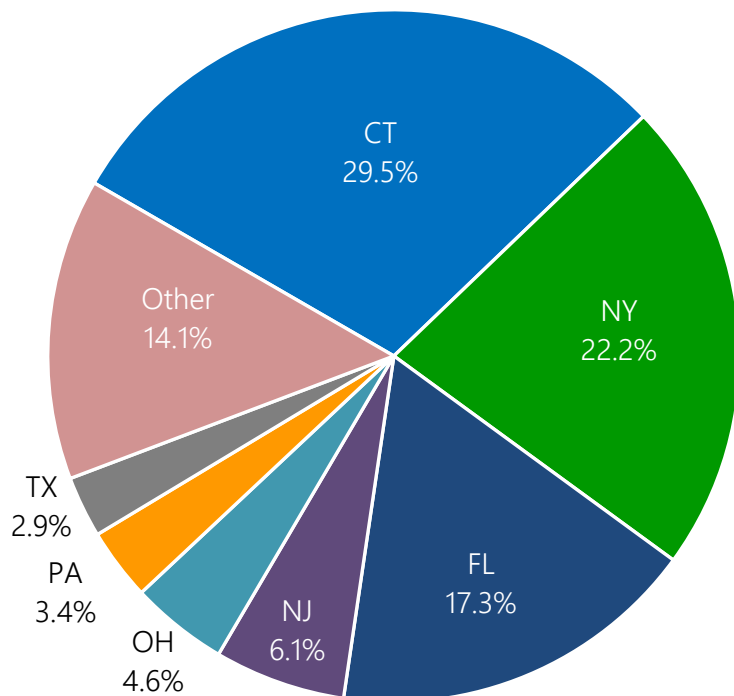


¹ Includes Owner Occupied CRE, does not include Construction

² LTVs based on original LTV values, at origination



Geography



- Greater geographic diversity attributed to growth in Residential Care² sector
- Continued diversification by following strongest customers to attractive markets
- Of the CT-based loans, ~46% are in Fairfield County

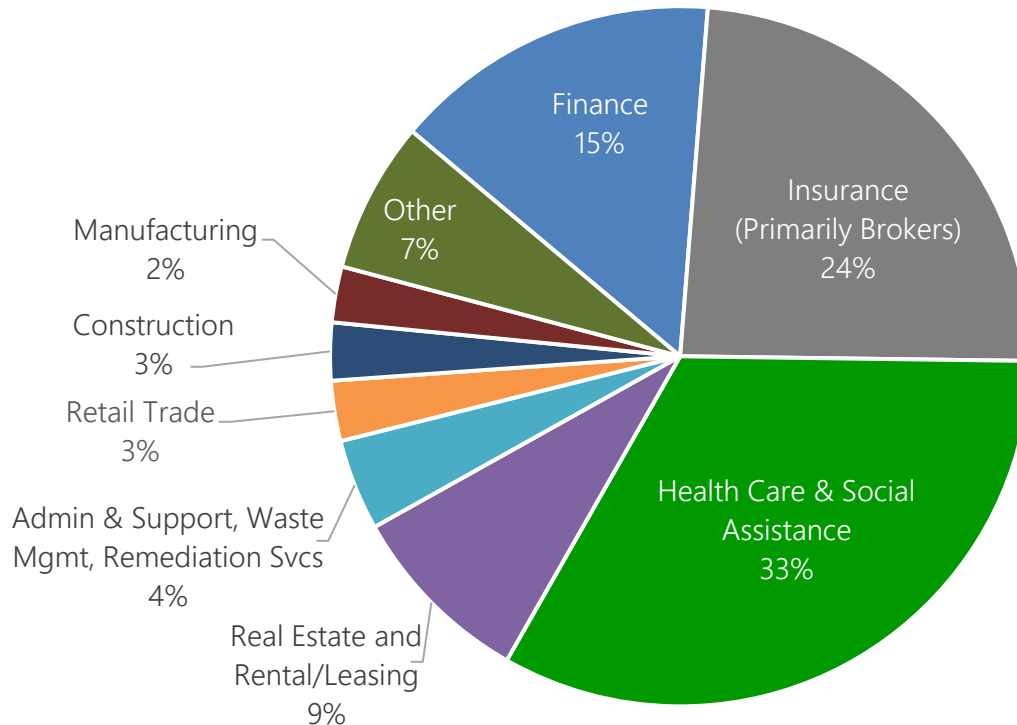
¹ Includes Owner Occupied CRE, does not include Construction

