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2Q24 Investor Presentation

July 24, 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.



- 2Q24 Results
- Credit Quality
- Loans
- Bankwell History & Overview





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2Q24 Results

Dollars in millions, except per share data

	QTR	YTD	Quarter Commentary
Net Income	\$1.1	\$4.9	<ul style="list-style-type: none"> • \$9.7 million PPNR¹; 10% growth from PQ • 2.75% NIM; 4 bps expansion from PQ <ul style="list-style-type: none"> – 6 bps reduction in Cost of Deposits due to favorable NIB deposit mix (average balances) • 2.5X liquidity coverage of uninsured deposits; continued stability • \$8.2 million provision for credit losses <ul style="list-style-type: none"> – \$6.6 million of the provision is related to a specific reserve taken against an \$8.7 million commercial business credit² • \$4.1 million payoff of non-performing loan (CRE Retail loan in suburban CT) • 40,140 shares repurchased in the quarter at average price of \$24.55; 76,320 repurchased year-to-date at average price of \$24.94
Earnings Per Share (EPS)	\$0.14	\$0.62	
PPNR ¹ Return on Average Assets	1.22%	1.16%	
Return on Average Assets	0.14%	0.31%	
Return on Average Tangible Common Equity	1.67%	3.65%	
Non-Interest Expense / Assets	1.55%	1.60%	
Tangible Book Value Per Share		\$33.61	
Total Risk Based Capital (Bank) ³		12.98%	

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

² 8-K was filed on July 2, 2024

³ Estimate, pending FDIC call report filing



Dollars in millions, except per share data

Income Statement	2Q24	1Q24	Var ¹	Balance Sheet	2Q24	1Q24	Var ¹
Total Interest Income	\$47.7	\$ 48.3	\$(0.6)	Cash & Cash Equivalents	\$251	\$ 248	\$ 4
Total Interest Expense	\$26.5	\$ 27.1	\$ 0.7	Investment Securities	\$138	\$ 126	\$ 12
<i>Net Interest Income</i>	<i>\$21.2</i>	<i>\$ 21.1</i>	<i>\$ 0.1</i>	Loans Receivable, net	\$ 2,617	\$ 2,647	\$(30)
Non-Interest Income	\$0.7	\$ 0.9	\$(0.2)	All Other Assets	\$136	\$ 135	\$ 1
Non-Interest Expense	\$12.2	\$ 13.3	\$ 1.1	Total Assets	\$ 3,142	\$ 3,155	\$(14)
Pre-Tax, Pre-Provision Net Revenue	\$9.7	\$ 8.8	\$ 0.9	Total Deposits	\$ 2,662	\$ 2,674	\$(11)
Provision for Credit Losses	\$8.2	\$3.7	\$(4.5)	Total Borrowings	\$159	\$159	\$ 0
Pre-Tax Income	\$1.5	\$ 5.1	\$(3.6)	Other Liabilities	\$53	\$54	\$(1)
Income Tax Expense	\$0.4	\$ 1.3	\$ 1.0	Total Liabilities	\$ 2,875	\$ 2,887	\$(13)
Reported Net Income	\$1.1	\$ 3.8	\$(2.6)	Equity	\$267	\$ 268	\$(1)
EPS	\$0.14	\$ 0.48	\$(0.34)	Total Liabilities & Equity	\$ 3,142	\$ 3,155	\$(14)
<i>Pre-Tax, Pre-Provision Net Revenue per share²</i>	<i>\$1.25</i>	<i>\$ 1.14</i>	<i>\$ 0.11</i>				

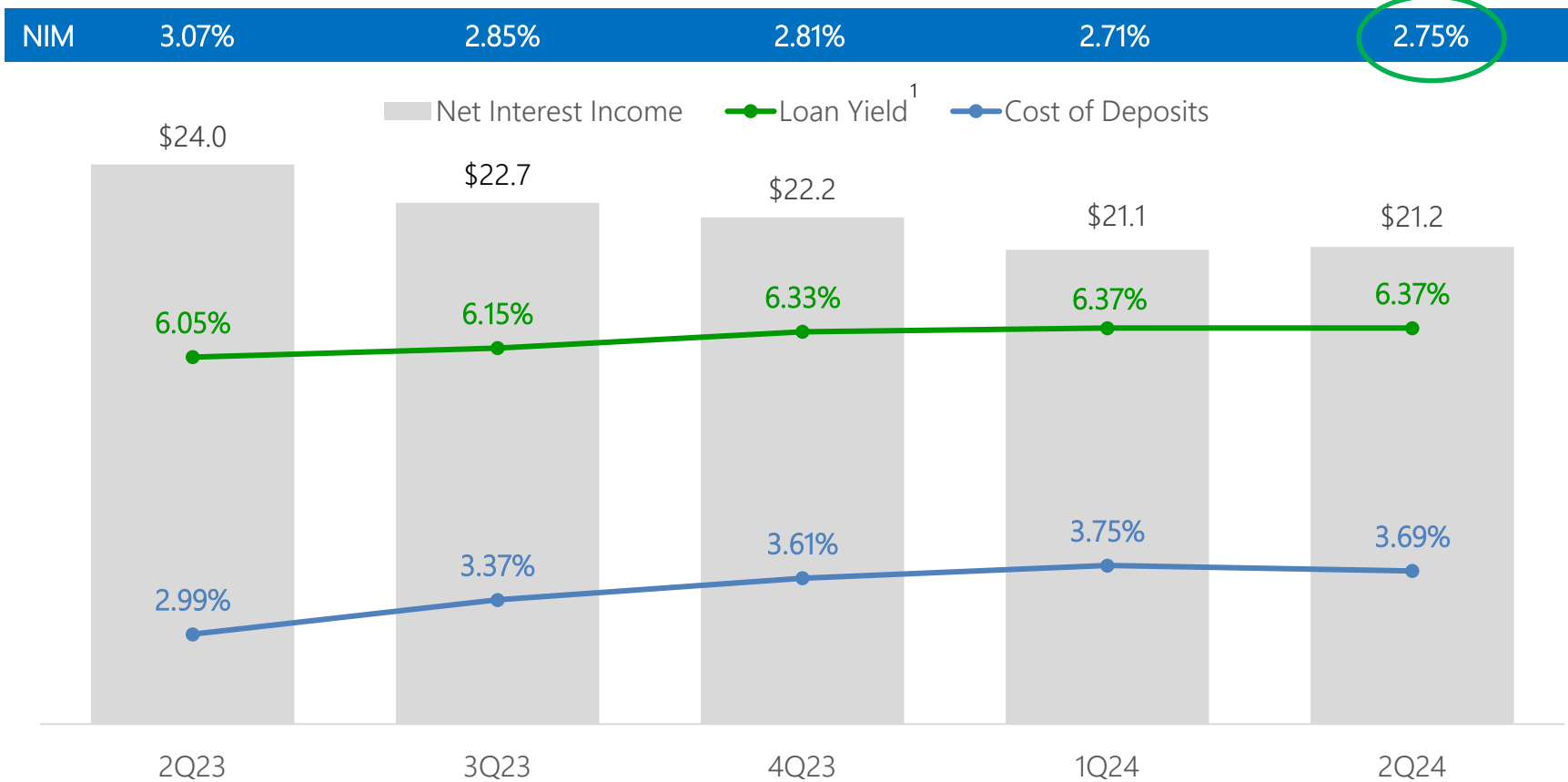
¹ Variances are rounded based on actual whole dollar amounts

