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Bankwell Financial Group

3Q19 Investor Presentation



This presentation may contain certain forward-looking statements about 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 securities markets, and legislative and regulatory changes that could adversely affect the business in which the Company and its subsidiaries are engaged.



3Q19 Highlights



3Q19 Highlights

- Reported Net Income of \$4.1 million, or \$0.52 earnings per share
- Improved deposit pricing and mix:
 - Reduced rates on key Consumer and Business deposit products
 - Realized growth in non-interest bearing accounts from successful Treasury Management efforts
 - Reduced reliance on Wholesale funding to 20.9% of our balance sheet¹
 - Capitalizing on our Liability-sensitive balance sheet
- Flat quarter over quarter loan balance
 - Maintained pricing discipline on originations
 - Prepayments continue, although at a slower pace than previous quarters
- The orderly resolution of the “Quarry Loans”² continues according to plan; SBA Guarantee claim submitted; collection pending
- The Company’s Board of Directors declared 4Q19 dividend of \$0.13 per share

¹ Wholesale ratio includes Brokered deposits, National Listing Service CDs (NLS) and FHLB Borrowings; calculated on Bank balances (not consolidated)

² See BWFG’s 4Q’18 Earnings Release and related Investor Presentation for “Quarry Loans” background



Bankwell poised to take advantage of favorable landscape

- Fed cut target Fed Funds rates three times in 2019, a total reduction of 75 basis points
- Bankwell's liability-sensitive balance sheet well positioned to capture benefits of reduced short-term rates
- Lowered rates on key Consumer and Business deposit products late in the third quarter
- Expanded Treasury Management is driving non-interest bearing deposit growth

Potential impact of incremental price reductions on key products' September 30th deposit balances

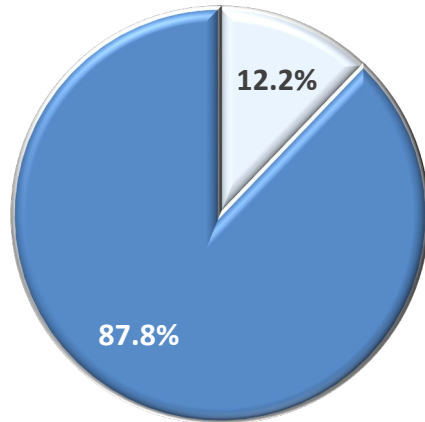
Incremental Price Reduction	Estimated EPS Benefit
-5 bps	~ \$0.02
-10 bps	~ \$0.05
-15 bps	~ \$0.07

Net interest margin (NIM) approaching inflection point, full benefit from funding cost decrease still to be realized



Funding Mix

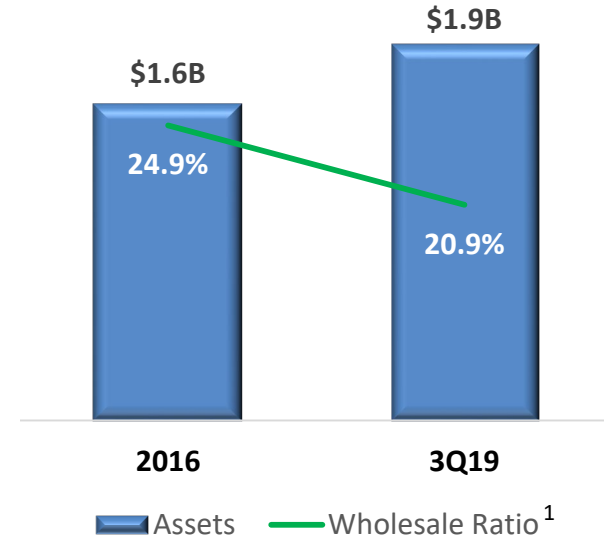
3Q19 Deposit Mix



■ Non Int Bearing ■ Int Bearing

- Core Deposits ended at a record high of \$1.23 billion
- Treasury Management balances grew to \$95 million, a 19% annualized rate

Wholesale Funding Trends



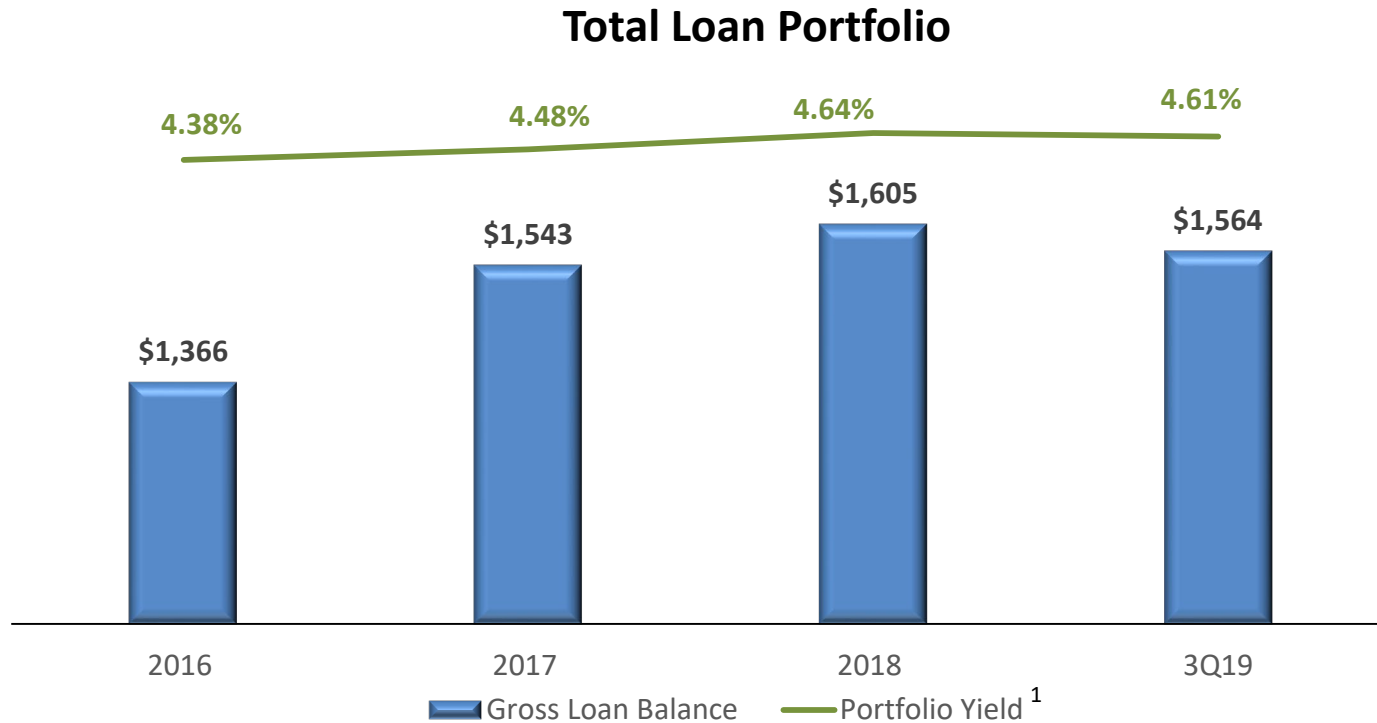
- Successful asset growth while shrinking reliance on wholesale funding

