Bankwell Financial Group, Inc.
Form S-4
June 26, 2014
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As filed with the Securities and Exchange Commission on June 26, 2014
Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Bankwell Financial Group, Inc.
(Exact name of Registrant as specified in its charter)

Connecticut	**6022**	**20-8251355**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

220 Elm Street
New Canaan, Connecticut 06840
(203) 652-6300
(Name, address and telephone of principal executive offices)

Ernest J. Verrico, Sr.
Executive Vice President and Chief Financial Officer
Bankwell Financial Group, Inc.
220 Elm Street
New Canaan, Connecticut 06840
(203) 652-6300
(Name, address, including zip code and telephone number, including area code, of agent for service)

with copies to:

William W. Bouton III
Sarah M. Lombard
Hinckley, Allen & Snyder LLP
20 Church Street
Hartford, CT 06103
Telephone: (860) 725-6200
Facsimile: (860) 331-2627

Larry M.F. Spaccasi
Marc P. Levy
Luse Gorman Pomerenk & Schick P.C.
5335 Wisconsin Avenue, NW, Suite 780
Washington, DC 20015
Telephone: (202) 274-2000
Facsimile: (202) 362-2902

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	**Amount to be Registered (1)**	**Proposed Maximum Aggregate Offering Price (2)**	**Amount of Registration Fee (3)**
Common Stock, no par value per share	510,305	$ 8,906,046	$ 1,147.10

(1)

- Represents the maximum number of shares of common stock of Bankwell Financial Group, Inc. issuable upon the completion of the merger described herein.

(2)

- Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rule 457(f)(2) and (f)(3) of the Securities Act, the proposed maximum aggregate offering price of the registrant's common stock was computed by (a) multiplying (i) the book value as of March 31, 2014, of the common stock of Quinnipiac Bank & Trust Company to be exchanged or cancelled in connection with the merger, which equaled $8.59, by (ii) 1,215,013, representing the maximum number of shares of Quinnipiac Bank & Trust Company common stock expected to be exchanged or cancelled in connection with the merger, and (b) from the total ($10,436,961) subtracting $1,530,915, representing the estimated amount of cash to be paid to the shareholders of Quinnipiac Bank & Trust Company.

(3)

- Determined in accordance with Section 6(b) of the Securities Act at a rate equal to $128.80 per $1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. Bankwell Financial Group, Inc. may not sell the securities offered by this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

PRELIMINARY — SUBJECT TO COMPLETION — DATED ____________, 2014

[QB&T COMPANY LOGO]

MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT

____________, 2014

Dear Shareholders:

On March 31, 2014, the boards of directors of Bankwell Financial Group, Inc., or BWFG or Bankwell, and Quinnipiac Bank & Trust Company, or QBT, agreed to a strategic business combination in which QBT will merge with and into Bankwell Bank, a Connecticut chartered bank and wholly owned subsidiary of BWFG, referred to herein as the merger. Bankwell Bank will be the survivor of the merger. Under the terms and conditions of the merger, the shareholders of QBT, as of the record date, will be able to elect to receive either (i) $12.00 in cash, (ii) 0.56 shares of BWFG common stock for each share of QBT common stock, subject to proration provisions described in this proxy statement/prospectus, whereby approximately 75% of QBT shares will be exchanged for stock and approximately 25% for cash, or (iii) a combination of cash and BWFG common stock. The value of the stock consideration will depend on the market price of BWFG common stock on the effective date of the merger.

This proxy statement/prospectus is being sent to you to notify you of and invite you to the special meeting of QBT shareholders being held to consider the Agreement and Plan of Merger, dated as of March 31, 2014, referred to herein as the merger agreement, that QBT has entered into with BWFG. At the special meeting, you will be asked to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger. You will also be asked to approve the adjournment of the special meeting, if necessary, in order to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

The special meeting of QBT shareholders will be held at the [__________________________________], Connecticut ________ on _____________, 2014, at _________ am/p.m., local time.

The merger cannot be completed unless, among other things, the holders of at least two-thirds of the shares of QBT common stock outstanding and entitled to vote approve the merger agreement. The board of directors of QBT unanimously approved the merger agreement and determined that the merger is fair and in the best interests of QBT and its shareholders, and accordingly unanimously recommends that shareholders vote "FOR" approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and "FOR" the approval of the adjournment of the special meeting, if necessary, in order to solicit additional proxies in favor of the approval of the merger agreement and the transactions contemplated thereby, including the merger.

The attached proxy statement/prospectus, which serves as the proxy statement for the special meeting of the shareholders of QBT and as the prospectus for the shares of BWFG common stock to be issued in the merger, includes detailed information about the special meeting, the merger, and the documents related to the merger. We urge you to read this entire document carefully, including the discussion of the risks related to the merger and owning BWFG common stock after the merger in the section titled "Risk Factors" beginning on page 20. You can also obtain information about BWFG from documents that have been filed with the Securities and Exchange Commission that are incorporated in the proxy statement/prospectus by reference.

BWFG's common stock is traded on the NASDAQ Global Market under the symbol "BWFG." No established trading market exists for QBT common stock. On ____________, 2014, the last practicable trading day prior to the printing of the attached proxy statement/prospectus, the last sales price of BWFG common stock was $_____ per share.

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Your vote is important. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card as soon as possible to make sure your shares are represented at the special meeting. If you submit a properly signed proxy card without indicating how you want to vote, your proxy will be counted as a vote "FOR" approval of the merger agreement and "FOR" the approval of the adjournment of the special meeting. The failure to vote by submitting your proxy or attending the special meeting and voting in person will have the same effect as a vote against the approval of the merger agreement.

QBT's board of directors unanimously recommends that shareholders vote "FOR" the approval of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and "FOR" the approval of the adjournment of the special meeting, if necessary, in order to solicit additional proxies in favor of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Sincerely,

Brian P. McArdle
Chairman of the Board of Directors

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved of the securities to be issued in the merger or determined if the attached proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The shares of BWFG common stock to be issued in the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by any federal or state governmental agency.

This document is dated ____________, 2014, and is first being mailed to QBT shareholders on or about ____________, 2014.

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[QB&T LOGO]
2704 Dixwell Avenue
Hamden, Connecticut 06518

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON ________________, 2014

A special meeting of shareholders of QBT will be held at the [______________________________], ___________, Connecticut _____ on __________, 2014, at ____a.m./p.m., local time for the following purposes:

1.

- to consider and vote on a proposal to approve the Agreement and Plan of Merger by and between Quinnipiac Bank & Trust Company (QBT) and Bankwell Financial Group, Inc. (BWFG or Bankwell), dated March 31, 2014, a copy of which is attached as Appendix A to the accompanying proxy statement/prospectus, and the transactions contemplated thereby; and

2.