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



Net Interest Margin Stabilized

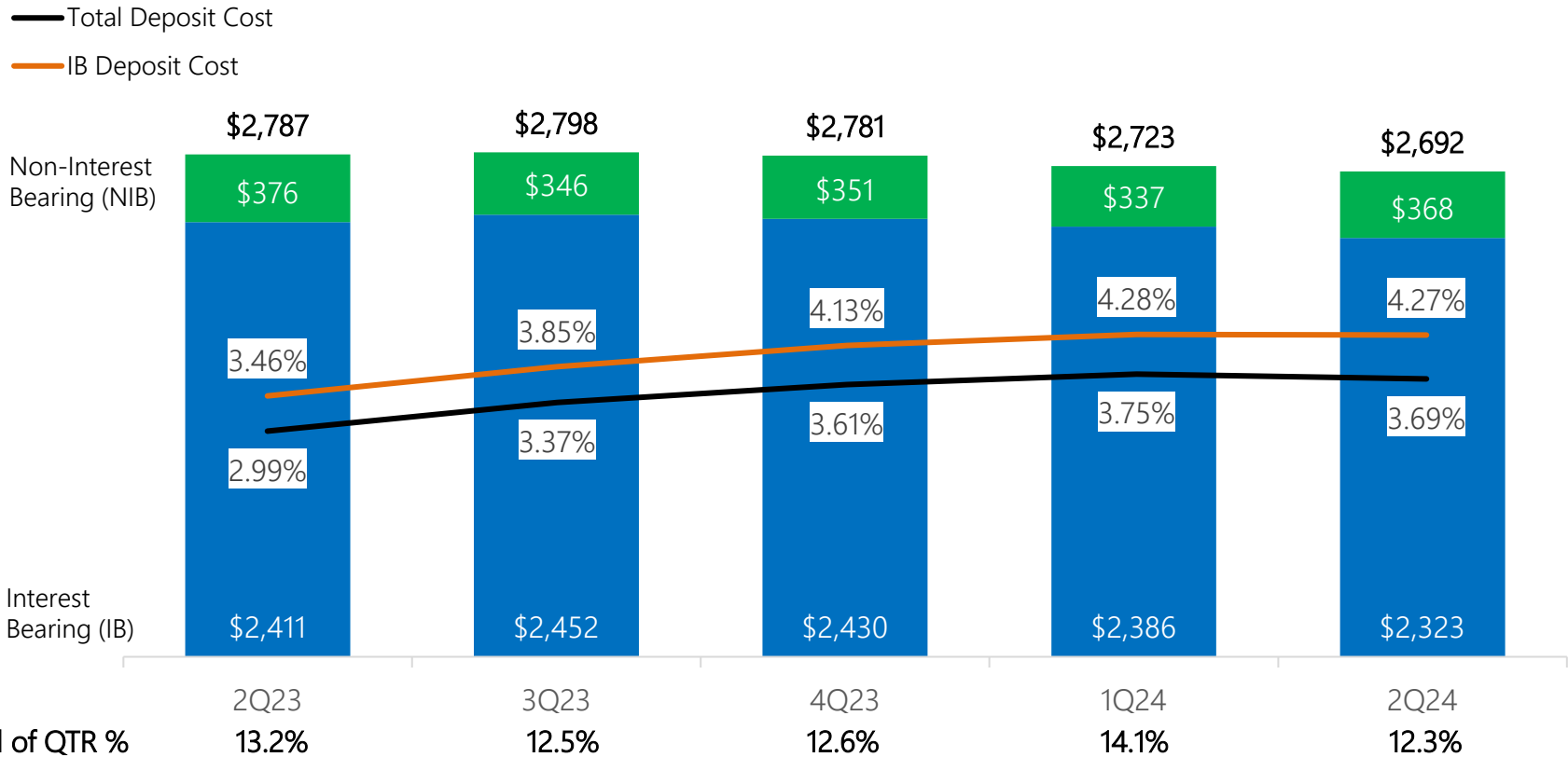
Dollars in millions



2Q24 NIM expansion on reduced deposit costs and continued strong loan yields

¹ Includes origination fee amortization





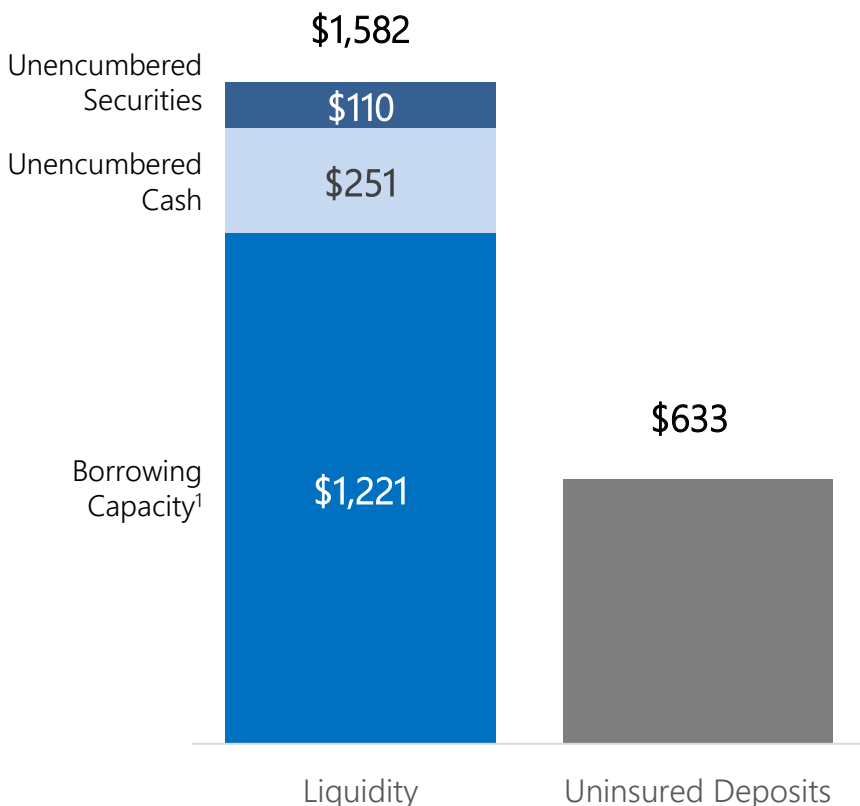
- 2Q24 total deposit costs 6 bps lower than PQ given average non-interest bearing deposits
- ~\$0.5 billion deposits remaining to mature in 2H'24, at average rate of ~4.80%