¹ Wholesale ratio includes Brokered deposits, National Listing Service CDs (NLS) and FHLB Borrowings; calculated on Bank balances (not consolidated)



Loan Pricing Trends

Dollars in millions



- Bankwell committed to disciplined loan pricing to defend portfolio yield
- 2019 originations yields in line with overall portfolio yield
- Bankwell's relatively small variable rate portfolio impacted by yield curve movement
- 2019 5 and 10 Year average UST yields decreased by ~65bps versus 2018²

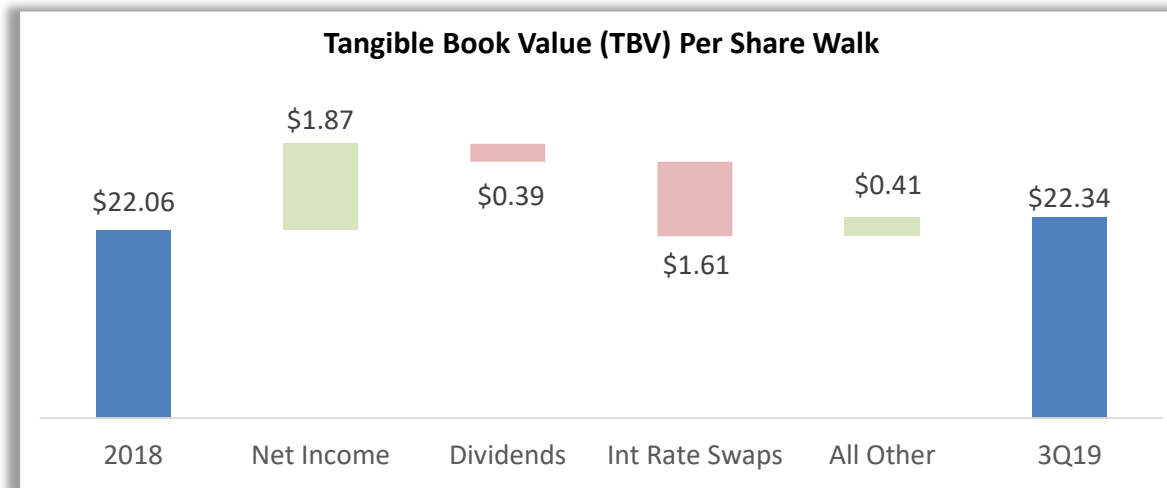
¹ Weighted average yield based on active loans as of 12-31-16, 12-31-17, 12-31-18 & 9-30-19, respectively

² Comparing averages of daily values for 2019 (through 9-30-19) and the full year of 2018



Impact of Hedging on Tangible Book Value

- Bankwell actively manages interest rate risk related to its funding sources with interest rate swaps
- The interest rate swaps are marked to market each quarter, with the unrealized gains or losses recognized in other comprehensive income
- In 2019, falling long term interest rates¹ have increased the unrealized loss positions on Bankwell's interest rate swaps, negatively impacting TBV by \$1.61 / share
- As long term rates rise, the impact to other comprehensive income is reversed



Bankwell's current interest rate swaps will cause decreases to other comprehensive income in a falling rate environment and increases in a rising rate environment

¹ Based on the September 30th Treasury Yield Curve values

3Q19 Performance



3Q19 Results

Profitability

	Quarter	Year to Date
• Net Income	\$4.1 million	\$14.7 million
• Return on Average Assets	0.87%	1.05%
• Return on Average Equity	9.12%	11.06%

Balance Sheet

- \$1.6 billion of gross loans
- \$1.5 billion of deposits
- \$12 million of assets per employee

Capital

- Dividend of \$0.13 per share paid
- \$22.34 Tangible Book Value
- Considered “Well Capitalized”¹

<i>Tier 1 Leverage</i>	10.88%
<i>CET1 / RWA</i>	12.65%
<i>Total Capital / RWA</i>	13.47%

¹ Ratios presented represent Bank ratios



3Q Consolidated Statement of Income

Dollars in millions	2019	2018	QoQ ¹	Notes
Total Interest Income	\$20.5	\$20.5	\$0.0	Net Interest Income
Total Interest Expense	\$7.5	\$6.3	\$1.2	<ul style="list-style-type: none"> • 2019 Interest Income supported by incremental fees from loan prepayments
<i>Net Interest Income</i>	<i>\$13.0</i>	<i>\$14.2</i>	<i>\$(1.2)</i>	
Provision for Loan Losses	\$0.8	\$0.3	\$0.5	<ul style="list-style-type: none"> • Rising deposit costs reflected in Interest Expense
Net Interest Income after Provision	\$12.2	\$13.9	\$(1.7)	
Non Interest Income	\$1.6	\$0.9	\$0.7	Non Interest Income
Non Interest Expense	\$8.7	\$8.9	\$(0.2)	<ul style="list-style-type: none"> • Increased loan sales in 2019
Pre-Tax Income	\$5.1	\$5.9	\$(0.8)	Non Interest Expense
Income Tax Expense	\$1.0	\$1.1	\$0.0	<ul style="list-style-type: none"> • Received credit from the FDIC insurance fund
Reported Net Income	\$4.1	\$4.9	\$(0.8)	
EPS	\$0.52	\$0.62	\$(0.10)	