² Consists primarily of skilled nursing and/or assisted living facilities



Loans by Industry Type

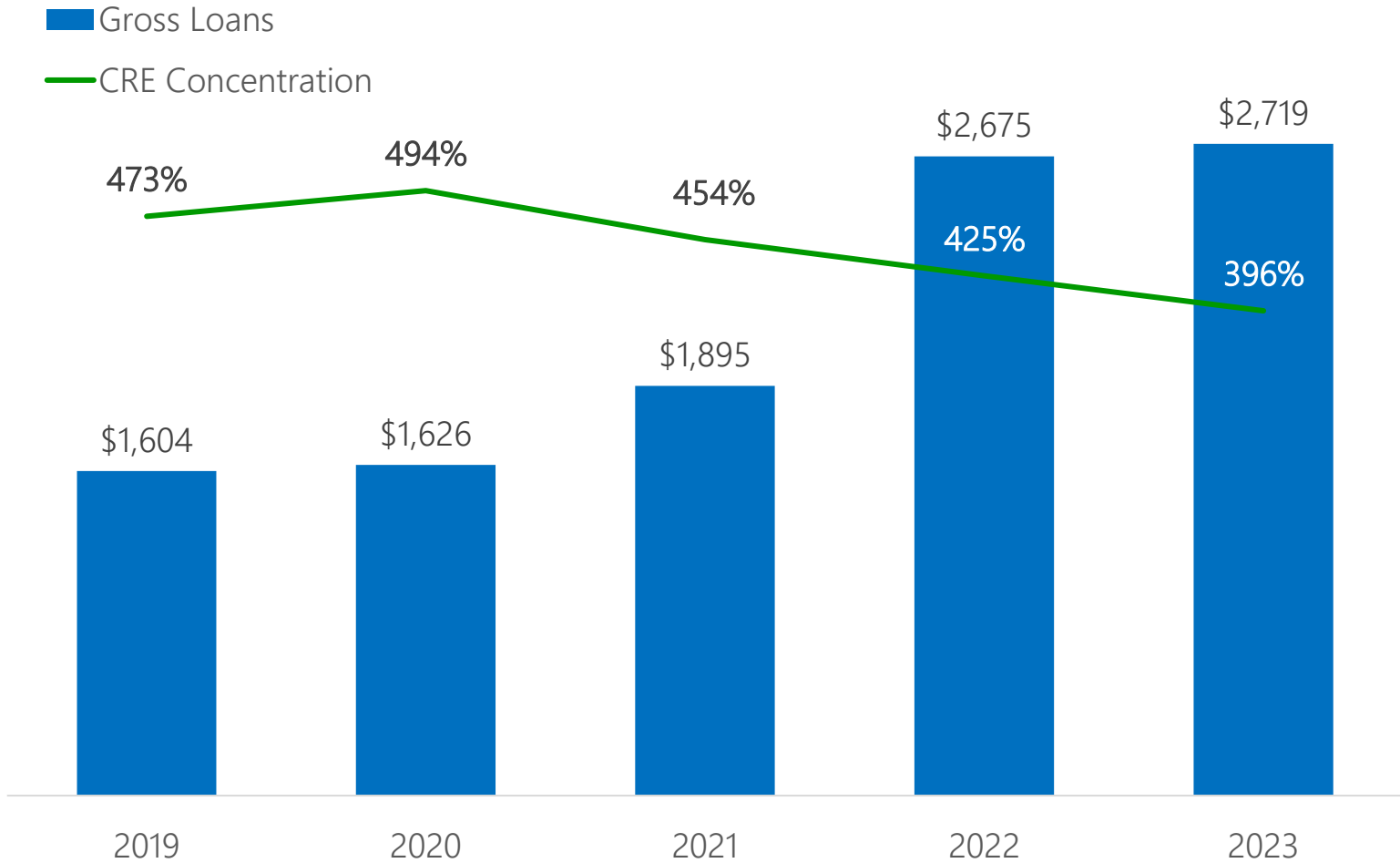
Total C&I Portfolio = \$500 million



- 87% of C&I portfolio has recourse
- 93% of Health Care loans have recourse
 - Primarily consists of working capital lines secured by accounts receivable
- Insurance lending primarily to brokers of home and auto insurance