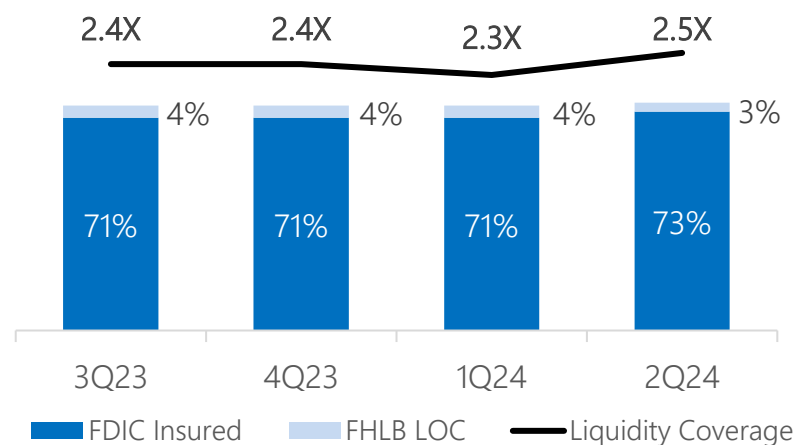
Liquidity Coverage of 2.5X

Dollars in millions

2Q24 Liquidity Coverage = 2.5X



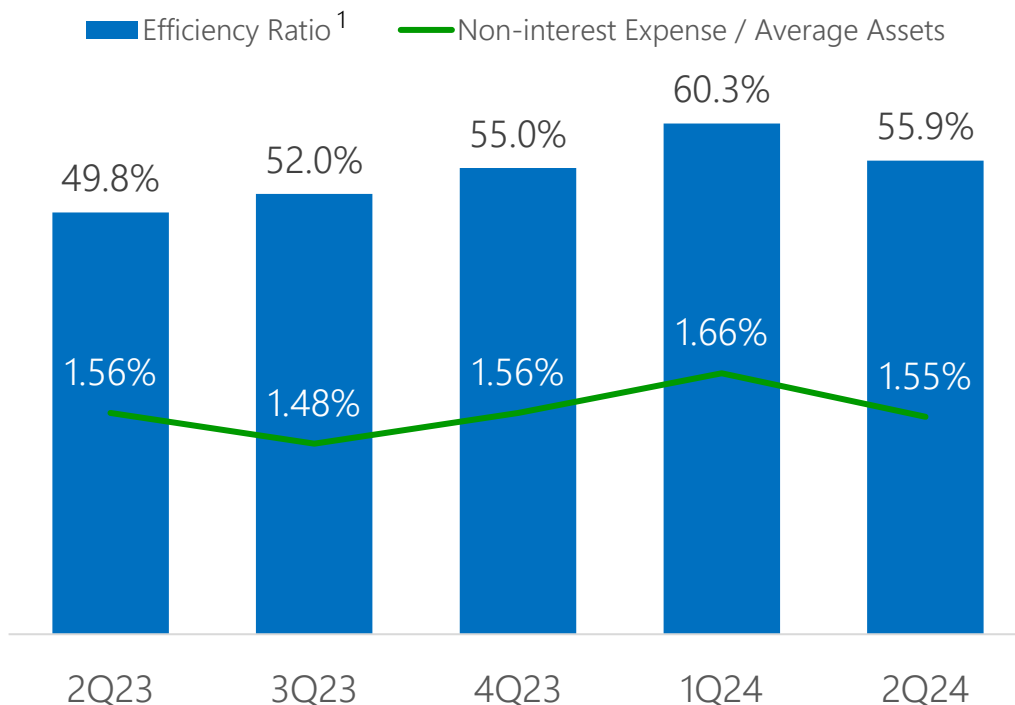
- \$2,029 million total insured deposits includes:
 - \$1,940 million FDIC-insured deposits
 - \$89 million deposits secured by FHLB LOCs (municipal deposits)
- 11.5% liquidity on balance sheet (Cash & Securities)
- Stable insured deposit base:



¹ Bank lines, including FHLB & FRB



Quarterly Efficiency Trends



CQ vs PQ Non-interest Expense

\$ in millions	2Q24	1Q24	V
Salaries & Employee Benefits	\$6.2	\$6.3	\$(0.1)
All Other	\$6.1	\$7.0	\$(0.9)
Total Non-interest Expense	\$12.2	\$13.3	\$(1.1)

- 1Q24 had one-time 1Q expenses
- Reduced FDIC assessment, as brokered deposit balances are reduced

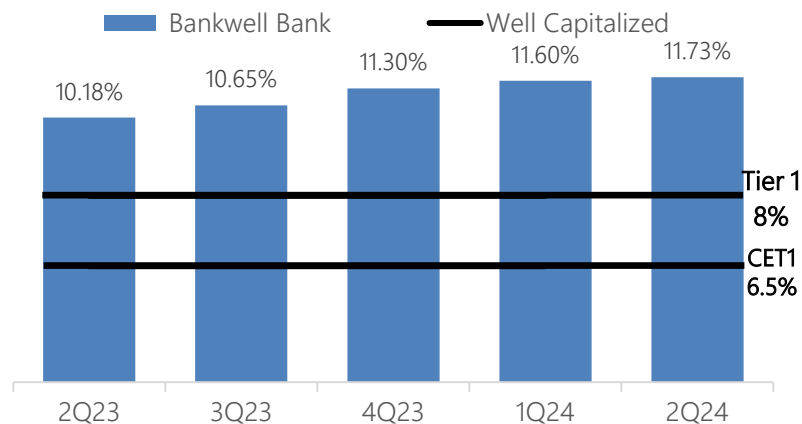
Last 12 Month comparison ²	Peers	BWFG
Efficiency Ratio	67.3%	54.0%
Non-interest Expense/Avg. Assets	2.25%	1.57%

¹ A non-GAAP metric

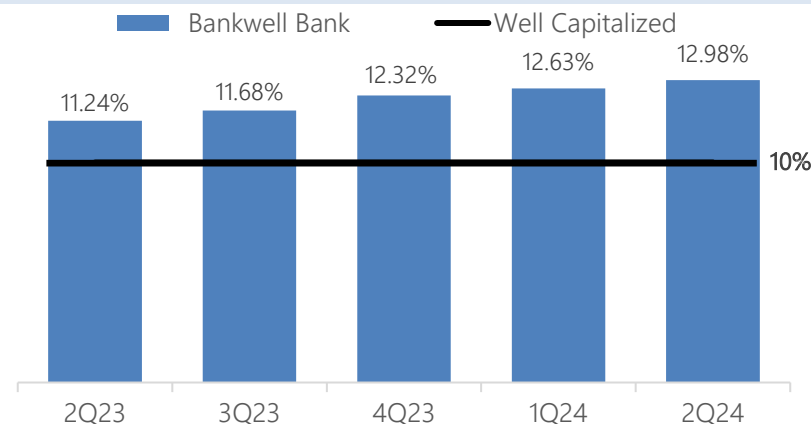
² Source: S&P Global Market Intelligence; data as of 3-31-2024 & peers include major-exchange traded banks in the Northeast and Mid-Atlantic between \$2 and \$5 billion in assets



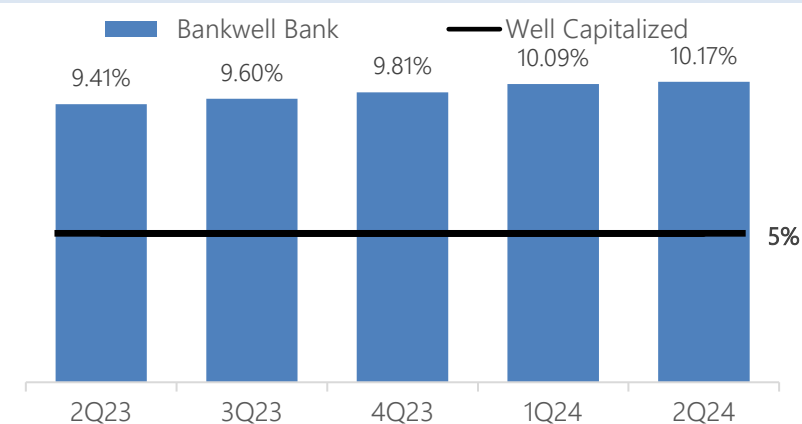
Tier 1 / CET 1 Capital Ratio



Total Risk-Based Capital Ratio



Tier 1 Leverage Ratio



- Additional 2Q24 ratios:
 - 8.42% TCE Ratio²
 - 379% CRE Concentration Ratio
 - 42% Construction Concentration Ratio
- 76,320 shares repurchased year to date at an average price of \$24.94

¹ Current period ratios are estimates, pending FDIC call report filing

² Consolidated ratio





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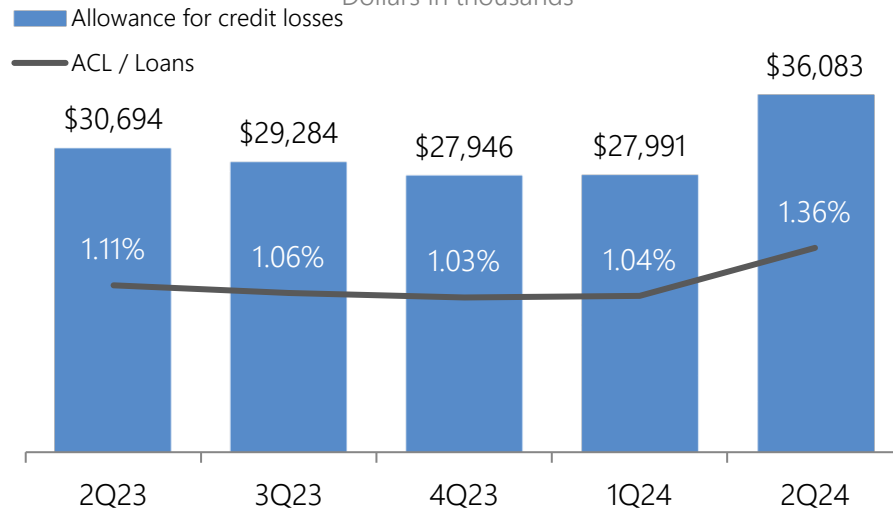
Credit Quality