- to consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to approve the merger agreement.

The proposed merger of QBT with and into Bankwell Bank is more fully described in the attached document, which you should read carefully and in its entirety before voting.

The board of directors of QBT has established the close of business on ______________, 2014, as the record date for the special meeting. Only record holders of QBT common stock as of the close of business on that date will be entitled to notice of and to vote at the special meeting or any adjournment or postponement of that meeting. The affirmative vote of holders of at least two-thirds of the shares of QBT common stock outstanding and entitled to vote at the special meeting is required to approve the merger agreement.

If you hold QBT common stock on the record date, you will have the right to dissent from the merger and obtain payment in cash for the fair value of your QBT shares under Sections 33-855 to 33-872 of the Connecticut Business Corporation Act, or the CBCA, a copy of which is attached as Appendix B to the accompanying proxy statement/prospectus.

It is very important that all shares of QBT common stock be represented at the special meeting. Whether or not you plan to attend the special meeting, please complete, date and sign the enclosed proxy card and return it as soon as possible in the enclosed postage-paid envelope. Voting by proxy will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend. You may revoke it at any time before the meeting by giving written notice to the Secretary of QBT at the address set forth above, by subsequently filing another proxy or by attending the special meeting and voting in person. Executed proxies with respect to shares of QBT common stock with no instructions indicated on the proxy card will be voted "FOR" the approval of the merger agreement and the transactions contemplated thereby. Not returning a proxy card, or not voting in person at the special meeting or abstaining from voting will have the same effect as voting "AGAINST" the merger agreement.

By order of the Board of Directors,

Mark A. Candido
President and Chief Executive Officer
Hamden, Connecticut
____________, 2014

Your vote is important. Please complete, sign, date and return your proxy card.

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SUMMARY

The following is a summary of information located elsewhere in this document. It does not contain all of the information that is important to you. Before you vote, you should give careful consideration to all of the information contained in this document and the information incorporated into this document by reference to fully understand the merger. See “Where You Can Find More Information” on page __. Each item in this summary refers to the page where that subject is discussed in more detail.

Information about the Companies (Page __)

Bankwell Financial Group, Inc.

BWFG is the bank holding company of Bankwell Bank, which provides a wide range of banking and financial services. Bankwell Bank operates in the greater Fairfield County, Connecticut area through its main banking office located in New Canaan, Connecticut and five other branch offices located throughout Fairfield County, Connecticut and one loan production office.

At March 31, 2014, BWFG had $812.1 million in total consolidated assets. BWFG’s principal executive offices are located at 220 Elm Street, New Canaan, Connecticut 06840, and its telephone number is (203) 652-6300.

Quinnipiac Bank & Trust Company

QBT is a Connecticut chartered bank that provides financial services from its main office in Hamden, Connecticut and QBT has received regulatory approvals from the Federal Deposit Insurance Corporation, or FDIC, and the State of Connecticut Department of Banking, or Banking Department, to open a branch office at 24 Washington Avenue, North Haven, Connecticut, in New Haven County. QBT was chartered as a de novo bank and began operations on March 6, 2008. QBT provides banking solutions for small and medium sized businesses, consumers and professionals in the greater New Haven, Connecticut marketplace.

At March 31, 2014, QBT had $105.9 million in total assets. QBT’s principal executive offices are located at 2704 Dixwell Avenue, Hamden, Connecticut 06518, and its telephone number is (203) 407-0756.

General

QBT will merge with and into Bankwell Bank with Bankwell Bank as the surviving institution, referred to herein as the merger. A copy of the merger agreement is attached as Appendix A to this document and is incorporated by reference.

Consideration to be Received in the Merger (Page __)

The merger agreement provides that QBT shareholders will have the right, with respect to each of their shares of QBT common stock, to elect to receive, subject to proration as described below, either (i) 0.56 shares of BWFG common stock, (ii) $12.00 in cash, without interest, or (iii) a combination of cash and BWFG common stock. You will have the opportunity to elect the form of consideration to be received for your shares, subject to proration and allocation procedures set forth in the merger agreement, which may result in your receiving a portion of the merger consideration in a form other than that which you elected.

The value of the stock consideration is dependent upon the value of BWFG common stock and therefore will fluctuate with the market price of BWFG common stock. Accordingly, any change in the price of BWFG common stock prior to the merger will affect the market value of the stock consideration that QBT shareholders will receive as a result of the merger.

Proration (Page __)

The merger agreement contains allocation and proration provisions that are designed to ensure that 75% of the outstanding shares of common stock of QBT will be exchanged for shares of BWFG common stock and the remaining 25% of the outstanding shares of common stock of QBT will be exchanged for cash. BWFG will issue no more than 510,305 shares of BWFG common stock as merger consideration under the terms of the merger agreement.

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Treatment of Shares if Too Much Stock is Elected. Under the allocation and proration provisions in the merger agreement, if the holders of more than 75% of the outstanding shares of common stock of QBT common stock elect to receive BWFG common stock for such shares, the amount of BWFG common stock that each such shareholder would receive from BWFG will be reduced on a pro rata basis. As a result, these QBT shareholders will receive cash consideration for any QBT shares for which they do not receive BWFG common stock.

Proration if Too Much Cash is Elected. If the holders of more than 25% of the outstanding QBT common stock elect to receive cash for such shares, the amount of cash that each such shareholder would receive from BWFG will be reduced on a pro rata basis. As a result, such shareholders will receive BWFG common stock for any QBT shares for which they do not receive cash.

Election Procedures for Shareholders; Surrender of Stock Certificates (Page __)

No more than forty (40) business days and no less than twenty (20) business days before the expected date of completion of the merger, an election form will be sent to QBT shareholders. You may use the election form to indicate whether your preference is to receive either cash, shares of BWFG common stock, or a combination thereof. The election deadline will be 5:00 p.m., Eastern Time, twenty-five (25) days following the mailing date of the election form. To make an election, a holder of QBT common stock must submit a properly completed election form and return it, together with all stock certificates, so that the form and certificates are actually received by the exchange agent at or before the election deadline in accordance with the instructions on the election form.

You should not send in your stock certificates until you receive the election form or instructions from the exchange agent.

Non-Election Shares (Page __)

QBT shareholders who do not submit a properly completed election form accompanied by stock certificates representing all shares of QBT common stock covered by the election form or an appropriate guarantee of delivery or revoke their election form prior to the election deadline will have their shares of QBT common stock designated as non-election shares. Non-election shares will be converted into the right to receive either cash or shares of BWFG common stock, or a combination of cash and shares of BWFG common stock, depending on the elections made by other QBT shareholders.

Treatment of Stock Options and Warrants (Page __)

Stock Options. Any QBT options properly exercised prior to the effective time will have the right to receive merger consideration on the same terms and subject to the same conditions as all other outstanding QBT common stock. Any QBT common stock received after the election deadline pursuant to the exercise of a QBT option will be considered non-election shares and will be paid in cash.