¹ Variances are rounded based on actual whole dollar amounts



3Q YTD Consolidated Statement of Income

Dollars in millions	2019	2018	QoQ ¹	Notes
Total Interest Income	\$63.0	\$58.5	\$4.5	Net Interest Income • Higher average earning assets year over year along with incremental fees from loan prepayments
Total Interest Expense	\$22.1	\$16.7	\$5.5	
<i>Net Interest Income</i>	<i>\$40.9</i>	<i>\$41.9</i>	<i>\$(1.0)</i>	
Provision for Loan Losses	\$0.1	\$0.6	\$(0.5)	• Rising deposit costs more than offset Interest Income growth
Net Interest Income after Provision	\$40.8	\$41.2	\$(0.5)	Non Interest Income • Increased loan sales in 2019 • Fees related to loan-related Swaps
Non Interest Income	\$4.2	\$3.3	\$0.9	
Non Interest Expense	\$26.4	\$26.8	\$(0.4)	Non Interest Expense • Lower marketing expenses (2018 included elevated spend due to new branch activity) • Received credit from the FDIC insurance fund
Pre-Tax Income	\$18.5	\$17.7	\$(0.9)	
Income Tax Expense	\$3.8	\$3.5	\$0.3	
Reported Net Income	\$14.7	\$14.2	\$0.6	
EPS	\$1.87	\$1.80	\$0.07	

¹ Variances are rounded based on actual whole dollar amounts



3Q Consolidated Balance Sheet

Dollars in millions	3Q19	4Q18	V ¹	Notes
Cash & Cash Equivalents	\$83	\$78	\$5	All Other Assets <ul style="list-style-type: none"> Change in lease accounting standards now requires on balance sheet recognition of leases
Investment Securities	\$106	\$117	\$(11)	
Loans Receivable, net	\$1,549	\$1,587	\$(38)	
All Other Assets	\$121	\$92	\$29	
Total Assets	\$1,859	\$1,874	\$(15)	Total Deposits <ul style="list-style-type: none"> Wholesale deposits down \$37 million, year to date
Total Deposits	\$1,470	\$1,502	\$(32)	
FHLB Advances & Other Borrowings	\$175	\$185	\$(10)	
Other Liabilities	\$37	\$12	\$25	Other Liabilities <ul style="list-style-type: none"> Change in lease accounting standards now requires on balance sheet recognition of leases
Total Liabilities	\$1,683	\$1,699	\$(17)	
Equity	\$176	\$174	\$2	
Total Liabilities & Equity	\$1,859	\$1,874	\$(15)	

¹ Variances are rounded based on actual whole dollar amounts



Financial Performance Trends



- Deposit cost pressure on NIM subsiding in 3Q given reductions in Retail deposit pricing as well as lower Wholesale balances
- 2019 NIM is benefitting from approximately \$2.2 million in fees associated with elevated loan prepayments
- The 2019 Efficiency Ratio is 58.3%, in part benefitting from increased revenue due to loan prepayments as well as continued disciplined expense management
- Non-Interest Expense as a percentage of Average Assets is 1.89%

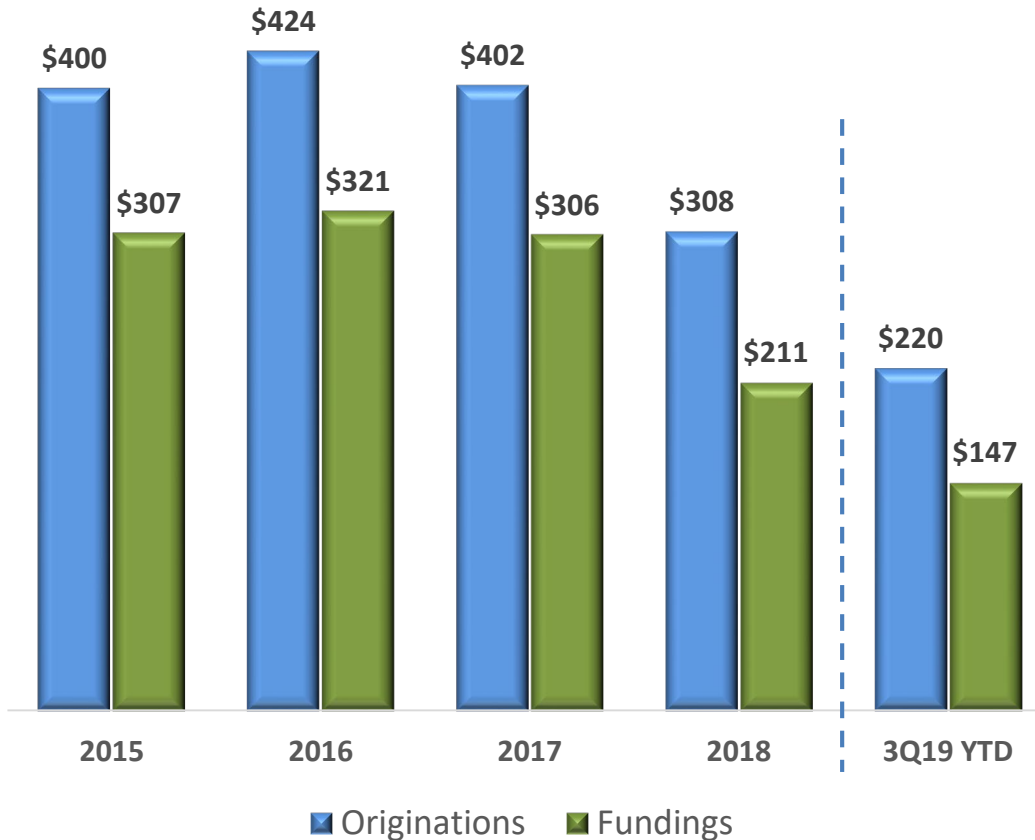
¹4Q'17 EPS reduced by \$0.26 due to the impact of the *Tax Cut and Jobs Act* passed in December 2017 along with several other smaller items; on a "core" basis, 2017 EPS is \$2.03, please refer to BWFG's 4Q'17 Earnings Release for further detail



Loan Trends

Dollars in millions

Loan Volume



Prepayments

Quarter	2017	2018	2019
1Q	\$24	\$7	\$53
2Q	\$25	\$33	\$71
3Q	\$11	\$17	\$27
4Q	\$29	\$62	
Total	\$89	\$119	\$151
<i>Avg / Qtr</i>	<i>\$22</i>	<i>\$30</i>	<i>\$50</i>

- Healthy 2019 originations in a competitive environment
- Elevated prepayments beginning in 4Q18
- A review of prepayments since 4Q18 indicates ~75% not related to loan refinancings