Dollars in millions

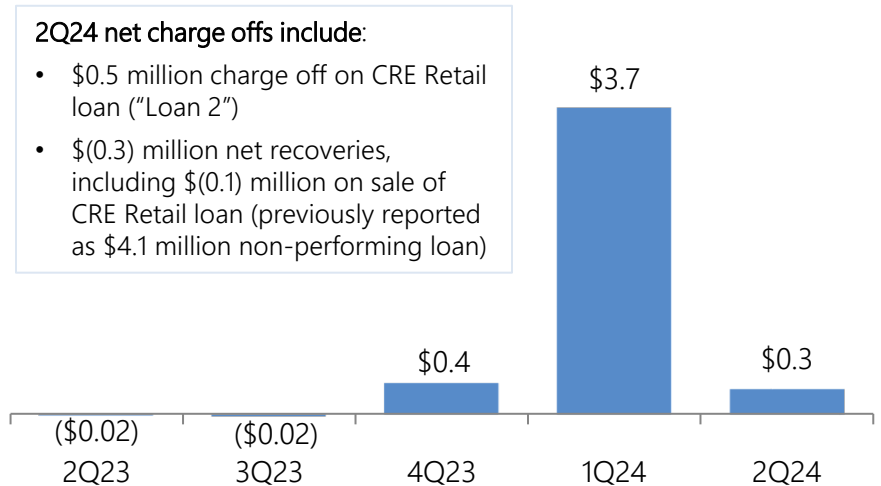
	2Q23		3Q23		4Q23		1Q24		2Q24	
Risk Rating	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%
1-5 "Pass"	\$2,710	97.7%	\$2,694	97.2%	\$2,570	94.5%	\$2,527	94.3%	\$2,497	94.0%
6 "Special Mention"	\$28	1.0%	\$22	0.8%	\$67	2.5%	\$72	2.7%	\$71	2.7%
7 "Substandard"	\$36	1.3%	\$54	2.0%	\$76	2.8%	\$68	2.5%	\$80	3.0%
8 "Doubtful"	\$0	0.0%	\$0	0.0%	\$6	0.2%	\$13	0.5%	\$8	0.3%
Total Gross Loans	\$2,774		\$2,770		\$2,719		\$2,680		\$2,657	
Non-performing Loans	\$15.5		\$28.0		\$49.2		\$46.5		\$56.2	
% of Total Loans	0.56%		1.01%		1.81%		1.74%		2.12%	

Allowance for Credit Losses ("ACL")

Dollars in thousands



Net Charge Offs (Recoveries)



2Q24 Criticized & Classified Loans

Dollars in millions

Risk Rating	Performing	CRE	C&I	Construction	1-4 Family Residential	Total
6	Yes	\$62	\$8	\$0	\$0	\$71
7	Yes	\$27	\$3	\$0	\$2	\$32
7	No	\$22	\$16	\$9	\$1	\$48
8	No	\$6	\$2	\$0	\$0	\$8
Total		\$117	\$29	\$9	\$4	\$160

- \$103 million of criticized and classified loans are performing; 99% current
- Of those performing loans, \$97 million are to 8 Residential Care borrowers who have personal guarantees; Average guarantor profile consists of:
 - \$617 million net worth; \$65 million liquidity; \$17 million personal cash flow
- Record inflation in 2022 and 2023 caused costs (which labor is the largest component) to rise outpacing state increases in Medicaid reimbursement rates. The borrowers were moved to special mention after missing EBITDA projections due to these increased expenses
- States have now adjusted their Medicaid reimbursement rates and the cost of labor has stabilized, leading to positive cashflow trends



2Q24 Non-Performing Loans

Dollars in millions

2Q24 Activity

- \$4.1 million CRE – Retail loan in suburban CT paid off; \$0.1 million recovery (\$0.6 million charged off in 4Q23)
- Remaining NPLs comprised of:

	Segment	Balance	% Total Loans	2Q24 Actions <i>(See next slide for additional details)</i>
Loan 1	CRE - Office	\$13.9	0.52%	• Downgraded to non-performing status
Loan 2	CRE - Retail	\$9.8	0.37%	• \$0.5 million charged off (life to date charged off \$4.5 million)
Loan 3	Construction	\$9.4	0.35%	• \$0.8 million specific reserve
Loan 4	C&I	\$8.7	0.33%	• 8k filed July 2 nd , 2024 • \$6.6 million specific reserve (total reserve \$7.0 million)
Loan 5	CRE - Office	\$3.0	0.11%	• Working towards refinance takeout
Subtotal		\$44.8	1.68%	
SBA Loans		\$9.4	0.35%	• \$8.2 million (31 basis points) are SBA-guaranteed balances
All Other		\$2.0	0.08%	• 5 loans; ~66% balances are residential mortgages
Total		\$56.2	2.12%	

- All non-performing loans individually evaluated for impairment
- Balances charged off or specifically reserved, as appropriate



Non-Performing Loan Details

Dollars in millions

Loan 1 \$13.9 million

- Class A suburban NJ office park
- 80% occupied
- Bankwell 17% participant in \$84 million multi-bank club deal
- 40% recourse
- April 2024 appraised value of \$105 million
 - Bankwell continue to monitor collateral on a quarterly basis

Loan 2 \$9.8 million

- Suburban retail loan modified during COVID
- Borrower paying according to terms of restructure
- \$4.5 million charged off, life-to-date
 - \$3.8 million in 2Q21
 - \$0.2 million in 4Q23
 - **\$0.5 million in 2Q24**

Loan 3 \$9.4 million

- Construction loan in Williamsburg, Brooklyn
- 70% completed; multi-family / mixed use
- Borrower, a single-asset LLC, in bankruptcy
- Full recourse to 3 high-net-worth guarantors
 - Guarantor litigation in process
- **\$0.8 million specific reserve taken in 2Q24**

Loan 4 \$8.7 million

- C&I loan; senior secured tranche of a \$28 million financing to support a sponsor-owned pediatric dental practice
- Sponsor and seller are engaged in ongoing litigation
- Medicaid fraud alleged and investigated with no wrongdoing found
- 90% revenue lost due to loss of managed Medicaid insurance contracts
- Insurance contracts have not been reinstated
- **\$6.6 million specific reserve taken in 2Q24**; total reserve of \$7.0 million