At the effective time, each option granted under the QBT stock option plan, whether vested or unvested, and which has not been previously exercised or cancelled, will be converted automatically into an option to purchase shares of BWFG common stock. The number of shares of BWFG common stock subject to the new option shall be equal to the product of the number of shares of QBT common stock subject to the option and 0.56, provided any fractional share resulting from the multiplication will be rounded down to the nearest whole share. The exercise price of the new option will be equal to the exercise price of the QBT option divided by 0.56, provided that the exercise price will be rounded up to the nearest whole cent.

Warrants. Any QBT warrants properly exercised prior to the effective time will have the right to receive the cash merger consideration on the same terms as all other outstanding QBT common stock. Any QBT common stock received after the election deadline pursuant to the exercise of a QBT warrant will be considered non-election shares and will be paid in cash.

At the effective time, each warrant issued by QBT that is unexercised and outstanding will be converted into a warrant to purchase 0.56 shares of BWFG common stock for $17.86; provided any fractional share of BWFG common stock resulting from the exercise shall be rounded down to the nearest whole share.

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Accounting Treatment (Page __)
BWFG will account for the merger as a purchase for financial reporting purposes.
Material U.S. Federal Income Tax Consequences of the Merger (Page __)
The merger is intended to qualify for U.S. federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to as the Code. Therefore, for U.S. federal income tax purposes, as a result of the merger, a U.S. holder of shares of QBT common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash (if any) received as part of the merger consideration and will recognize gain or loss if such holder received the entirety of the merger consideration in cash or with respect to any cash received in lieu of fractional shares of BWFG common stock.
Tax matters are very complicated. You should consult your tax advisor for a full explanation of the tax consequences of the merger to you.
Recommendation of the Board of Directors of QBT (Page __)
The board of directors of QBT has determined that the merger is fair and in the best interests of QBT and its shareholders. The board of directors of QBT unanimously recommends that QBT shareholders vote “FOR” approval of the merger agreement and the transactions contemplated by the merger agreement and “FOR” the approval of the adjournment of the special meeting.
Opinion of Financial Advisor to QBT (Page __)
In deciding to approve the merger, QBT’s board of directors considered the opinion of Sterne Agee & Leach, Inc., or SAL, or Sterne Agee, QBT’s financial advisor. The opinion concluded that the proposed consideration to be received by the holders of QBT’s common stock in the merger is fair to the shareholders from a financial point of view. This opinion is attached as Appendix C to this document. We encourage you to read this opinion carefully in order to completely understand the assumptions made, matters considered and limitations of the review made by SAL in providing this opinion.
Interests of QBT’s Directors and Executive Officers in the Merger (Page __)
QBT’s executive officers and directors may have financial interests in the merger that are different from, or in addition to, the interests of QBT shareholders. These interests include continued indemnification and insurance coverage by BWFG after the merger for acts or omissions occurring before the merger, change of control payments due certain executive officers in connection with the merger, the continuation of employment with BWFG for some executive officers, the appointment of one (1) member of the current board of directors of QBT to the board of directors of both BWFG and Bankwell Bank and the invitation to all other QBT directors to serve on a paid advisory board of BWFG. These interests also include the accelerated vesting of stock options and payments pursuant to severance agreements, as well as other considerations. QBT’s board of directors was aware of these interests and considered them in its decision to approve the merger agreement.
BWFG and Bankwell Bank Boards of Directors After the Merger (Page __)
BWFG has agreed to appoint one (1) member of the current board of directors of QBT to the board of directors of both BWFG and Bankwell Bank. The remaining members of the current board of directors of QBT will be invited to serve as members of a paid advisory board to be established and maintained by BWFG.
No Solicitation (Page __)
QBT has agreed not to initiate, solicit, encourage or knowingly facilitate the submission of any proposals from third parties regarding acquiring QBT or its businesses. In addition, QBT has agreed not to engage in discussions or negotiations with or provide confidential information to a third party regarding acquiring QBT or its businesses. However, if QBT receives an acquisition proposal from a third party that

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did not result from solicitation in violation of its obligations under the merger agreement prior to the date of the special meeting of QBT shareholders, QBT may participate in discussions with, or provide confidential information to, such third party if, among other steps, the QBT board of directors concludes in good faith that the failure to take such actions would result in a violation of its fiduciary duties under applicable law.

Regulatory Approvals (Page __)

Completion of the transactions contemplated by the merger agreement is subject to various regulatory approvals, including approval from the FDIC and the Banking Department. Prior to the date of this proxy statement/prospectus, BWFG and QBT have filed with the FDIC and the Banking Department the required applications necessary to complete the merger. In addition, the completion of the merger is subject to the expiration of certain waiting periods and other requirements. Although BWFG and QBT do not know of any reason why the necessary regulatory approvals would not be obtained in a timely manner, BWFG and QBT cannot be certain when or if they will receive them.

Conditions to the Merger (Page __)

As more fully described in this proxy statement/prospectus and the merger agreement, the completion of the merger depends on a number of mutual conditions being satisfied or waived, including approval of the merger agreement by QBT shareholders and receipt of required regulatory approvals.

Termination of the Merger Agreement (Page __)

The merger agreement specifies a number of situations when BWFG and QBT may terminate the merger agreement. For example, the merger agreement may be terminated at any time prior to the effective time by BWFG's and QBT's mutual consent and by either BWFG or QBT under specified circumstances, including if the merger is not consummated by December 31, 2014, unless the delay is due to a material breach of the merger agreement by the party seeking to terminate the merger agreement.

QBT has agreed to pay to BWFG a termination fee of $600,000 if the merger agreement is terminated under the circumstances specified in "The Merger Agreement — Termination of the Merger Agreement" beginning on page __.

Dissenters' Appraisal Rights (Page __)

Under Connecticut law, holders of QBT common stock have the right to dissent from, and obtain payment of the fair value of their shares of QBT common stock in connection with, the merger. To perfect such dissenters' rights, a QBT shareholder must not vote for the approval of the merger agreement and must strictly comply with all of the procedures required under the Connecticut Business Corporation Act, or CBCA. These procedures are described more fully beginning on page __.

The relevant provisions of the CBCA are included as Appendix B to this proxy statement/prospectus.

Comparison of Stockholders' Rights (Page __)

As a result of the merger, some or all of the holders of QBT common stock will become holders of BWFG common stock. Following the merger, QBT shareholders will have different rights as stockholders of BWFG than as shareholders of QBT due to the different provisions of the governing documents of BWFG and QBT. For additional information regarding the different rights as stockholders of BWFG than as shareholders of QBT, see "Comparison of Stockholders' Rights" beginning on page __.