¹ Does not Include Owner Occupied CRE

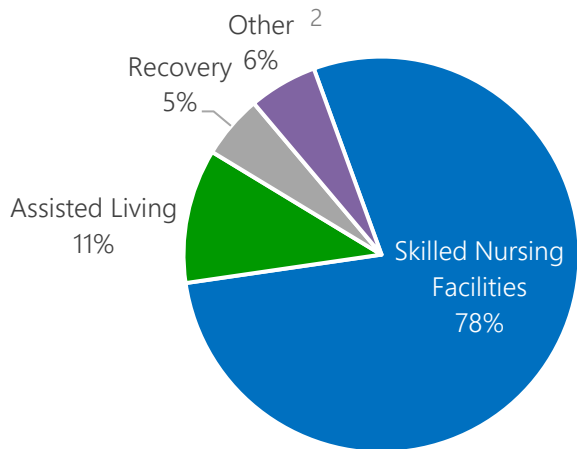


CRE Concentration Ratio reduced while growing the balance sheet

¹ Per regulatory definition for CRE Concentration; current period value is an estimate, pending FDIC call report filing

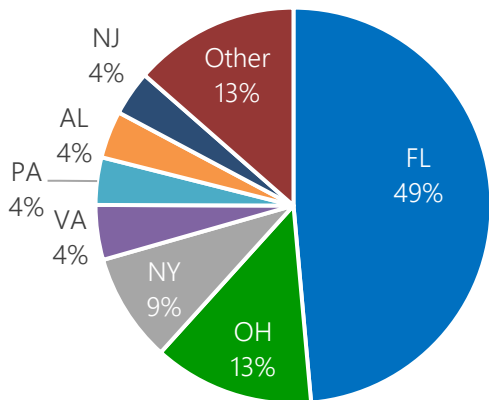


Healthcare Portfolio Composition



- Consists primarily of skilled nursing facilities located across the US
- Healthcare lending team has more than 15 years of industry experience
- High touch service model attracts desirable ultra-high net worth Healthcare borrowers
- 100% of Skilled Nursing Lending has recourse
- Focused on originating Healthcare loans in the most desirable states with:

CRE Skilled Nursing Facility By State



- Higher average occupancy
- Low denial of payment rates for Medicaid
- Strong senior demographic trends



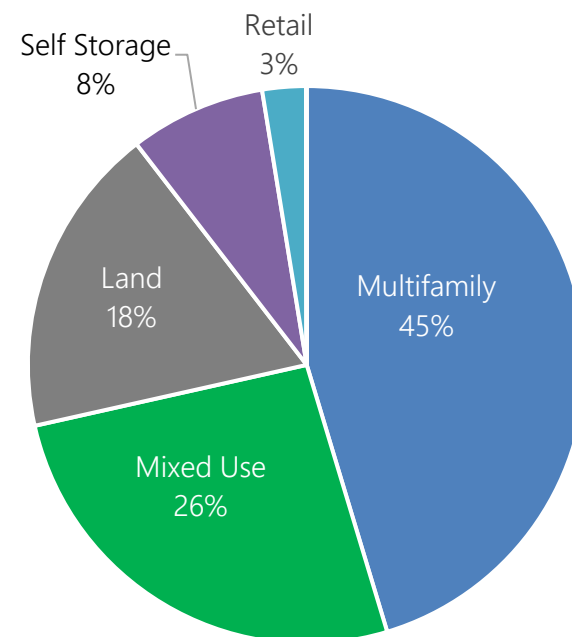
¹ Includes CRE and C&I

² Includes Physicians

- Commercial construction loans comprise ~7% of total loan portfolio (\$183 million)
- \$97 million of unfunded commitments, committed construction draws are subject to various terms and conditions, including completion of work verified by third party professional inspection

Dollars in millions	# Loans	\$ Committed	% Unfunded	\$ Unfunded
3Q23 Balance	35	\$313	35%	\$111
Closures in 4Q23	(6)	(\$29)		
3Q23 Loans @ 4Q23	29	\$269	35%	\$94
New 4Q23 Loans	2	\$9		
4Q23 Balance	31	\$278	35%	\$97