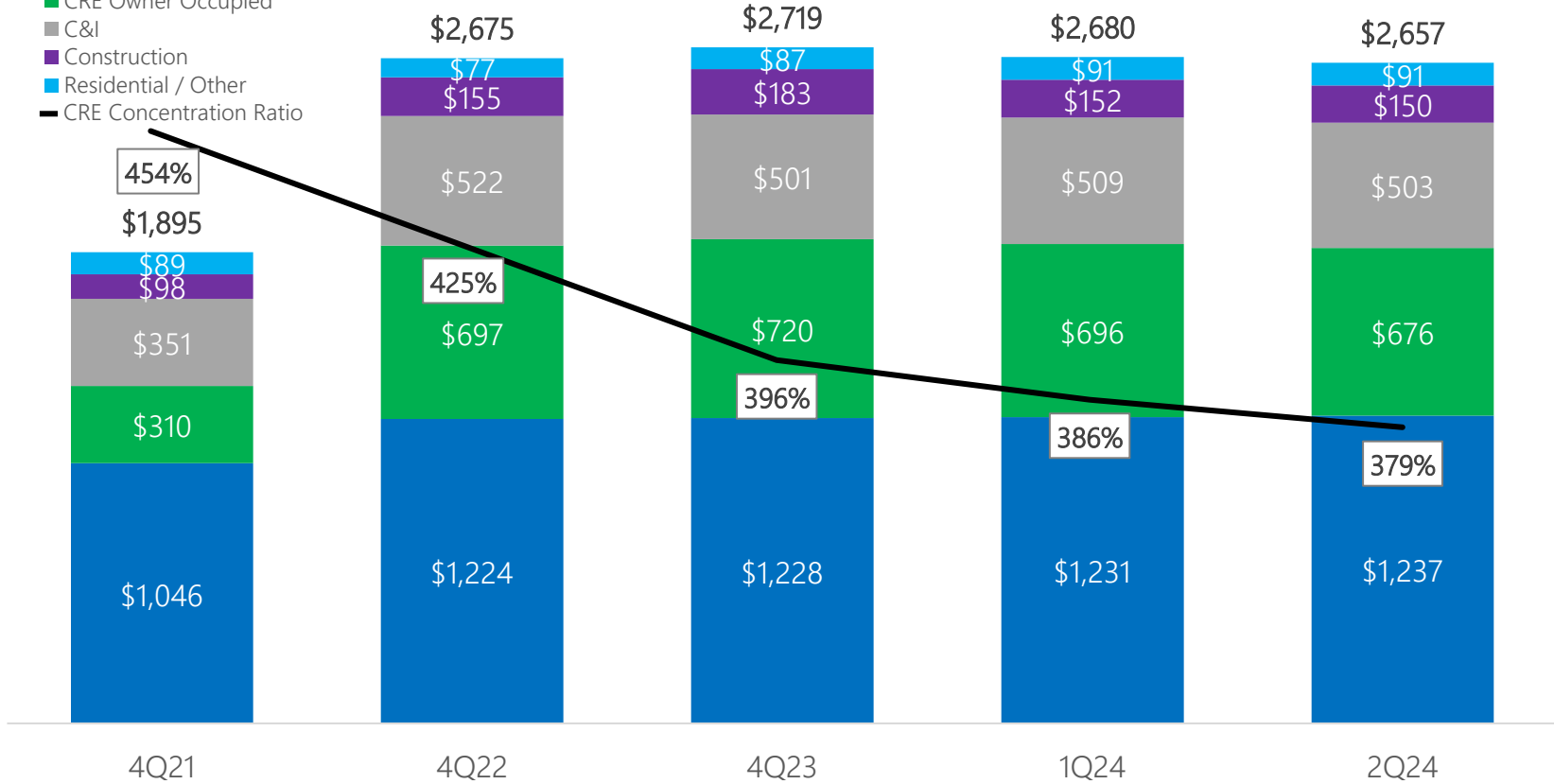
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Loans

Loan Balance Trends

Dollars in millions

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



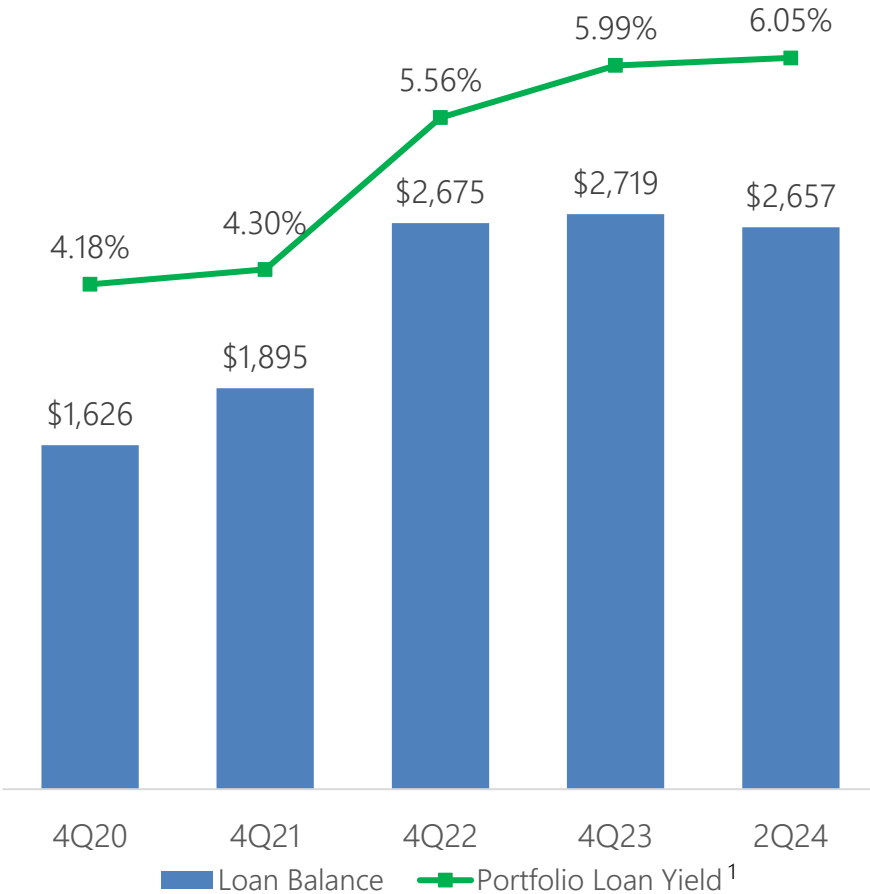
Declining CRE Concentration Ratio reflective of favorable improvement in mix



Loan Yields Steadily Increasing

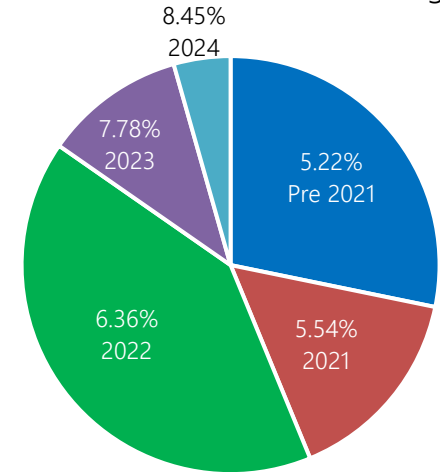
Dollars in millions

Loan portfolio yields increased 187 bps since 2020



Yields by Vintage²

72% of balances are 2021-24 vintages



Loan Maturities & Contractual Repricing

Excluding floating rate loans

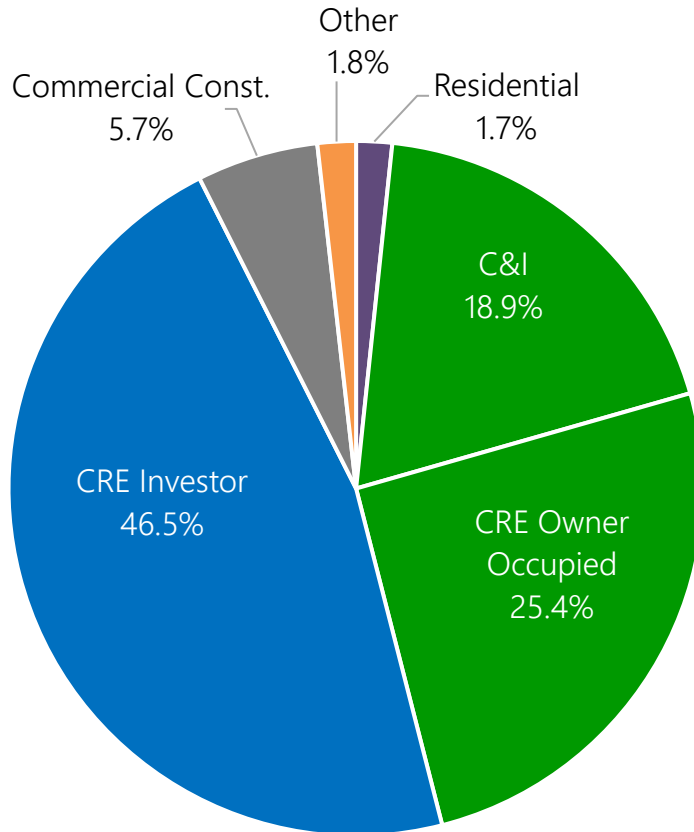
Year	Maturity	Contract Reprice	Total	% Total Loans
2024	\$206	\$12	\$218	8%
2025	\$628	\$59	\$687	26%
2026	\$227	\$48	\$274	10%
2027+	\$812	\$97	\$909	34%
Total	\$1,872	\$216	\$2,088	