Special Meeting of Shareholders of QBT (Page __)

QBT will hold its special meeting of shareholders at the [__________________________], __________, Connecticut _____ on ____________, 2014, at_____ a.m./p.m., local time. At the special meeting you will be asked to vote for the approval of the merger agreement and the transactions contemplated by the merger agreement and to approve adjournment of the special meeting, if necessary, to solicit additional proxies in favor of approval of the merger agreement. You can vote at the special meeting of QBT shareholders if you owned QBT common stock at the close of business on ____________, 2014.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the special meeting. These questions and answers may not address all questions that may be important to you as a shareholder. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire proxy statement/prospectus, including the appendices.

Q:

- Why am I receiving this proxy statement/prospectus?

A:

- BWFG and QBT have agreed to the acquisition of QBT by BWFG under the terms of an Agreement and Plan of Merger that is described in this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Appendix A. In order to complete the merger, QBT shareholders must vote to approve the merger agreement. QBT will hold a special meeting of its shareholders to obtain this approval. This proxy statement/prospectus contains important information about the merger, the merger agreement, the special meeting of QBT shareholders, and other related matters, and you should read it carefully. The enclosed voting materials for the special meeting allow you to vote your shares of QBT common stock without attending the special meeting in person.

- We are delivering this proxy statement/prospectus to you as both a proxy statement of QBT and a prospectus of BWFG. It is a proxy statement because the board of directors of QBT is soliciting proxies from its shareholders to vote on the approval of the merger agreement at a special meeting of shareholders, and your proxy will be used at the special meeting or at any adjournment or postponement of the special meeting. It is a prospectus because BWFG will issue BWFG common stock to QBT common shareholders who receive stock consideration in the merger and this prospectus contains information about that common stock.

Q:

- What am I being asked to vote on?

A:

- QBT shareholders are being asked to vote on the following proposals:

•

- to approve the merger agreement between BWFG and QBT; and

•

- to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting.

Q:

- What will happen in the merger?

A:

- In the proposed merger, QBT will merge with and into Bankwell Bank, a wholly owned subsidiary of BWFG, with Bankwell Bank being the surviving bank.

Q:

- What will I receive in the merger?

A:

- The merger agreement provides that QBT shareholders will have the right, with respect to each of their shares of QBT common stock, to elect to receive, subject to proration as described below, either (i) 0.56 shares of BWFG common stock, (ii) $12.00 in cash, without interest, or (iii) a combination of cash and BWFG common stock. You will have the opportunity to elect the form of consideration to be received for your shares, subject to proration and allocation procedures set forth in the merger agreement, which may result in your receiving a portion of the merger consideration in a form other than that which you elected.

Q:

- What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of QBT common stock?

A:

- The merger is intended to qualify for U.S. federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Code. Therefore, for U.S. federal income tax purposes, as a result of the merger, a U.S. holder of shares of QBT common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash (if any) received as part of the merger consideration but will

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recognize gain or loss (1) if such holder received the entirety of its consideration in cash and (2) with respect to any cash received in lieu of fractional shares of BWFG common stock. See "The Merger — Material U.S. Federal Income Tax Consequences of the Merger" beginning on page __.

Q:

- What are the conditions to completion of the merger?

A:

- The obligations of BWFG and QBT to complete the merger are subject to the satisfaction or waiver of certain closing conditions contained in the merger agreement, including, but not limited to, the receipt of required regulatory approvals, legal opinions delivered by tax counsel to BWFG and QBT, respectively, and approval of the merger agreement by QBT shareholders.

Q:

- When will the merger close?

A:

- BWFG and QBT will complete the merger when all of the conditions to completion contained in the merger agreement are satisfied or waived, including obtaining customary regulatory approvals and the approval of the merger agreement by QBT shareholders at the special meeting. While BWFG and QBT expect the merger to be completed in the third quarter of 2014, because fulfillment of some of the conditions to completion of the merger is not entirely within the control of BWFG and QBT, the actual timing cannot be assured.

Q:

- When and where is the special meeting?

A:

- The special meeting of shareholders of QBT will be held at the [_________________________], _________, Connecticut ______ on _________5, 2014, at ____ a.m./p.m., local time.

Q:

- Who can vote?

A:

- You are entitled to vote at the QBT special meeting if you owned QBT common stock at the close of business on ____________, 2014. You will have one vote for each share of QBT common stock that you owned at that time.

Q:

- Does QBT's board of directors recommend voting in favor of the merger agreement?

A:

- Yes. After careful consideration, QBT's board of directors unanimously recommends that QBT shareholders vote "FOR" approval of the merger agreement. At the meeting, the members of the board of directors and the executive officers of QBT, and their affiliates, in the aggregate have the power to vote approximately [__]% of the outstanding shares of QBT common stock. QBT's directors and executive officers each entered into a voting agreement with BWFG in connection with the execution of the merger agreement and therefore will vote their shares in favor of the proposals to be considered at the QBT special meeting.

Q:

- How many votes are needed to approve the merger?

A:

- The affirmative vote of two-thirds of the shares of QBT's common stock outstanding and entitled to vote at the special meeting is required to approve the merger agreement and the transactions contemplated thereby. Accordingly, the failure of any holder of QBT common stock to vote on this proposal will have the same effect as a vote against the proposal. Each of the executive officers and directors of QBT individually have entered into an agreement with BWFG to vote their shares of QBT common stock in favor of the merger agreement and against any competing proposal. These shareholders held approximately [__]% of QBT's outstanding common stock as of _________, 2014.

Q:

- What do I need to do now?

A:

- You should first carefully read and consider the information contained and incorporated by reference in this proxy statement/prospectus. After you have decided how to vote your shares, please indicate on the enclosed proxy card how you want to vote, and sign, date and return it as soon as possible in the

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enclosed envelope. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy card will be voted "FOR" approval of the merger agreement. Not returning a proxy card, or not voting in person at the special meeting or abstaining from voting, will have the same effect as voting "AGAINST" the merger agreement.

Q:

- Can I attend the special meeting and vote my shares in person?

A:

- Yes. Although QBT's board of directors requests that you return the proxy card accompanying this proxy statement/prospectus, all QBT shareholders are invited to attend the special meeting. Shareholders of record on ____________, 2014, can vote in person at the special meeting.

Q:

- Can I change my vote after I have mailed my signed proxy card?

A:

- Yes. You can change your vote at any time after you have submitted your proxy card and before your proxy is voted at the special meeting.

1)

- You may deliver a written notice bearing a date later than the date of your proxy card to the secretary of QBT, stating that you revoke your proxy.

2)

- You may sign and deliver to the secretary of QBT a new proxy card relating to the same shares and bearing a later date.

3)

- You may attend the special meeting and vote in person, although attendance at the special meeting will not, by itself, revoke a proxy.