Portfolio Metrics



Financial Snapshot

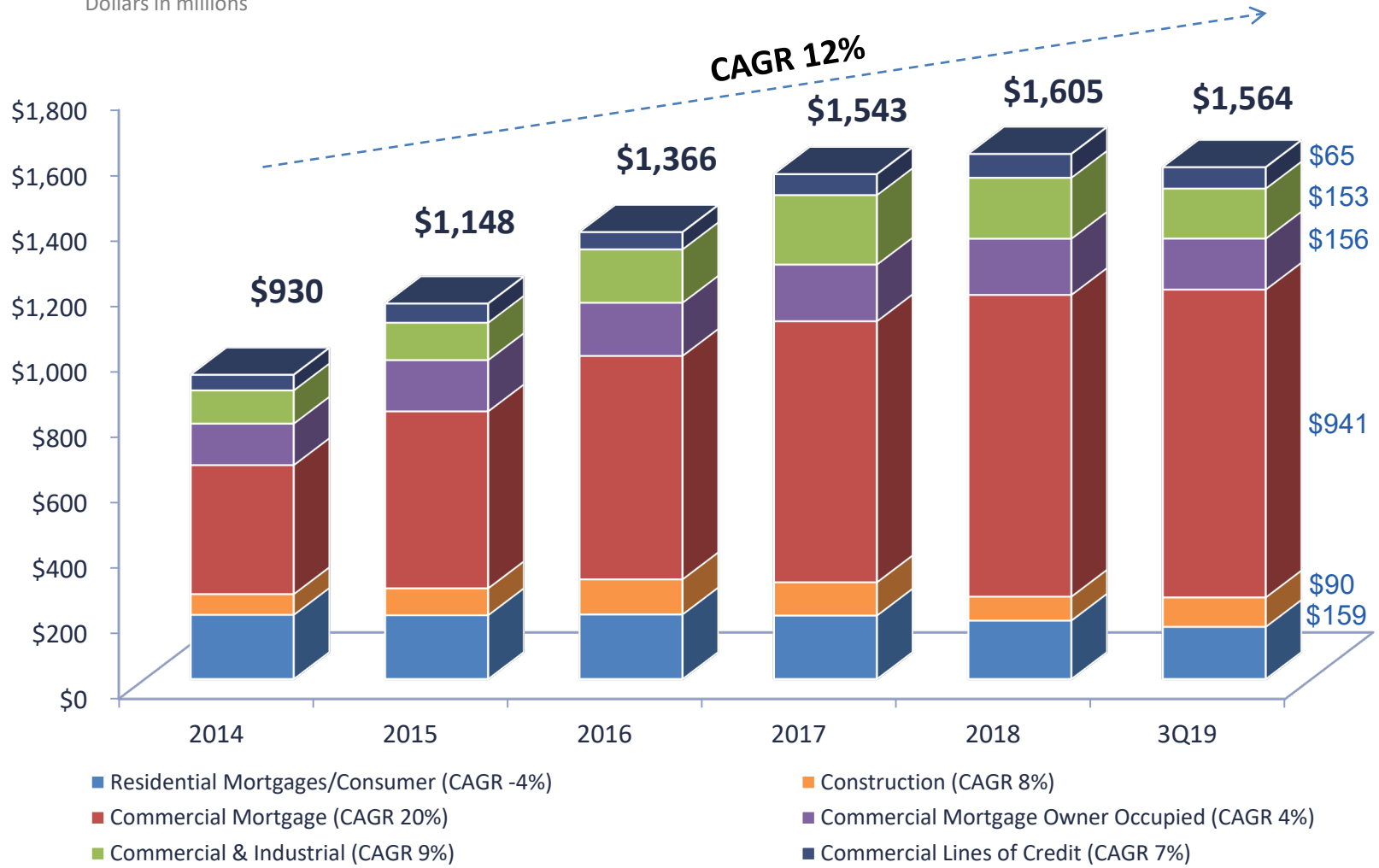
<i>Dollars in thousands, except per share data</i>	2014	2015	2016	2017 ¹	2018	3Q19 YTD
Total assets	\$1,099,531	\$1,330,372	\$1,628,919	\$1,796,607	\$1,873,665	\$1,858,542
Net loans	\$915,981	\$1,129,748	\$1,343,895	\$1,520,879	\$1,586,775	\$1,548,988
Loans to deposits	110.7%	109.1%	105.6%	110.1%	106.4%	105.9%
Efficiency ratio	68.7%	62.3%	56.5%	54.9%	59.2%	58.3%
Non interest expense / Avg. assets	2.94%	2.42%	2.03%	1.88%	1.93%	1.89%
Net interest margin	3.84%	3.77%	3.54%	3.30%	3.18%	3.07%
Total capital to risk weighted assets	13.55%	13.39%	12.85%	12.19%	12.50%	13.47%
Return on average equity	5.13%	6.76%	8.94%	8.93%	10.19%	11.06%
Tangible book value per share	\$16.35	\$17.43	\$18.98	\$20.59	\$22.06	\$22.34
Net interest income	\$31,660	\$42,788	\$49,092	\$54,364	\$56,326	\$40,879
Net income	\$4,568	\$9,030	\$12,350	\$13,830	\$17,433	\$14,744
EPS (fully diluted)	\$0.78	\$1.21	\$1.62	\$1.78	\$2.21	\$1.87

¹ Values are based on reported earnings / performance, which were impacted primarily as a result of the *Tax Cut and Jobs Act* passed in December 2017 along with several other smaller items. Please refer to BWFG's 4Q'17 Earnings Release for further detail