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 6-30-2024, an "exit" rate

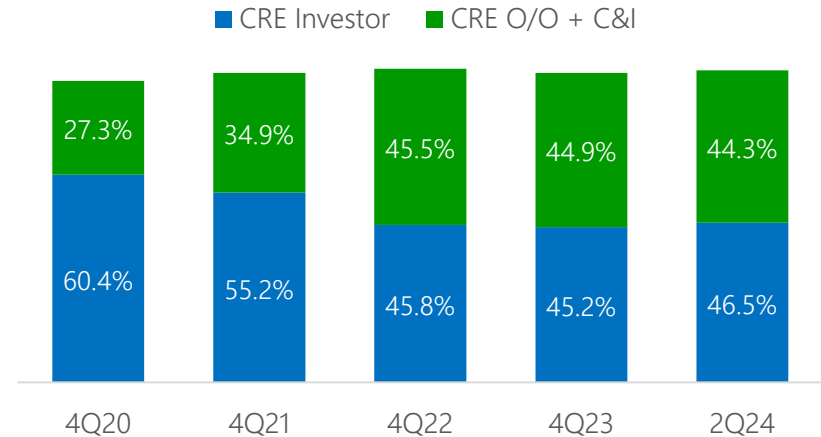


Loan Portfolio Composition



Total Loan Portfolio = \$2,657 million

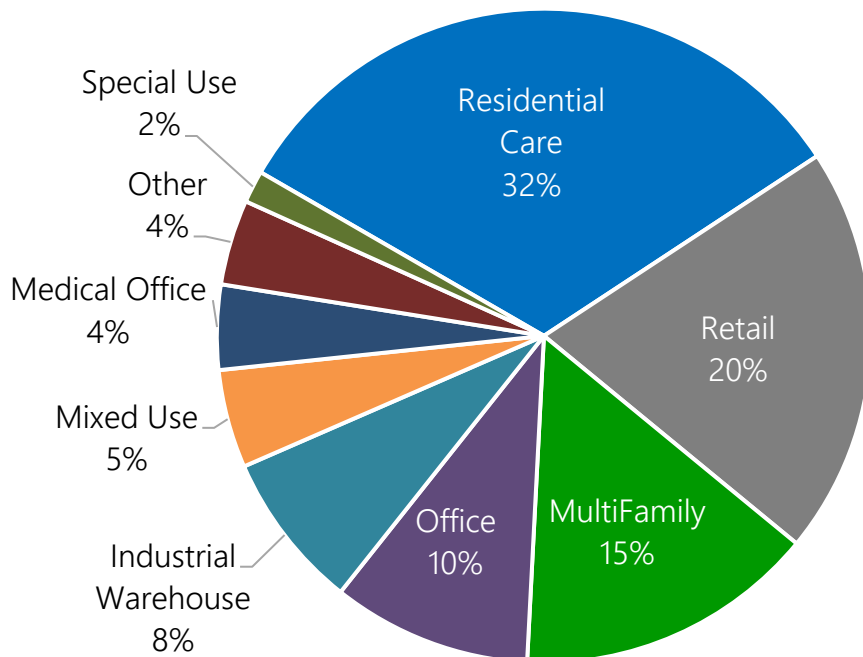
- No single relationship represents more than ~4% of total loans, as of June 30, 2024
- Favorable trend in Investor CRE:



Dollars in millions

Total CRE Portfolio = \$1,913 million

By Property Type



- 65% Non-Owner Occupied
- 61% weighted average LTV²
- 67% of loan balances have recourse

Loans Maturing or Repricing in 2024 – 2025³

Excluding floating rate loans

Property Type	Investor	Owner Occupied	Total
Residential Care	\$55	\$375	\$430
Retail	\$117	\$5	\$122
Office	\$83	\$10	\$93
Multifamily	\$50	\$0	\$50
All Other	\$103	\$17	\$120
Total	\$409	\$406	\$815

¹ Includes Owner Occupied CRE, does not include Construction

² LTVs based on original LTV values, at origination

³ Loans subject to repricing generally have a floor of not less than the original rate

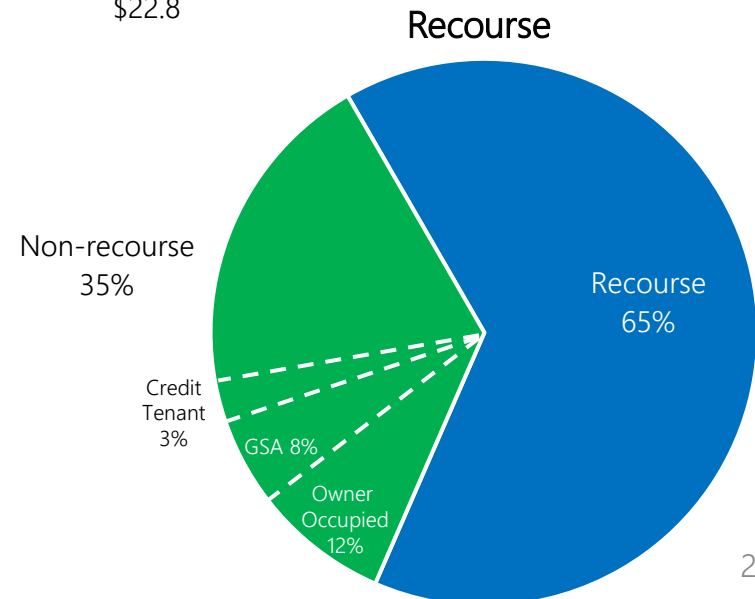
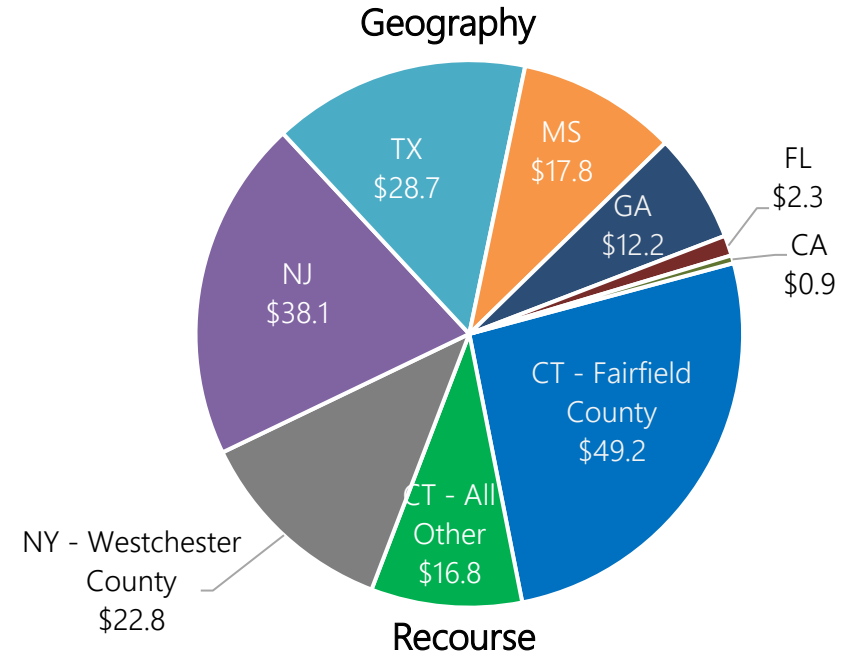


\$189 million Office exposure 7% of total loan portfolio

Composition

- No New York City exposure
- 67% located in Bankwell's primary market
- Out of primary market loans are generally either GSA-leased, credit tenants, or owner-occupied
- \$3.9 million average size; 65% weighted average LTV²
- 98% of loans are current
- \$93 million repricing or maturing in 2024-2025

Year	Loan Count	Balance	Wtd Avg LTV ²
2024	9	\$62	67%
2025	7	\$31	65%
Total	16	\$93	66%