By Property Type





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Credit Quality & Capital

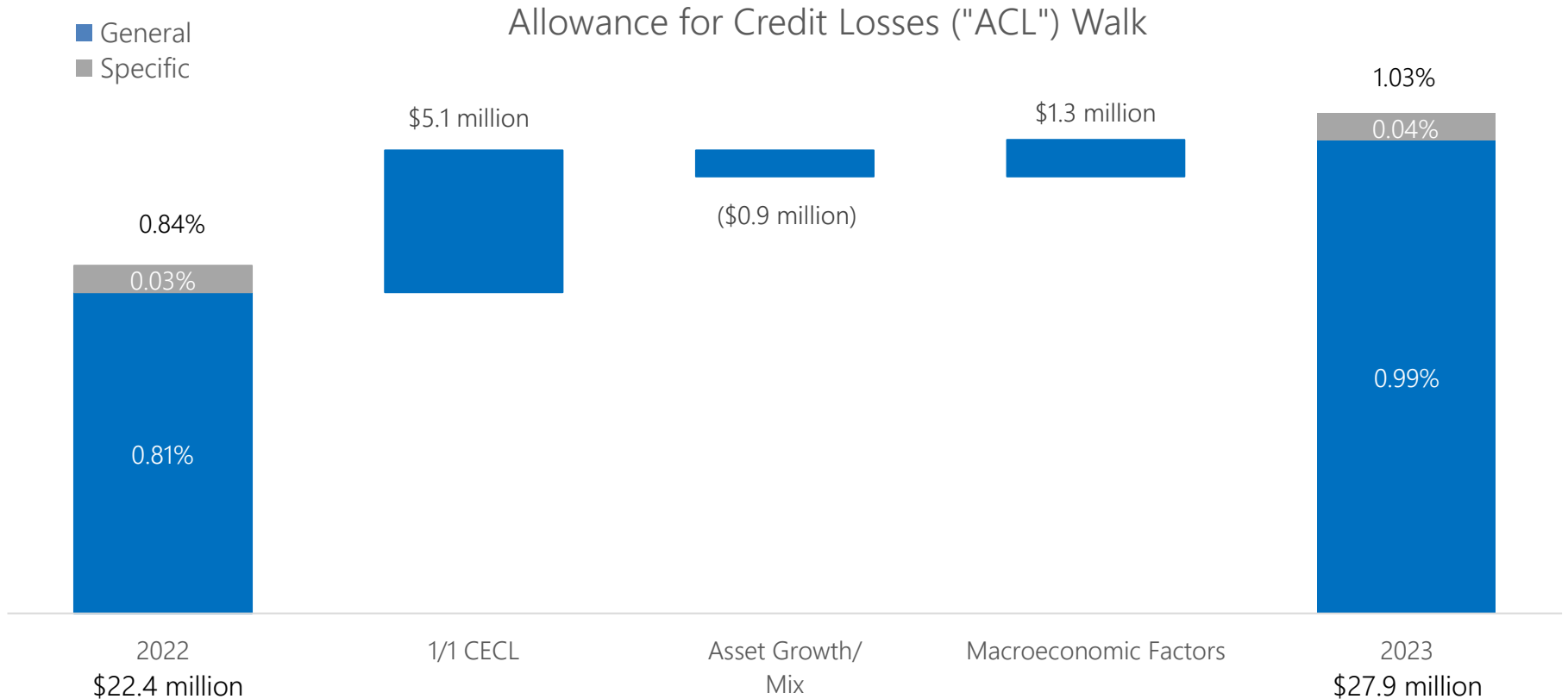
Dollars in millions

	4Q22		1Q23		2Q23		3Q23		4Q23	
Risk Rating	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%
1-5 "Pass"	\$2,632	98.4%	\$2,714	98.4%	\$2,710	97.7%	\$2,694	97.2%	\$2,622	96.4%
6 "Special Mention"	\$1	0.0%	\$1	0.1%	\$28	1.0%	\$22	0.8%	\$15	0.6%
7 "Substandard"	\$43	1.6%	\$40	1.4%	\$36	1.3%	\$54	2.0%	\$76	2.8% ¹
8 "Doubtful"	\$0	0.0%	\$2	0.1%	\$0	0.0%	\$0	0.0%	\$6	0.2%
Total Gross Loans	\$2,675		\$2,757		\$2,774		\$2,770		\$2,719	
Non-Accrual Loans	\$16.4		\$14.3		\$15.5		\$28.0		\$49.2	
% of Total Gross Loans	0.61%		0.52%		0.56%		1.01%		1.81%	