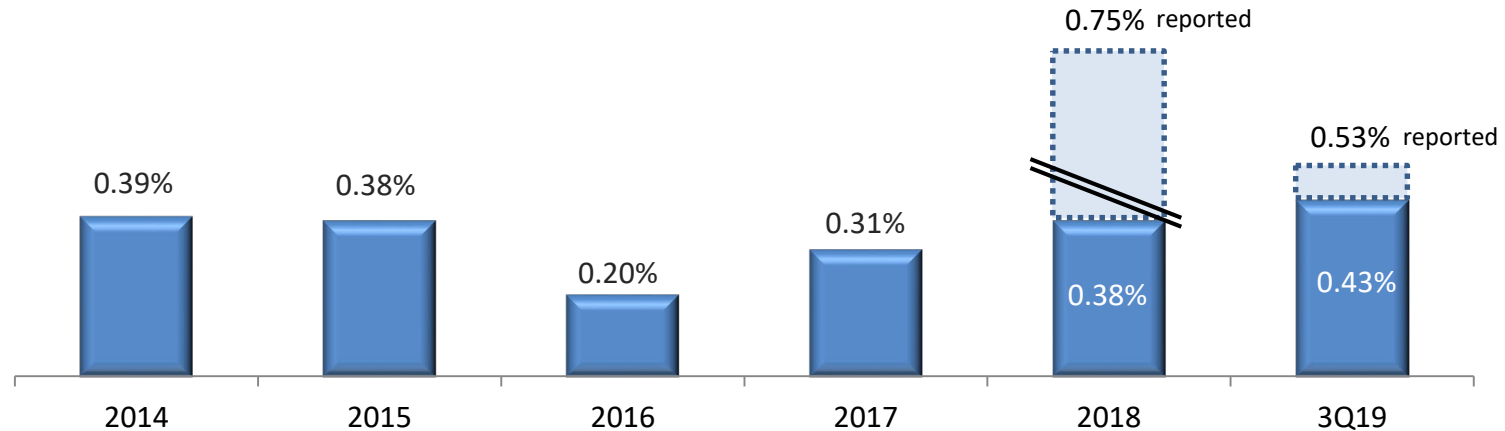
Loan Portfolio

Dollars in millions





NPAs to Total Assets



For the respective reporting periods, values above the dotted boxes include the Quarry Loans, the values in the solid boxes exclude the Quarry Loans

- 2018 increase of NPAs primarily attributable to the Quarry Loans¹
- NPAs ended 3Q19 at \$9.9 million, down from a high of \$23.3 million in 2Q18
- \$1.9 million of 3Q19 NPAs pertain to the Quarry Loans; balance represents the SBA guaranteed portion
- Excluding the Quarry Loans, Bankwell's remaining NPAs are \$8.0 million, or 43 basis points of total assets, in line with historical performance

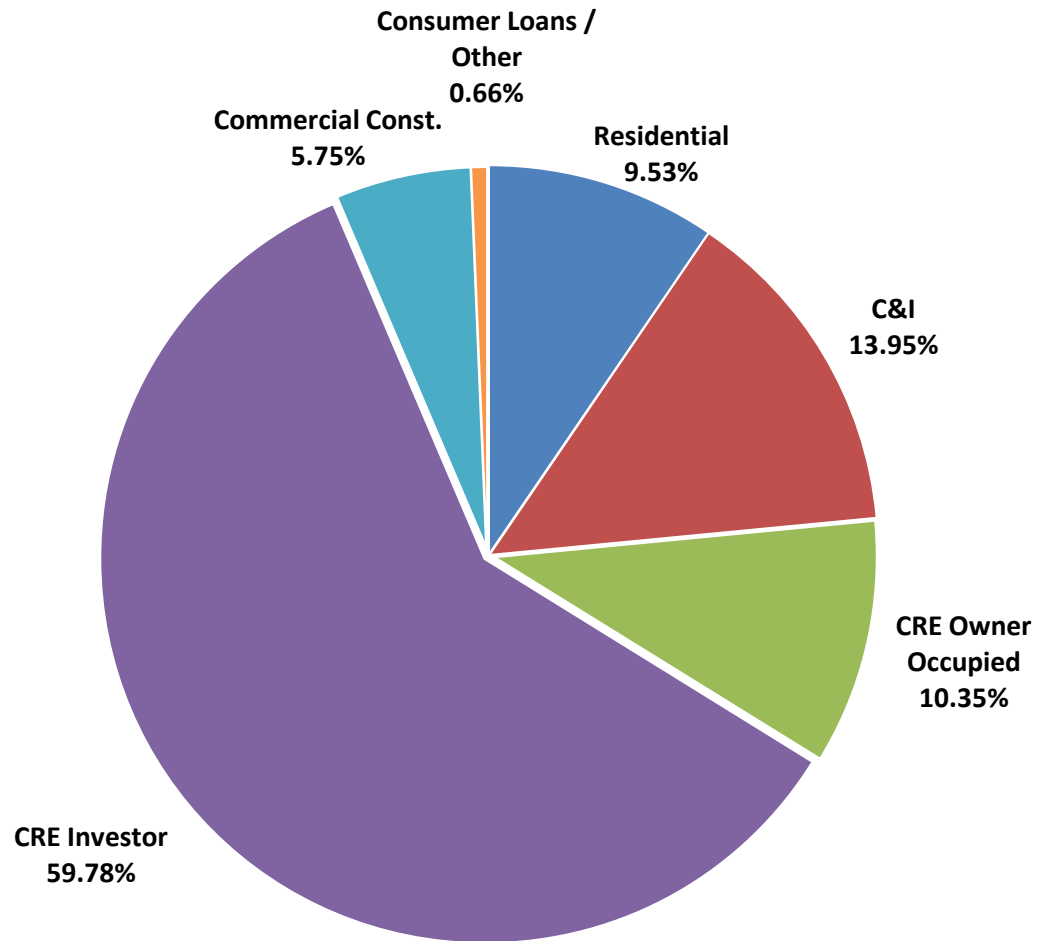
NPAs approaching historical norms

¹ See BWFG's 4Q'18 Earnings Release and related Investor Presentation for "Quarry Loans" background