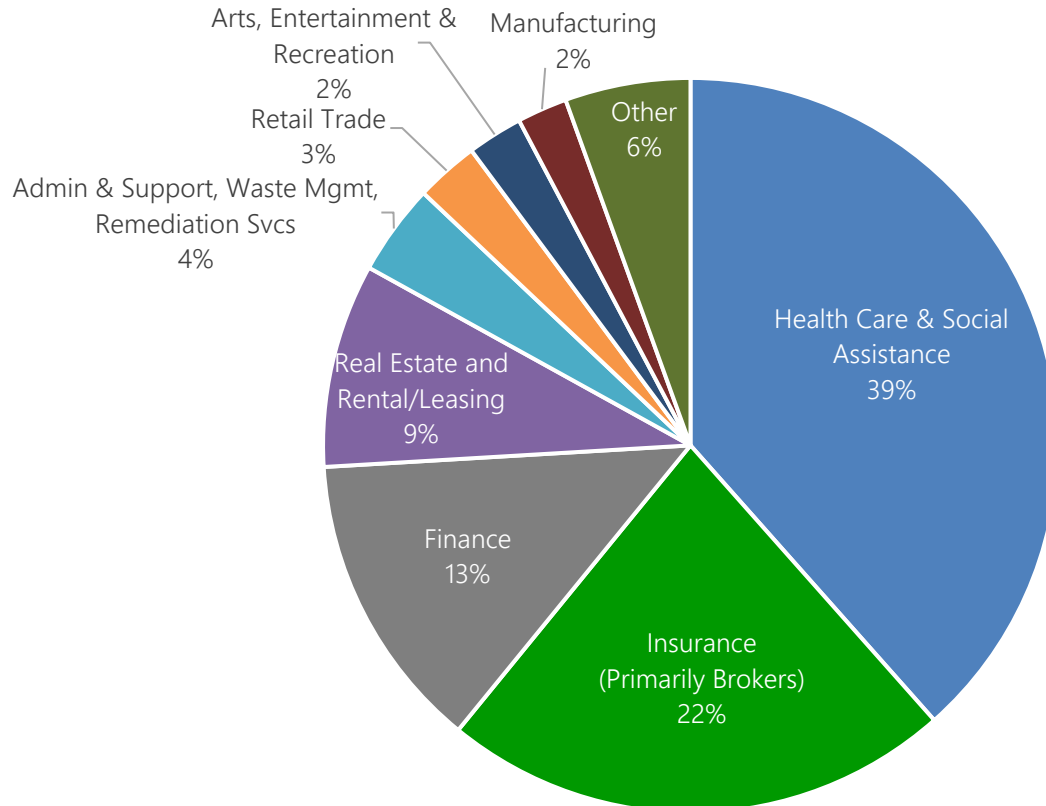
¹ Includes Owner Occupied CRE

² LTVs based on original LTV values, at origination



Loans by Industry Type

Total C&I Portfolio = \$503 million



- 98% of C&I portfolio has recourse
- 93% of Healthcare loans have recourse
 - Primarily consists of working capital lines secured by government accounts receivable
- Insurance lending primarily to brokers of home and auto insurance

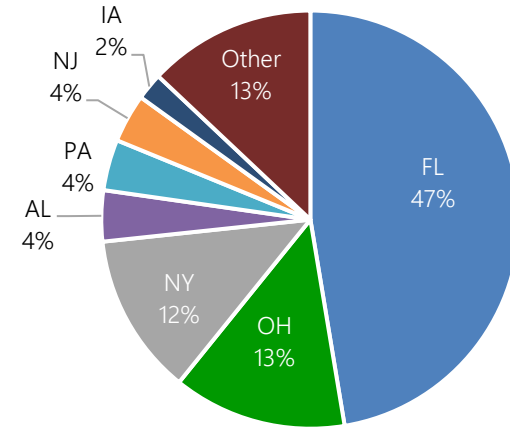


¹ Does not Include Owner Occupied CRE

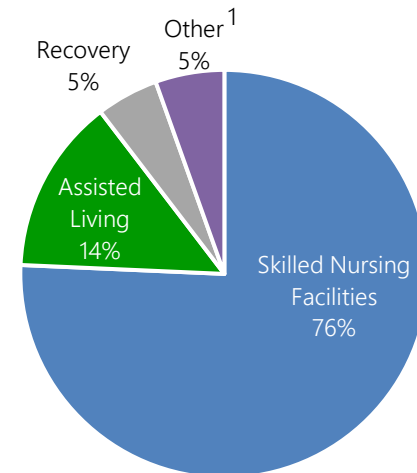
\$789 million combined Healthcare portfolio

- 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:
 - Higher average occupancy
 - Low denial of payment rates for Medicaid
 - Strong senior demographic trends
 - Certificate of need programs

CRE Skilled Nursing Facility By State



Healthcare Portfolio Composition

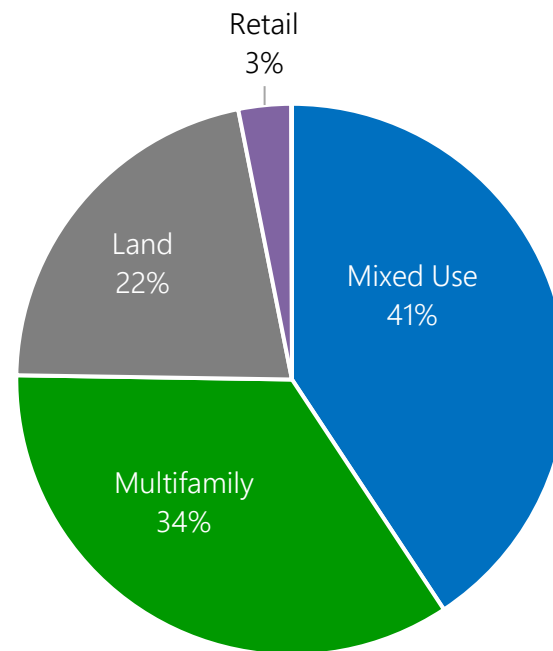


¹ Includes Physicians

- Commercial construction loans comprise ~6% of total loan portfolio (\$150 million)
- \$56 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
1Q24 Balance	24	\$239	36%	\$87
Closures in 2Q24	(2)	(\$21)		
1Q24 Loans @ 2Q24	22	\$218	26%	\$56
New 2Q24 Loans	0	\$0		
2Q24 Balance	22	\$218	26%	\$56

By Property Type





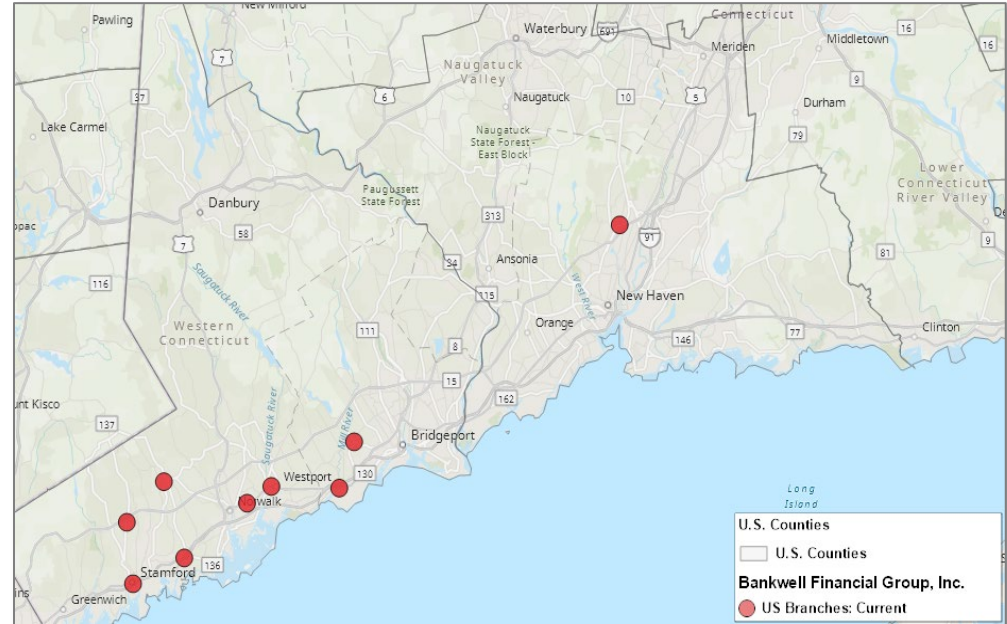
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History & Overview