You should send any notice of revocation or your completed new proxy card, as the case may be, to QBT at the following address:

Quinnipiac Bank & Trust Company
2704 Dixwell Avenue
Hamden, Connecticut 06518
Attn: Mark A. Candido, President & CEO

Q:

- What happens if I sell my shares after the record date but before the special meeting?

A:

- The record date of the special meeting is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you sell or otherwise transfer your QBT shares after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting (provided that such shares remain outstanding on the date of the special meeting), but you will not have the right to receive the merger consideration to be received by QBT shareholders in the merger. In order to receive the merger consideration, you must hold your shares through completion of the merger.

Q:

- How do I make an election with respect to my shares of QBT common stock?

A:

- Each QBT shareholder will receive an election form, which you should complete and return, along with your QBT stock certificate(s), according to the instructions printed on the form. The election deadline will be 5:00 p.m., Eastern Time, twenty-five (25) days following the mailing date of the election form. A copy of the election form is being mailed under separate cover on or about the date of this proxy statement/prospectus. If you do not send in the election form with your stock certificates by the election deadline, you will be deemed not to have made an election and you may be paid in cash, BWFG common stock or a combination of cash and stock depending on, and after giving effect to, the valid cash elections and stock elections that have been made by other QBT shareholders. See “The Merger — Election Procedures; Surrender of Stock Certificates” beginning on page __.

Q:

- Can I elect to receive cash consideration with respect to a portion of my QBT shares and BWFG common stock with respect to the rest of my QBT shares?

A:

- Yes. A QBT shareholder may specify different elections with respect to different shares that such shareholder holds. For example, a QBT shareholder who owns 100 shares of QBT common stock may make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares.

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Q:

- Are QBT shareholders entitled to seek appraisal or dissenters' rights if they do not vote for the approval of the merger agreement?

A:

- Yes. Under Connecticut law, holders of QBT common stock have the right to dissent from, and obtain payment of the fair value of their shares of QBT common stock in connection with, the merger. To perfect such dissenters' rights, a QBT shareholder must not vote for the approval of the merger agreement and must strictly comply with all of the procedures required under the CBCA. These procedures are summarized under the section entitled "The Merger — Dissenters' Appraisal Rights" beginning on page __. The relevant provisions of the CBCA are included as Appendix B to this proxy statement/prospectus.

Q:

- Should I send in my stock certificates now?

A:

- No. You will receive a form on which you can elect the type of consideration you would prefer to receive as a result of the merger, which will include instructions for surrendering your stock certificates in order to make an effective election. If you do not surrender your stock certificates as part of the election process, then after the merger is complete you will receive separate written instructions for surrendering your shares of QBT common stock in exchange for the merger consideration. In the meantime, you should retain your stock certificates because they are still valid. Please do not send in your stock certificates with your proxy card.

Q:

- Where can I find more information about BWFG?

A:

- You can find more information about BWFG from the various sources described under "Where You Can Find More Information" beginning on page __.

Q:

- Who can I call with questions?

A:

- You may contact BWFG or QBT at the telephone numbers listed under "Where You Can Find More Information" on page __. In each case, please ask to speak with the persons identified in that section.

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CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, including information included or incorporated by reference in this proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between BWFG and QBT, including future financial and operating results and performance; statements about BWFG and QBT's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "should," "may" or words of similar meaning. These forward-looking statements are based upon the current beliefs and expectations of BWFG and QBT's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of BWFG and QBT. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements, for any of the following factors:

- local, regional and national business or economic conditions may differ from those expected;
- BWFG and QBT are subject to credit risk and could incur losses in their loan portfolios;
- BWFG's or QBT's allowances for loan losses may not be adequate to absorb loan losses;
- changes in real estate values could also increase BWFG's and QBT's credit risk;
- BWFG and QBT could experience changes in key management personnel;
- BWFG and QBT may not be able to successfully execute their management teams' strategic initiatives;
- BWFG's and QBT's ability to successfully execute their growth initiatives such as branch openings and acquisitions;
- volatility and direction of market interest rates;
- increased competition within BWFG's and QBT's market area may limit growth and profitability;

- economic, market, operational, liquidity, credit and interest rate risks associated with BWFG's and QBT's business;
- the effects of and changes in trade, monetary and fiscal policies and laws, including the Federal Reserve Board's interest rate policies;
- changes in accounting policies and practices, as may be adopted by regulatory agencies, the Public Accounting Oversight Board or the Financial Accounting Standards Board;
- changes in law and regulatory requirements (including those concerning taxes, banking, securities and insurance); and
- further governmental intervention in the U.S. financial system.

The foregoing factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included in this prospectus. If one or more events related to these or other risks or uncertainties materialize, or if BWFG's or QBT's underlying assumptions prove to be incorrect, actual results may differ materially from what BWFG anticipates. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and neither BWFG nor QBT undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for BWFG and QBT to predict which will arise. In addition, BWFG and QBT cannot assess the impact of each factor on their business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF BANKWELL FINANCIAL GROUP, INC.

You should read the selected historical consolidated financial and operating data set forth below in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations — BWFG and The Wilton Bank" as well as the consolidated financial statements and the related notes included elsewhere in this prospectus. The selected historical financial data as of December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011, except for the selected ratios, has been derived from BWFG's audited consolidated financial statements included elsewhere in this prospectus. The selected historical financial data as of December 31, 2011, 2010 and 2009 and for the years ended December 31, 2010 and 2009, except for the selected ratios, has been derived from BWFG's audited consolidated financial statements not included in this registration statement. The selected historical earnings data for the three months ended March 31, 2014 and 2013 and the selected historical financial condition data as of March 31, 2014, has been derived from BWFG's unaudited consolidated financial statements included elsewhere in this registration statement, and BWFG's selected historical financial condition data as of March 31, 2013, has been derived from BWFG's unaudited consolidated financial statements not included in this prospectus. The selected historical financial data for the three months ended March 31, 2014 and 2013 has not been audited but, in the opinion of BWFG's management, contain all adjustments (consisting of only normal or recurring adjustments) necessary to present fairly BWFG's financial position and results of operations for such periods in accordance with U.S. generally accepted accounting principles, or GAAP. BWFG's results of operations are not necessarily indicative of BWFG's results of operations that may be expected for future performance. Certain prior year amounts have been reclassified to conform to the current year financial statement presentation. These reclassifications only changed the reporting categories but did not affect BWFG's results of operations or financial position. The performance, asset quality and capital ratios are unaudited and derived from the financial statements as of and for the periods presented. Average balances have been computed using daily averages.