4Q23 Non-Accrual Breakdown	Balance	Basis Points (bps)	Comments
CRE	\$21.2	78 bps	<ul style="list-style-type: none"> \$10.6 million Retail loan modified during COVID; borrower paying according to terms of restructure \$6.0 million Office loan in suburban CT; carries \$1 million specific reserve \$4.2 million Retail loan; borrower paying according to terms of restructure
C&I	\$17.3	64 bps	<ul style="list-style-type: none"> \$8.7 million C&I relationship \$7.0 million balances are SBA-guaranteed (~26 bps)
Construction	\$9.4	35 bps	<ul style="list-style-type: none"> Single loan – litigation in process; 46% LTV & full recourse; Full payment expected; HNW guarantors
Resi / Other	\$1.4	5 bps	



¹ Includes approximately 108 basis points of loans performing per original terms

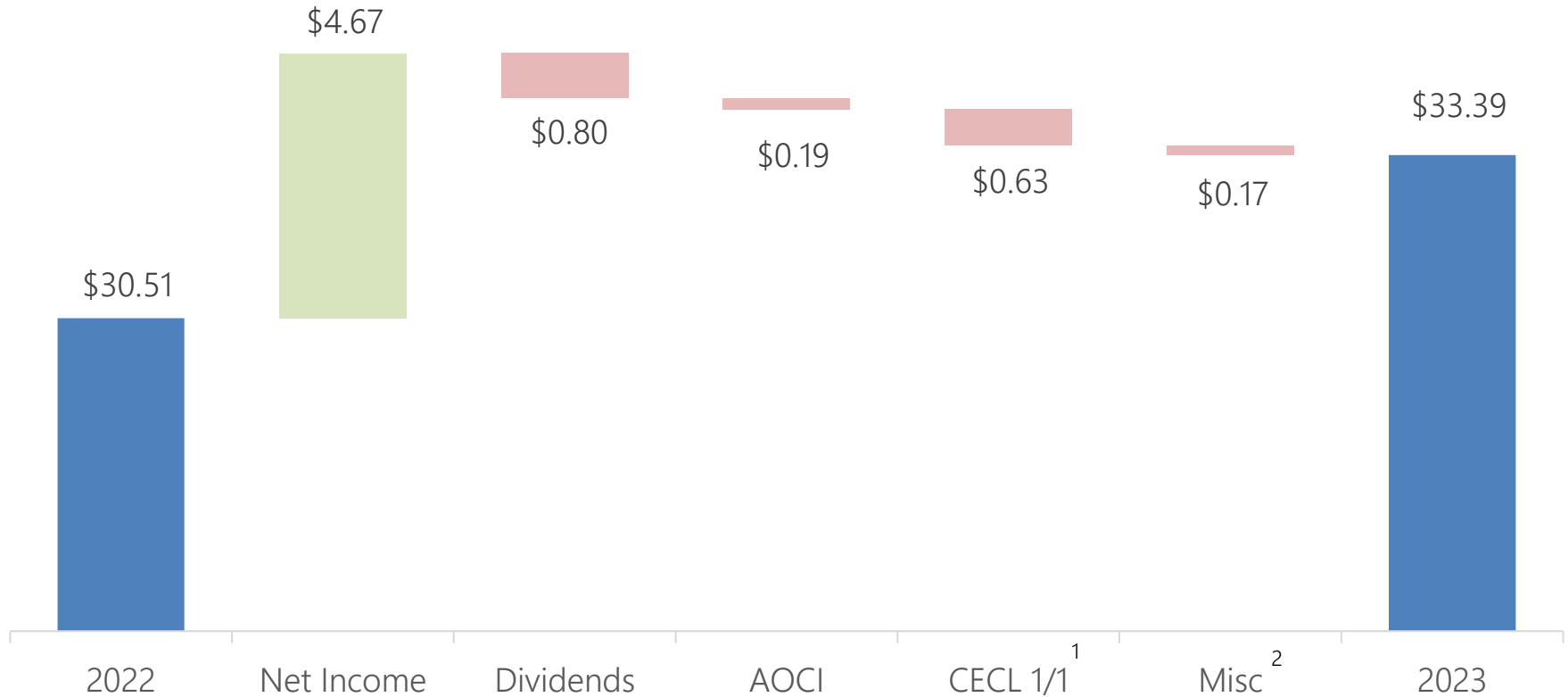


- \$5.5 million addition to ACL-Loans in 2023
- 0.03% net charge-offs to average loans in 2023