- Connecticut-based \$3.1 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 10 Fortune 500 companies⁴
- Home to three of the largest hedge funds in the U.S.
- MSA ranked 17th 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*

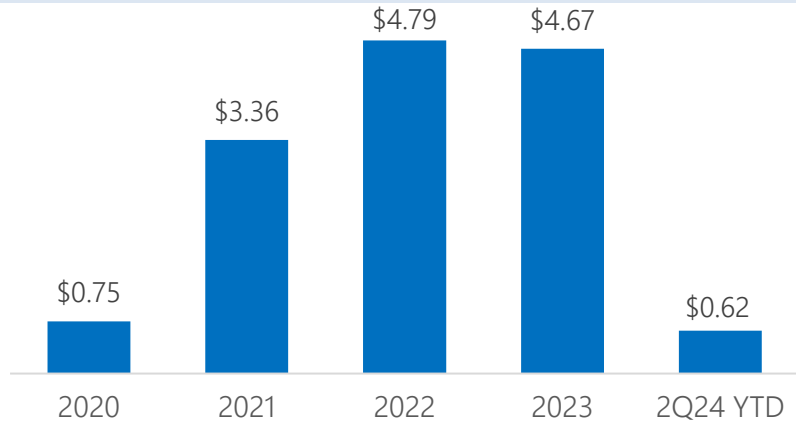
⁴ Source: Fortune.com: *2024 Fortune 500*

⁵ Source: WalletHub: *Most & Least Educated Cities in America, 7/17/24*

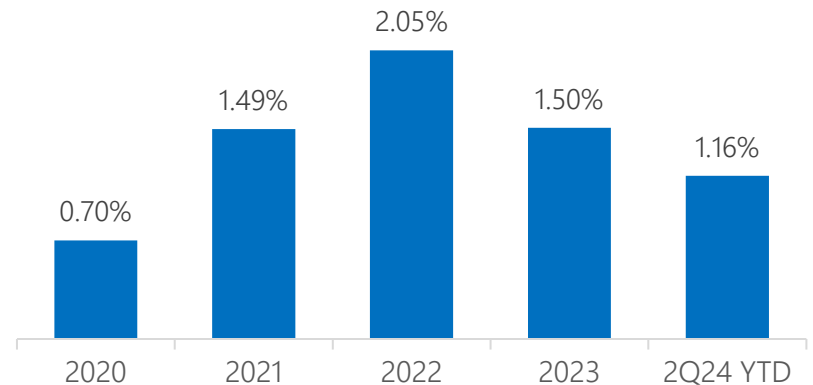
⁶ Source: US Census Bureau QuickFacts (as of July 1, 2022 data)



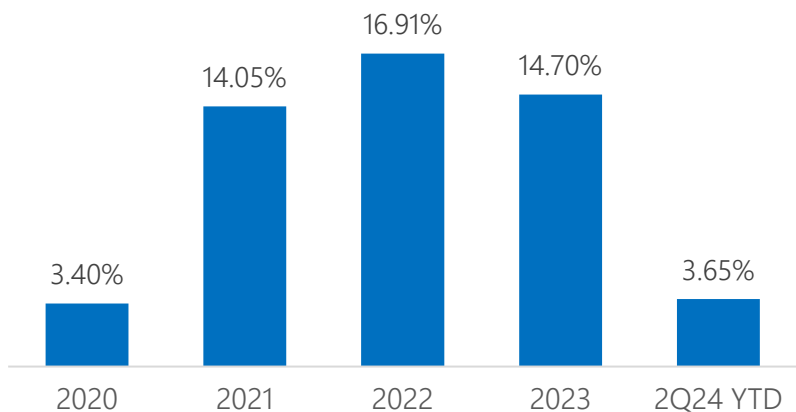
Diluted EPS



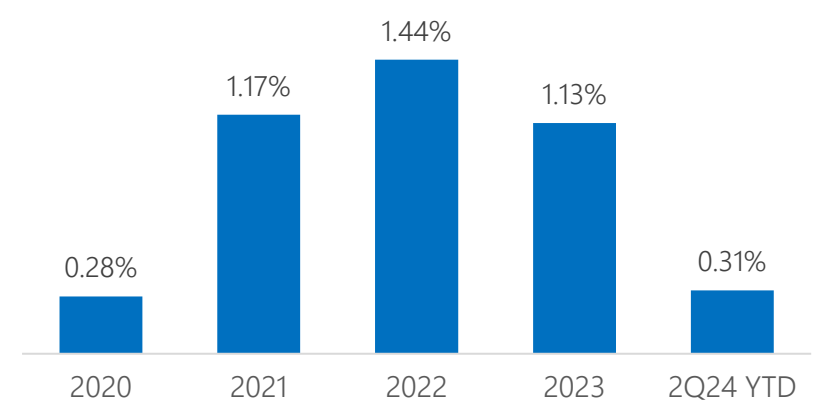
PPNR¹ Return on Average Assets



Return on Average Tangible Common 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



Dollars in thousands, except per share data

	2020	2021	2022	2023	2Q24 YTD
Total assets	\$2,253,747	\$2,456,264	\$3,252,449	\$3,215,482	\$3,141,654
Net loans	\$1,601,672	\$1,875,167	\$2,646,384	\$2,685,301	\$2,657,185
Loan-to-deposit ratio	87.9%	88.8%	95.2%	98.9%	99.4%
Return on average assets	0.28%	1.17%	1.44%	1.13%	0.31%
Efficiency ratio ¹	73.9%	53.9%	45.4%	50.8%	58.1%
Non-interest expense / average assets	2.03%	1.75%	1.71%	1.55%	1.60%
Net interest margin	2.77%	3.17%	3.78%	2.98%	2.73%
Total capital to risk weighted assets	12.28%	12.00%	11.07%	12.32%	12.98%
Tangible common equity ratio ¹	7.73%	8.13%	7.26%	8.19%	8.42%
Return on average tangible common equity	3.40%	14.05%	16.91%	14.70%	3.65%
Fully diluted tangible book value per share ¹	\$21.96	\$25.55	\$30.51	\$33.39	\$33.61
Net interest income	\$54,835	\$67,886	\$94,743	\$94,468	\$42,366
Pre-tax, pre-provision net revenue ¹	\$14,907	\$33,803	\$53,420	\$48,909	\$18,422
Net income	\$5,904	\$26,586	\$37,429	\$36,664	\$4,881
EPS (fully diluted)	\$0.75	\$3.36	\$4.79	\$4.67	\$0.62

¹ A non-GAAP metric



Experienced Leadership Team

Name	Years Experience	Selected Professional Biography
Christopher Gruseke Chief Executive Officer Director (since 2015)	30+	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.
Steven H. Brunner Chief Risk & Operations Officer (since 2024)	20+	Mr. Brunner has over 20 years of experience in Commercial Banking. He previously served as Global Head of Financial Crimes at Wex, Inc. a global financial technology payments company. His prior experience also includes nine years at Sterling National Bank, holding multiple compliance and risk management positions, serving as BSA/AML/OFAC Compliance & Security Officer from 2017 until the bank’s merger with Webster Bank. During his 9 years at Sterling National Bank, the bank grew its assets from \$3 billion to over \$30 billion. Prior thereto, he held similar risk management roles at Ally Financial, Inc. and AXA Equitable. Mr. Brunner earned his B.S. in Economic Crime Investigation, with a concentration in Computer Security from Utica University.
Christine A. Chivily Chief Credit Officer (since 2013)	40+	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.
Ryan J. Hildebrand Chief Innovation Officer (since 2023)	20+	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. Mr. Hildebrand received his B.A. in Accounting from Oregon State University.
Matthew McNeill Chief Banking Officer (since 2020)	20+	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.
Courtney E. Sacchetti Chief Financial Officer (since 2023)	25+	Ms. Sacchetti has more than 25 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.





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Thank You & Questions