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Dollars in housands, xcept per hare data)	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
ements of ome:							
rest and dend ome	$7,861	$6,676	$28,092	$24,397	$20,587	$16,877	$13,950
rest ense	715	591	2,765	3,192	2,870	3,209	3,651
interest ome	7,146	6,085	25,327	21,205	17,717	13,668	10,299
vision for n losses	211	190	585	1,821	1,049	1,311	1,741
interest ome after vision for n losses	6,935	5,895	24,742	19,384	16,668	12,357	8,558
ninterest ome	769	284	4,722	345	1,134	1,695	896
ninterest ense	6,041	4,598	22,119	17,858	14,601	13,331	10,555
ome (loss) ore income	1,663	1,581	7,345	1,871	3,201	721	(1,101
ome tax ense nefit)	540	569	2,184	657	997	214	(271
income s)	1,123	1,012	5,161	1,214	2,204	507	(830
ferred stock dends and accretion	27	27	111	132	206	261	427
income s) available ommon reholders	$1,096	$985	$5,050	$1,082	$1,998	$246	$(1,257
Share Data:							
ic earnings s) per share	$0.28	$0.31	$1.46	$0.39	$0.72	$0.10	$(0.51
uted nings (loss) share	0.28	0.30	1.44	0.38	0.71	0.09	(0.50
	15.94	14.68	15.58	14.50	13.85	12.81	12.51

	At or For the Three Months Ended March 31,		**At or For the Years Ended December 31,**				
ok value per re (end of od) (a)							
gible book ue per share d of od) (a) (b)	15.81	14.68	15.46	14.50	13.85	12.81	12.51
res standing d of od) (a)	3,773,158	3,326,813	3,754,253	2,797,200	2,758,200	2,756,200	2,450,349
ighted rage shares standing – c	3,762,080	3,148,899	3,395,779	2,768,000	2,757,000	2,531,000	2,447,000
ighted rage shares standing – ted	3,795,946	3,196,873	3,451,393	2,865,000	2,811,000	2,588,000	2,492,000
formance ios:							
urn on rage ets (c)	0.58 %	0.67 %	0.77 %	0.22 %	0.50 %	0.14 %	(0.29
urn on rage mon reholders' ity (c)	7.57 %	8.38 %	9.89 %	3.07 %	6.70 %	0.75 %	(4.04
urn on rage reholders' ity (c)	6.39 %	6.83 %	8.17 %	2.40 %	5.03 %	1.33 %	(2.47
erage reholders' ity to rage assets	9.14 %	9.77 %	9.32 %	9.34 %	10.01 %	10.37 %	11.70
interest gin	3.97 %	4.16 %	3.94 %	4.11 %	4.27 %	4.12 %	3.73
ciency o (b)	74.37 %	73.01 %	75.72 %	82.76 %	78.50 %	84.93 %	94.28
et Quality ios:							
al past due ns to total ns (d)	0.88 %	0.31 %	0.73 %	0.75 %	1.01 %	0.79 %	2.68
nperforming ns to total ns (d) (e)	0.32 %	0.20 %	0.16 %	0.75 %	1.01 %	0.79 %	0.96

	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				
nperforming ets to total ets (e)	0.36 %	0.19 %	0.23 %	0.81 %	0.78 %	0.57 %	0.75
owance for n losses to nperforming ns	409.48 %	710.39 %	835.69 %	200.84 %	171.88 %	239.23 %	177.83
owance for n losses to l ns (d)	1.31 %	1.46 %	1.33 %	1.50 %	1.74 %	1.87 %	1.70
overies) rge-off's to rage ns (d)	(0.01)%	— %	0.03 %	0.07 %	0.02 %	0.09 %	0.18
ements of ancial ndition:							
al assets	$812,055	$629,353	$779,618	$610,016	$477,355	$395,708	$328,160
ss portfolio ns (d)	657,161	558,775	632,012	530,050	369,294	288,425	257,268
estment urities	49,337	45,912	42,413	46,412	94,972	58,152	34,060
osits	679,223	480,021	661,545	462,081	367,115	309,137	244,215
rowings	59,000	87,000	44,000	91,000	58,000	44,000	46,000
al equity	71,106	59,817	69,485	51,534	49,188	40,354	35,695
ital Ratios:							
r 1 capital verage ets (f)							
kwell Bank	7.90 %	— %	7.91 %	— %	— %	— %	—
Bank of v Canaan	— %	7.90 %	— %	7.88 %	8.71 %	8.15 %	8.48
Bank of rfield	— %	8.65 %	— %	8.39 %	11.30 %	13.25 %	16.54
r 1 capital -weighted ets (f)							
kwell Bank	9.49 %	— %	9.49 %	— %	— %	— %	—
Bank of v Canaan	— %	8.97 %	— %	9.09 %	11.07 %	11.86 %	12.24
Bank of rfield	— %	10.74 %	— %	10.80 %	13.66 %	16.41 %	22.46
al capital to -weighted							

	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				
ets (f)							
kwell Bank	10.74 %	— %	10.74 %	— %	— %	— %	—
Bank of v Canaan	— %	10.23 %	— %	10.34 %	12.33 %	13.12 %	13.50
Bank of rfield	— %	11.99 %	— %	12.05 %	14.91 %	17.10 %	23.26
al reholders' ity to total ets	8.76 %	9.80 %	8.91 %	8.45 %	10.30 %	10.20 %	10.88
gible mon equity o (b)	7.35 %	7.76 %	7.45 %	6.65 %	8.00 %	8.93 %	9.34

(a)

- Excludes preferred stock and unvested restricted stock awards.

(b)

- This measure is not a measure recognized under GAAP and is therefore considered to be a non-GAAP

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financial measure. See “Non-GAAP Financial Measures” for a description of this measure and a reconciliation of this measure to its most directly comparable GAAP measure.

(c)

- Calculated based on net income before preferred stock dividends and net accretion.

(d)

- Calculated using the principal amounts outstanding on loans.

(e)

- Nonperforming assets consist of nonperforming loans and other real estate owned.

(f)

- Represents bank ratios. In September 2013, The Bank of New Canaan and The Bank of Fairfield were merged into Bankwell Bank.

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SELECTED HISTORICAL FINANCIAL DATA OF THE WILTON BANK

You should read the selected historical financial and operating data set forth below in conjunction with the financial statements and the related notes included elsewhere in this prospectus. The selected historical financial data as of and for the years ended December 31, 2012 and 2011, except for the selected ratios, has been derived from The Wilton Bank's audited financial statements included elsewhere in this prospectus. The selected historical financial data for the years ended December 31, 2010 and 2009, except for the selected ratios, has been derived from The Wilton Bank's audited financial statements not included in this prospectus. The selected historical earnings data for the nine months ended September 30, 2013 and 2012 and the selected historical financial condition data as of September 30, 2013, has been derived from The Wilton Bank's unaudited financial statements included elsewhere in this prospectus, and The Wilton Bank's selected historical financial condition data as of September 30, 2012, has been derived from unaudited financial statements not included in this prospectus. The selected historical financial data for the nine months ended September 30, 2013 and 2012 has not been audited but, in the opinion of management, contains all adjustments (consisting of only normal or recurring adjustments) necessary to present fairly The Wilton Bank's financial position and results of operations for such periods in accordance with GAAP. The Wilton Bank's results of operations for the nine months ended September 30, 2013 are not necessarily indicative of future results of operations or performance. The performance, asset quality and capital ratios are unaudited and derived from the financial statements as of and for the periods presented. Average balances have been computed using daily averages.