Fully Diluted Tangible Book Value

2023 TBV / Share Walk



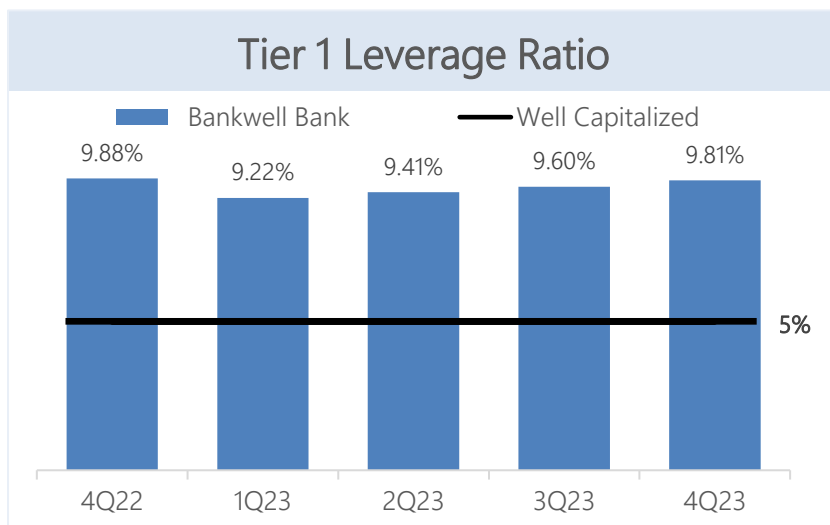
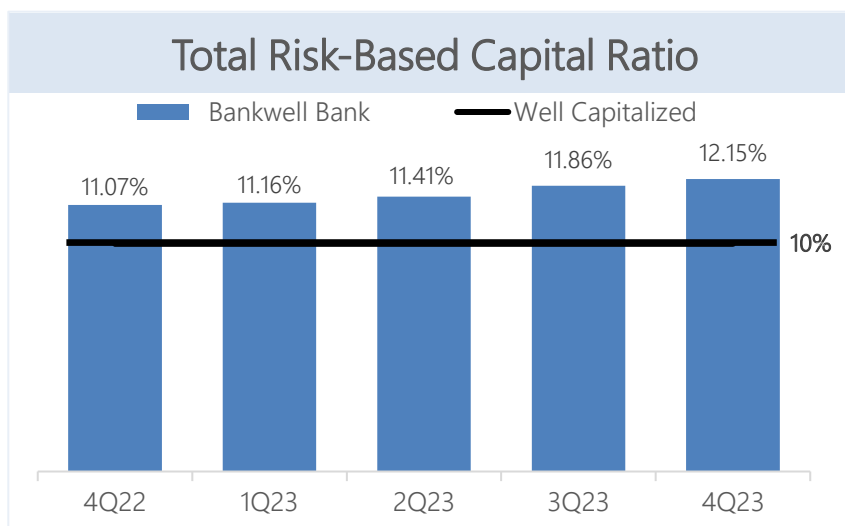
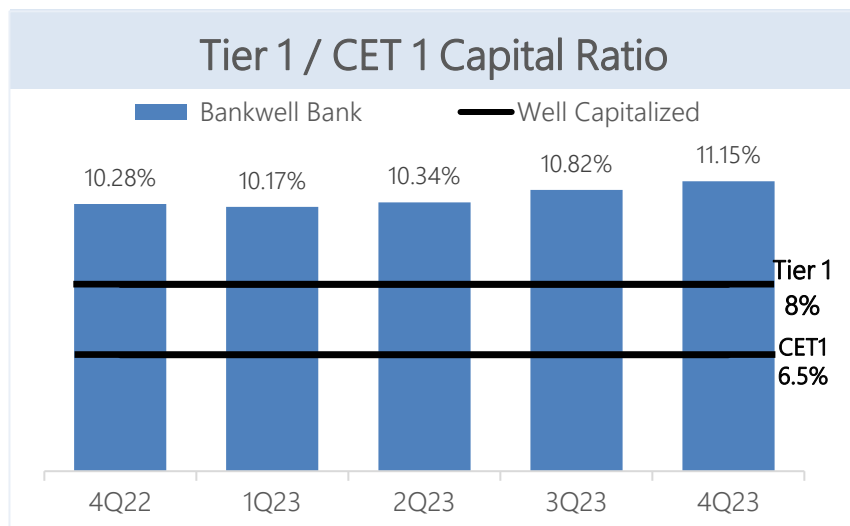
Interest rate swaps hedging impact of unrealized losses in AFS Securities portfolio:

- AFS Securities \$ (5.8) million
- Interest Rate Swaps \$4.1 million

¹ \$4.9 million 1/1/23 CECL adjustment

² Misc includes items such as, but not limited to, changes related to stock grants and share count





Additional 4Q23 ratios:

- 8.19% TCE Ratio²
- 396% CRE Concentration Ratio
- 50% Construction Concentration Ratio

¹ Current period ratios are estimates pending FDIC call report filing

² Consolidated ratio





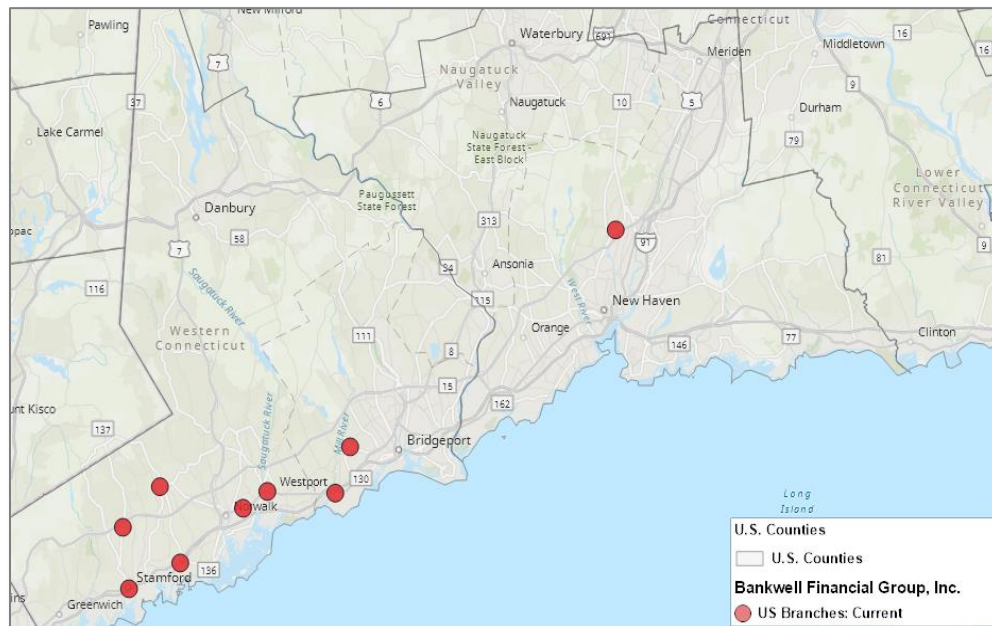
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History & Overview

- Connecticut-based \$3.2 billion commercial bank
- 9 branches in Fairfield & New Haven Counties
- \$311 million deposits per branch; one of the highest in Fairfield & New Haven Counties¹

Bankwell operates in an attractive core market:

- 4th most affluent MSA in the Nation in per capita personal income (PCPI)²
- 4 of the top 25 wealthiest towns in the U.S.³
- Headquarters of 9 Fortune 500 companies⁴
- Home to three of the largest hedge funds in the U.S.
- MSA ranked 13th most educated overall, 9th highest percentage of bachelor degree holders⁵
- Median value of owner-occupied units of \$704 thousand⁶
 - In addition, New Haven County median value of owner-occupied units of \$237 thousand⁶



¹ Source: S&P Global Market Intelligence's *Branch Competitors & Pricing Report* as of 6/30/23, excluding global money center banks (tickers BAC, WFC, JPM, TD & C)

² Source: Bureau of Economic Analysis' *Metropolitan Area Table*, contained within the *Personal Income by County & Metropolitan Area, 2022* news release 11/16/23

³ Source: Bloomberg: *2020 Richest Places*

⁴ Source: Fortune.com: *2023 Fortune 500*

⁵ Source: WalletHub: *Most & Least Educated Cities in America, 7/17/23*

⁶ Source: US Census Bureau QuickFacts (as of July 1, 2022 data)