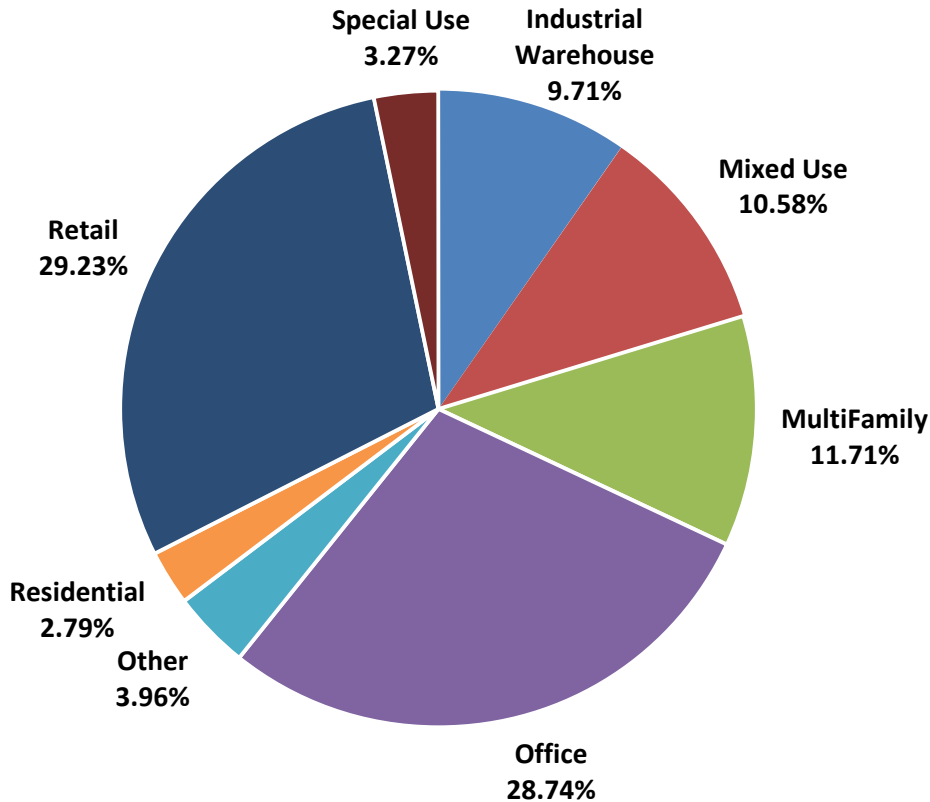
Loan Portfolio

- Portfolio oversight provided by team of 13 skilled credit analysts and portfolio managers, most with > 20 years' experience
- Concentration actively managed, with no single relationship representing more than 5.4% of total loan volume at September 30th, 2019





CRE Loan Portfolio¹



- Property Type mix continues to show well diversified exposure
- ~ 50% of all CRE loans have recourse³, non recourse loans generally require lower LTV and higher DSC

Dollars in millions

Retail Composition	\$	%
Retail ²	\$190	59.27%
Grocery	\$73	22.92%
Pharmacy	\$30	9.35%
Gas / Auto Services	\$14	4.25%
Restaurant	\$13	4.21%
Total Retail	\$321	100.00%

- Average deal size is \$2.1MM

Office Composition	\$	%
Office (primarily suburban)	\$224	71.14%
Medical	\$89	28.19%
Condo	\$2	0.67%
Total Office	\$315	100.00%

- Average deal size is \$2.2MM

¹ Includes Owner Occupied CRE, does not include Construction

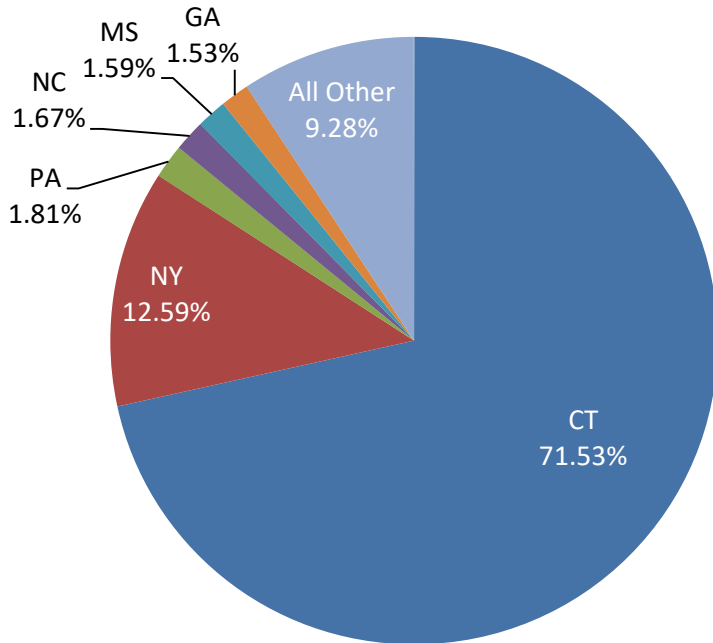
² Comprised primarily of neighborhood and convenience centers, typically characterized by: size up to 125,000 sq. ft.; convenience and service oriented

³ Based on dollar volume



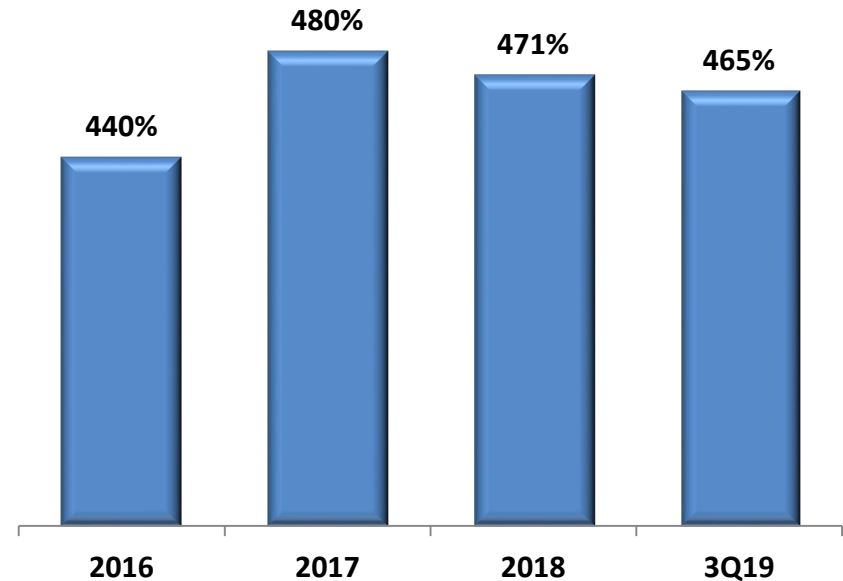
CRE Loan Portfolio¹

Geography Distribution



- Continued focus in primary market of the tri-state area (CT/NY/NJ) but maintaining diversification by following strongest customers to growth markets
- **Of the CT-based loans, 62% are in Fairfield County²**

CRE to Risk Based Capital Ratio



- Proven track record as CRE Lender with strong risk management practices in place
- CRE Retail loans have an average LTV of less than 60% and an average DSCR of at least 1.6x
- No significant exposure to any one retailer and no exposure to bankrupt retailers