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(Dollars in thousands, except per share data)	At or For the Nine Months Ended September 30, 2013	2012	At or For the Years Ended December 31, 2012	2011	2010	2009
Statements of Income:						
Interest and dividend income	$1,278	$1,497	$1,954	$2,034	$2,619	$4,364
Interest expense	106	133	177	244	397	807
Net interest income	1,172	1,364	1,777	1,790	2,222	3,557
Provision for loan losses	—	—	—	900	560	3,200
Net interest income after provision for loan losses	1,172	1,364	1,777	890	1,662	357
Noninterest income	194	205	278	1,061	273	276
Noninterest expense	2,851	2,705	3,796	3,870	3,842	3,485
Loss before income tax	(1,485)	(1,136)	(1,741)	(1,919)	(1,907)	(2,852)
Income tax expense (benefit)	—	—	—	1,351	(391)	(1,124)
Net loss	$(1,485)	$(1,136)	$(1,741)	$(3,270)	$(1,516)	$(1,728)
Per Share Data:						
Basic loss per share	$(3.98)	$(3.05)	$(4.67)	$(8.77)	$(4.07)	$(4.61)
Diluted loss per share	(3.98)	(3.05)	(4.67)	(8.77)	(4.07)	(4.61)
Book value per share (end of period)	17.55	23.15	21.53	26.20	34.97	38.79
Shares outstanding (end of period)	481,245	481,245	481,245	481,245	481,245	481,245
Weighted average shares outstanding – basic	372,985	372,985	372,985	372,985	372,985	372,985
Weighted average shares	372,985	372,985	372,985	372,985	372,985	375,260

	At or For the Nine Months Ended September 30,		**At or For the Years Ended December 31,**			
outstanding – diluted						
Annualized Performance Ratios:						
Return on average assets	(2.70)%	(2.09)%	(2.38)%	(4.17)%	(1.66)%	(1.77)%
Return on average common shareholders' equity	(27.02)%	(16.49)%	(19.32)%	(28.85)%	(10.74)%	(10.97)%
Return on average shareholders' equity	(27.02)%	(16.49)%	(19.32)%	(28.85)%	(10.74)%	(10.97)%
Average shareholders' equity to average assets	9.99 %	12.67 %	12.34 %	14.44 %	15.44 %	16.18 %
Net interest margin	2.42 %	2.89 %	2.80 %	2.57 %	2.71 %	4.06 %
Asset Quality Ratios:						
Total past due loans to total loans (a)	23.80 %	23.87 %	22.05 %	31.50 %	39.09 %	12.91 %
Nonperforming loans to total loans	23.78 %	23.67 %	21.60 %	31.37 %	39.09 %	12.91 %
Nonperforming assets to total assets (b)	12.92 %	17.21 %	13.85 %	20.72 %	25.26 %	9.96 %
Allowance for loan losses to nonperforming loans	12.42 %	12.72 %	15.31 %	10.06 %	10.39 %	32.94 %
Allowance for loan losses to total loans	2.95 %	3.01 %	3.31 %	3.16 %	4.06 %	4.25 %
Net charge-off's to average loans	0.73 %	0.43 %	0.50 %	3.52 %	2.29 %	3.05 %
Statements of Financial Condition:						
Total assets	$69,599	$72,249	$76,124	$76,412	$84,285	$95,360
Gross portfolio loans	29,857	37,766	33,656	41,330	50,067	66,199

	At or For the Nine Months Ended September 30,		**At or For the Years Ended December 31,**			
Investment securities	1,024	1,000	1,032	2,499	8,036	8,067
Deposits	62,694	63,382	67,881	66,448	70,982	80,539
Borrowings	—	—	—	—	—	—
Total equity	6,546	8,636	8,031	9,772	13,044	14,555

(a)

- Calculated using the principal amounts outstanding on loans.

(b)

- Nonperforming assets consist of nonperforming loans and other real estate owned.

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SUMMARY SELECTED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma condensed consolidated financial data combines data from the historical consolidated statements of income of BWFG and the historical statements of income of The Wilton Bank, giving effect to the merger of The Wilton Bank into Bankwell Bank, referred to as the Wilton Merger.

The unaudited pro forma combined condensed statement of income data for the year ended December 31, 2013 combines data from the historical consolidated statement of income of BWFG for the year ended December 31, 2013 and the historical statement of income of The Wilton Bank for the year to date period ended November 5, 2013, the acquisition date, giving effect to the Wilton Merger as if it had been consummated on January 1, 2013. The unaudited pro forma combined condensed statement of income data for the year ended December 31, 2012 combine the historical consolidated statement of income of BWFG for the year ended December 31, 2012 and the historical statement of income of The Wilton Bank for the year ended December 31, 2012, giving effect to the Wilton Merger as if it had been consummated on January 1, 2012.

The unaudited pro forma condensed consolidated financial data give effect to the Wilton Merger using acquisition accounting as required by accounting principles generally accepted in the United States of America.

The unaudited pro forma condensed consolidated financial data are provided for informational purposes only. The pro forma unaudited consolidated financial data presented are not necessarily indicative of the actual results that might have been achieved for the periods or dates indicated, nor are they necessarily indicative of the future results of the combined company following the consummation of the Wilton Merger. The unaudited pro forma financial data are based on estimates and assumptions set forth below.

The pro forma unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto of each of BWFG and The Wilton Bank contained elsewhere in this prospectus.

The unaudited pro forma net earnings (loss) assumptions are qualified by the statements set forth under this caption and should not be considered indicative of the market value of BWFG's common stock or the actual results of operations of BWFG for any period. Such pro forma data may be materially affected by the actual expenses incurred in connection with the Wilton Merger.

The pro forma condensed consolidated financial data do not reflect adjustments for estimated transaction costs or cost savings expected to be realized from the elimination of certain expenses and from synergies expected to be created or the costs to achieve such cost savings or synergies. No assurance can be given that cost savings or synergies will be realized. Income taxes do not reflect the amounts that would have resulted had BWFG and The Wilton Bank filed consolidated income tax returns during the periods presented. Such entries will be recorded as incurred, are non-recurring and are thus not reflected in the calculations of pro forma income (loss).