Dollars in thousands, except per share data

	2019	2020	2021	2022	2023
Total assets	\$1,882,182	\$2,253,747	\$2,456,264	\$3,252,449	\$3,215,482
Net loans	\$1,588,840	\$1,601,672	\$1,875,167	\$2,646,384	\$2,685,301
Loan-to-deposit ratio	107.1%	87.9%	88.8%	95.2%	98.9%
Return on average assets	0.97%	0.28%	1.17%	1.44%	1.13%
Efficiency ratio ¹	60.2%	73.9%	53.9%	45.4%	50.8%
Non-interest expense / average assets	1.90%	2.03%	1.75%	1.71%	1.55%
Net interest margin	3.03%	2.77%	3.17%	3.78%	2.98%
Total capital to risk weighted assets	13.35%	12.28%	12.00%	11.07%	12.15%
Tangible common equity ratio ¹	9.56%	7.73%	8.13%	7.26%	8.19%
Return on average equity	10.20%	3.35%	13.86%	16.72%	14.55%
Fully diluted tangible book value per share ¹	\$22.82	\$21.96	\$25.55	\$30.51	\$33.39
Net interest income	\$53,761	\$54,835	\$67,886	\$94,743	\$94,468
Pre-tax, pre-provision net revenue ¹	\$23,379	\$14,907	\$33,803	\$53,420	\$48,909
Net income	\$18,216	\$5,904	\$26,586	\$37,429	\$36,664
EPS (fully diluted)	\$2.31	\$0.75	\$3.36	\$4.79	\$4.67

¹ A non-GAAP metric



Experienced Leadership Team

Name	Years Experience	Selected Professional Biography
<p>Christopher Gruseke Chief Executive Officer Director (since 2015)</p>	<p>30+</p>	<p>Mr. Gruseke was a founding investor and director of Bankwell Financial Group’s predecessors, BNC Financial Group, Inc., and The Bank of New Canaan. He brings more than 25 years of capital markets, operations, sales and finance experience to his role at the Company. Most recently, he was a member of the Executive Committee at CRT Capital, a Stamford, Connecticut-based broker/dealer. He also served as Co-Chief Operating Officer and a member of the Board of Greenwich Capital Markets. Mr. Gruseke earned a B.A. from Williams College and an M.S. from the Stern School of Business at New York University.</p>
<p>Christine A. Chivily Chief Credit Officer (since 2013)</p>	<p>40+</p>	<p>Ms. Chivily has over 40 years of experience in banking and real estate finance. She previously served in a risk management role for the CRE and C&I loan portfolios at People's United Bank. Her prior experience also includes five years as Director of Freddie Mac’s New England region for multifamily properties and 11 years as Senior Credit Officer at RBS Greenwich Capital. She also has over 10 years of combined experience in lending, loan administration and workouts at other various banking institutions. Ms. Chivily received her B.A. from Mt. Holyoke College.</p>
<p>Ryan J. Hildebrand Chief Innovation Officer (since 2023)</p>	<p>20+</p>	<p>Mr. Hildebrand has over 20 years of experience in fintech and banking. He led business units at Cross River Bank and LSBX, driving increased deposits and fee income. He founded Seed, a pioneering challenger bank acquired by Cross River. Previously, he served as Head of Finance and Strategy at Simple, the first consumer challenger bank, and held positions at Umpqua Bank and PricewaterhouseCoopers.</p>
<p>Matthew McNeill Chief Banking Officer (since 2020)</p>	<p>20+</p>	<p>Mr. McNeill has more than 20 years of experience in Commercial Banking. He most recently served as Head of Commercial Lending at Metropolitan Commercial Bank. During his 8 years at Metropolitan Commercial Bank the bank grew its lending assets from \$400 million to over \$3 billion. Mr. McNeill has additionally held lending roles at HSBC Bank US and Banco Santander. Mr. McNeill has also served as Managing Partner at American Real Estate Lending; a Commercial Real Estate finance company.</p>
<p>Courtney E. Sacchetti Chief Financial Officer (since 2023)</p>	<p>20+</p>	<p>Ms. Sacchetti has more than 20 years experience in Financial Services. She most recently served as Director of Financial Planning & Analysis for the Company for 6 years. She began her career at GE Capital in the Financial Management Program (FMP) and held various finance and regulatory positions of increasing responsibility over her 18-year career at GE Capital. Ms. Sacchetti earned a B.A. and an M.B.A. from Union College.</p>





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Thank You & Questions