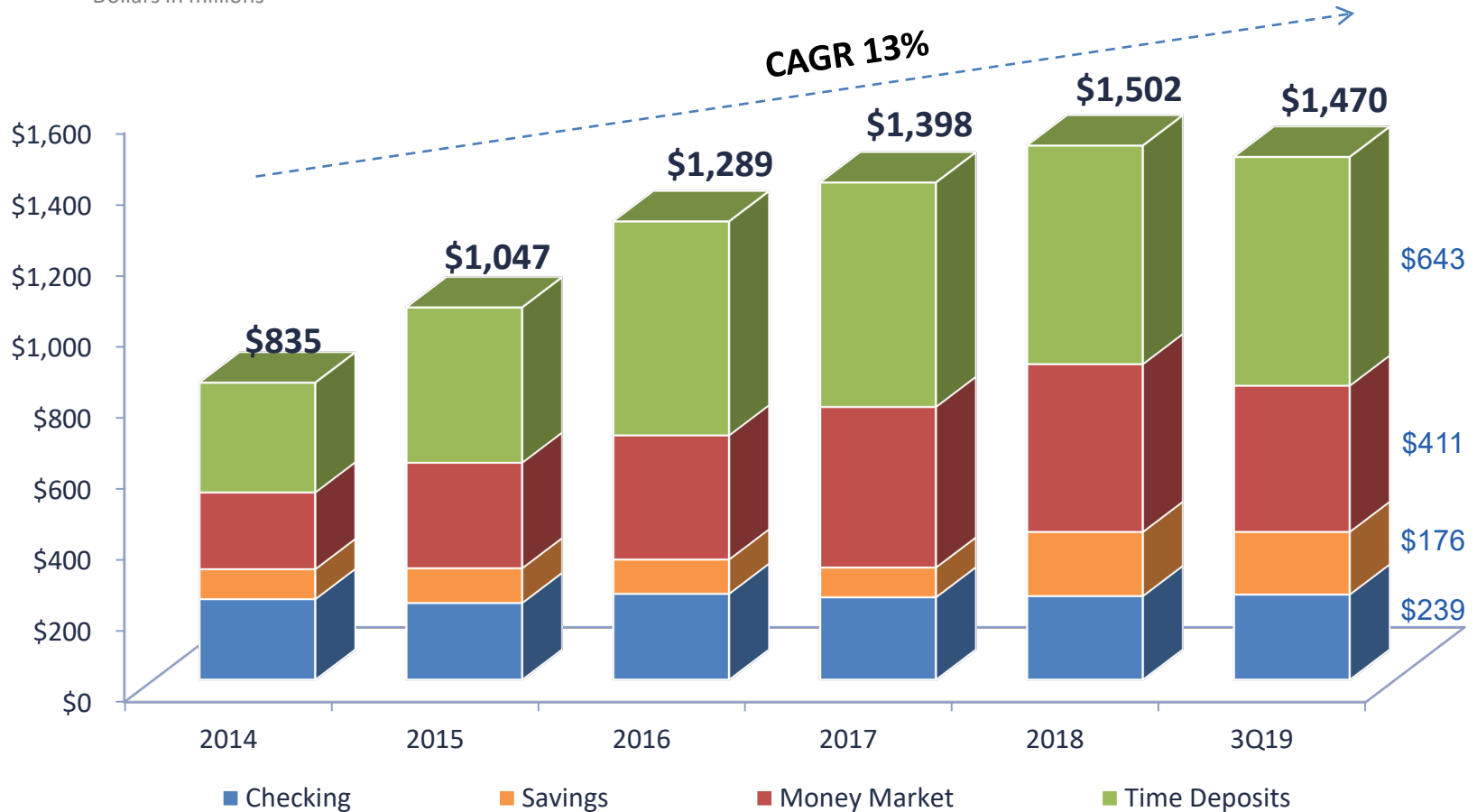
¹ Includes Owner Occupied CRE, does not include Construction

² Based on dollar volume



Deposits

Dollars in millions



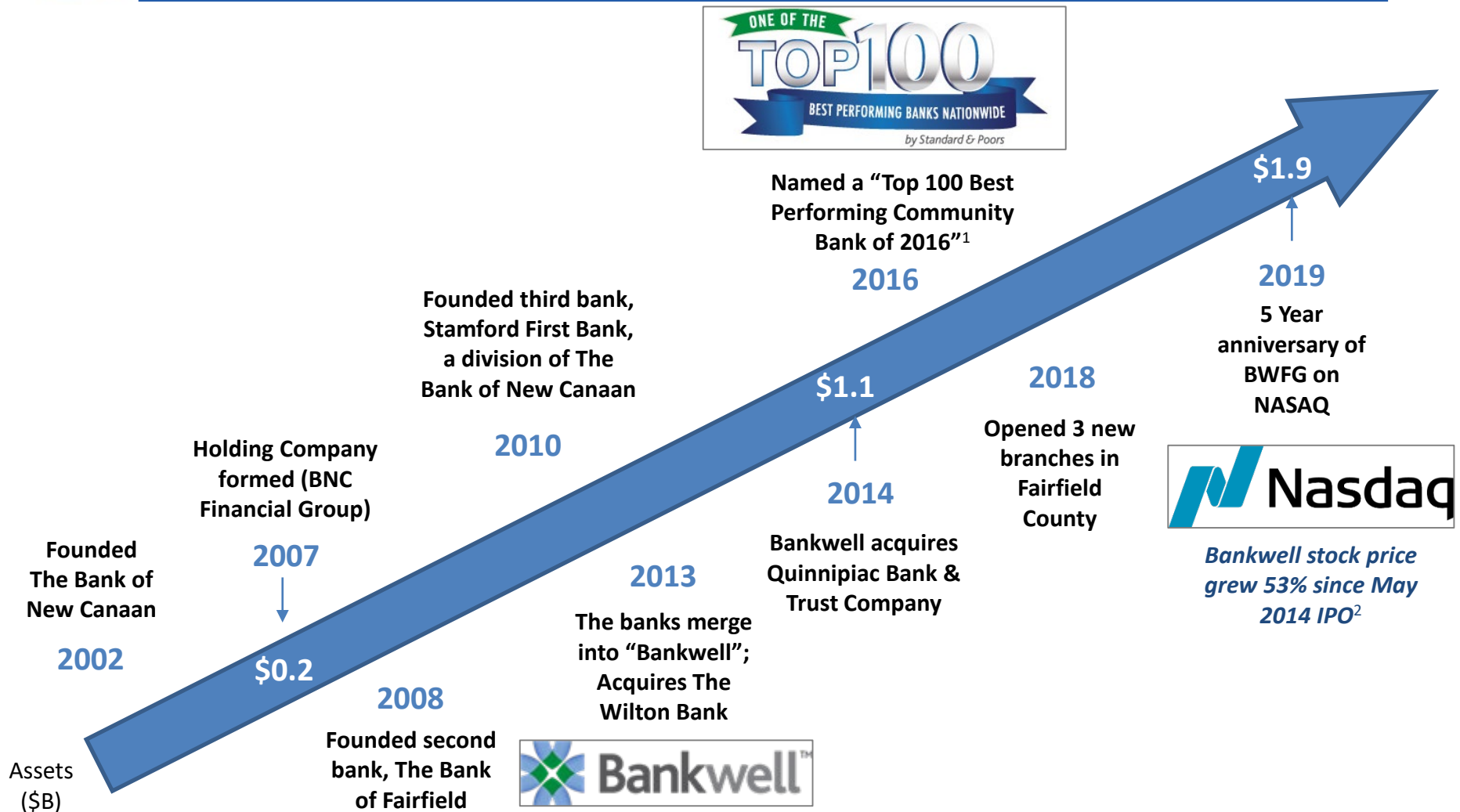
3Q19 Wholesale Ratio down to 20.9%



Bankwell Overview



Bankwell's Milestones



¹ Bankwell was named one of the "Top 100 Best Performing Community Banks of 2016" between \$1 billion and \$10 billion in assets nationwide based on certain metrics for the year ended December 31, 2016 by S&P Global Market Intelligence

² as of September 30th, 2019

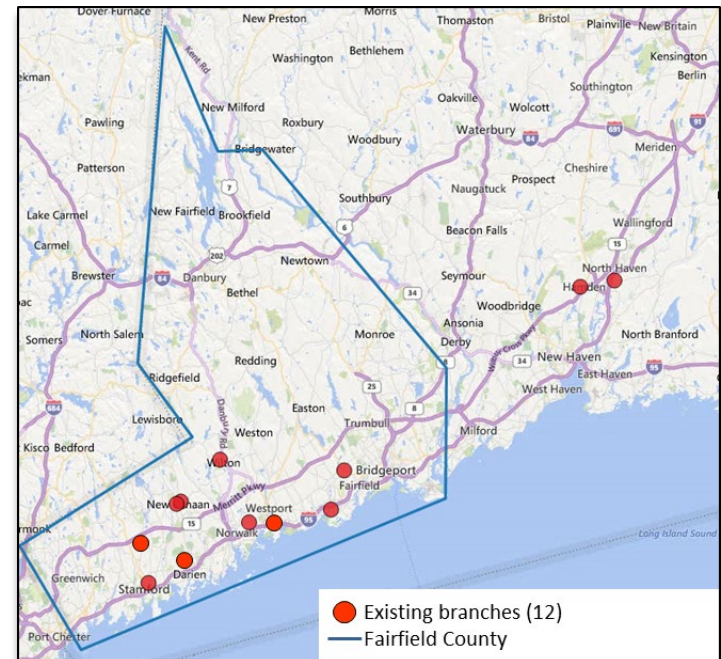


Bankwell Profile

Company Overview

NASDAQ: BWFG

- Connecticut-based \$1.9 billion bank, with focus on CRE and C&I lending
- 12 existing branches in Fairfield & New Haven Counties
- Excluding the 3 branches opened in 2Q18, BWFG has \$159 million deposits per branch; highest in Fairfield & New Haven Counties¹
- Our core market of Fairfield County (the Bridgeport-Stamford-Norwalk MSA) is the premier Connecticut location, highlighted by:
 - + 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 the two largest hedge funds in the U.S.⁵



¹ Source: S&P Global Market Intelligence's *Branch Competitors & Pricing Report* as of 6/30/19, excluding global money center banks (tickers BAC, WFC, JPM, TD & C)

² Source: Bureau of Economic Analysis' *Metropolitan Area Table*, contained within the *Local Area Personal Income, 2017* news release 11/15/18

³ Source: Bloomberg: *These Are the Wealthiest Towns in The U.S.*, 2/13/19

⁴ Source: Fortune.com: *2019 Fortune 500*

⁵ Source: Business Insider: *The 10 Biggest Hedge Funds in the U.S.*, 5/18/18



Why Bankwell?

Growth

- Proven track record of quality loan originations
- Tangible Book Value growth of 37% since 2014 IPO
- Operates in premiere markets

Risk Management

- Strong credit culture; prudent, conservative credit standards
- Historically low NPLs / NPAs with low charge-offs
- Diverse product experience in CRE, C&I, Residential & Consumer

Performance

- Bankwell stock price grew 53% since May 2014 IPO¹
- Strong Net Income growth; quarterly dividends paid since 4Q'15
- Capital ratios put BWFG well above “well capitalized”

Management

- Performance-driven, highly experienced Management Team
- Strong BOD comprised of a broad cross-section of Subject Matter Experts
- ~16% “Insider Ownership” of the Bank^{1,2}

Outperformed KBW Regional Banking Index by 10% since '14 IPO¹

¹ as of September 30th, 2019

² Insider Ownership defined as current BWFG Board Members and Executive Management team



Management Team

Name	Years Experience	Selected Professional Biography
Christopher Gruseke President & CEO <i>(since 2015)</i>	25+	<ul style="list-style-type: none"> • Founding investor of Bankwell’s precursor, Bank of New Canaan, member of BoD and ALCO Committee 2009 to 2012 • 20 year Investment Banking career focused on financial institutions, securitizations and interest rate risk management • Management positions include Chief Operating Officer of Greenwich Capital Markets
Penko Ivanov EVP & CFO <i>(since 2016)</i>	25+	<ul style="list-style-type: none"> • Previous CFO roles with Darien Rowayton Bank & Doral Bank’s US Operations • Proven track record in building, improving and overseeing all areas of Finance, including Controllershship, SOX, Treasury, FP&A, as well as internal and external reporting functions • Prior experience includes 8 years with GE Capital in various finance roles
Heidi S. DeWyngaert EVP & Chief Lending Officer <i>(since 2004)</i>	30+	<ul style="list-style-type: none"> • Previously at Webster Bank, managing the Fairfield County Commercial Real Estate group • 10 years as Vice President for CRE at First Union National Bank
Christine A. Chivily EVP & Chief Risk & Credit Officer <i>(since 2013)</i>	30+	<ul style="list-style-type: none"> • Previously a Risk Manager for CRE and C&I at Peoples United Bank • SVP/Senior Credit Officer at RBS Greenwich Capital Markets (11 years); Director - Northeast Region, Multifamily at Freddie Mac (5 years); Manager, Loan Servicing - Distressed Assets at M&T Bank
Laura J. Waitz EVP & Chief of Staff <i>(since 2017)</i>	30+	<ul style="list-style-type: none"> • Previously Senior Managing Director, Global Head of Human Resources at The Blackstone Group (9 years) • Also at Citi Alternative Investments as MD & Global Head of Compensation & at Deutsche Bank as Head of Compensation (Americas) & as Global Compensation Mgr. for Private Equity & Investment Bank

Experienced management team with a diverse, non-community banking background



Thank You & Questions