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December 31, 2013 Pro Forma Statement of Income Data. The following table presents pro forma statement of income information for the year ended December 31, 2013.
Bankwell Financial Group
Pro Forma Income Statement Data
For the Year Ended December 31, 2013

In thousands, except per share data	Bankwell Financial Group		The Wilton Bank		Pro Forma Merger Adjustments		Pro Forma Combined
Interest and dividend income	$ 28,092		$ 1,355		$ 478	(1)	$ 29,925
Interest expense	2,765		119		—		2,884
Net interest income	25,327		1,236		478		27,041
Provision for loan losses	585		—		—		585
Net income after provision for loan losses	24,742		1,236		478		26,456
Noninterest income	3,389	(2)	369		—		3,758
Noninterest expense	21,211	(3)	3,294		89	(4)	24,594
Income (loss) before income tax expense	6,920		(1,689)		389		5,620
Income tax expense (benefit)	2,184		(574)	(5)	132	(5)	1,742
Net income (loss)	$ 4,736		$ (1,115)		$ 257		$ 3,878
Preferred stock dividends	(111)		—		—		(111)
Net income (loss) attributable to common shareholders	$ 4,625		$ (1,115)		$ 257		$ 3,767
Weighted average shares outstanding							
Basic	3,395		373				3,395
Diluted	3,451		373				3,451
Net earnings (loss) per common share (pro forma)							
Basic	$ 1.34		$ (2.99)				$ 1.09
Diluted	$ 1.32		$ (2.99)				$ 1.07

(1)

- Adjustment to interest income represents amortization of the accretable portion of the credit mark adjustments for loans. The credit mark is being amortized using the interest method over the projected lives of the related loans. The total credit mark of $2.9 million is comprised of accretable and nonaccretable discounts totaling $1.4 million and $1.5 million, respectively, which was applied to loans totaling $14.5 million with projected lives of 3 to 36 months.

(2)

- Noninterest income excludes a one-time gain of $1.3 million recorded in conjunction with the acquisition, representing the amount that the net assets exceeded the amount paid.

(3)

- Noninterest expense excludes one-time merger and acquisition related expenses of $908 thousand.

(4)

- Adjustment to noninterest expense represents amortization of the core deposit intangible of $499 thousand over 9.3 years based on the double declining balance method of amortization.

(5)

- Income tax expense is based on Bankwell's Federal marginal rate of 34%.

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December 31, 2012 Pro Forma Statement of Income Data. The following table presents pro forma statement of income information for the year ended December 31, 2012.
Bankwell Financial Group
Pro Forma Income Statement Data
For the Year Ended December 31, 2012

In thousands, except per share data	Bankwell Financial Group	The Wilton Bank	Pro Forma Merger Adjustments	Pro Forma Combined
Interest and dividend income	$ 24,397	$ 1,954	$ 574 (1)	$ 26,925
Interest expense	3,192	177	—	3,369
Net interest income	21,205	1,777	574	23,556
Provision for loan losses	1,821	—	—	1,821
Net income after provision for loan losses	19,384	1,777	574	21,735
Noninterest income	345	278	—	623
Noninterest expense	17,858	3,796	107 (2)	21,761
Income (loss) before income tax expense	1,871	(1,741)	467	597
Income tax expense (benefit)	657	(592) (3)	159 (3)	224
Net income (loss)	$ 1,214	$ (1,149)	$ 308	$ 373
Preferred stock dividends	(132)	—	—	(132)
Net income (loss) attributable to common shareholders	$ 1,082	$ (1,149)	$ 308	$ 241
Weighted average shares outstanding				
Basic	2,768	373		2,768
Diluted	2,865	373		2,865
Net earnings (loss) per common share (pro forma)				
Basic	$ 0.39	$ (3.08)		$ 0.09
Diluted	$ 0.38	$ (3.08)		$ 0.08

(1)

- Adjustment to interest income represents amortization of the accretable portion of the credit mark adjustments for loans. The credit mark is being amortized using the interest method over the projected lives of the related loans. The total credit mark of $2.9 million is comprised of accretable and nonaccretable discounts totaling $1.4 million and $1.5 million, respectively, which was applied to loans totaling $14.5 million with projected lives of 3 to 36 months.

(2)

- Adjustment to noninterest expense represents amortization of the core deposit intangible of $499 thousand over 9.3 years based on the double declining balance method of amortization.

(3)

- Income tax expense is based on Bankwell's Federal marginal rate of 34%.

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NON-GAAP FINANCIAL MEASURES

BWFG identifies “efficiency ratio,” “tangible common equity ratio,” “tangible book value per share” and “total revenue” as “non-GAAP financial measures.” In accordance with the SEC’s rules, BWFG classifies a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP in statements of income, balance sheet or statements of cash flows. Non-GAAP financial measures do not include operating and other statistical measures or ratios or statistical measures calculated using exclusively either financial measures calculated in accordance with GAAP, operating measures or other measures that are not non-GAAP financial measures or both.

The non-GAAP financial measures that are discussed in this prospectus should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the manner in which BWFG calculates the non-GAAP financial measures discussed in this prospectus may differ from that of other companies reporting measures with similar names. You should understand how such other banking organizations calculate their financial measures similar or with names similar to the non-GAAP financial measures BWFG has discussed in this prospectus when comparing such non-GAAP financial measures.

Efficiency ratio is defined as noninterest expenses, net of foreclosed real estate expenses divided by operating revenue, which is equal to net interest income plus noninterest income excluding gains and losses on sales of securities and foreclosed real estate. Also excluded are one-time gains and expenses related to merger and acquisition related activities. In BWFG’s judgment, the adjustments made to operating revenue allow management and investors to better assess performance in relation to core operating revenue by removing the volatility that is associated with certain one-time items and other discrete items that are unrelated to BWFG’s core business.

Tangible common equity is defined as total shareholders’ equity, excluding preferred stock, less goodwill and other intangible assets. BWFG believes that this measure is important to many investors in the marketplace who are interested in changes from period to period in common shareholders’ equity exclusive of changes in intangible assets. Goodwill, an intangible asset that is recorded in a purchase business combination, has the effect of increasing both common equity and assets while not increasing tangible common equity or tangible assets. In connection with the acquisition of The Wilton Bank on November 5, 2013, BWFG recorded a core deposit intangible asset, the balance of which was $454 thousand and $481 thousand, respectively at March 31, 2014 and December 31, 2013. The acquisition transaction resulted in a bargain purchase gain, therefore, no goodwill was recorded.

Tangible common equity to tangible assets is defined as the ratio of tangible common equity divided by total assets less goodwill and other intangible assets. BWFG believes that this measure is important to many investors in the marketplace who are interested in relative changes from period to period in common equity and total assets, each exclusive of changes in intangible assets. BWFG believes that the most directly comparable GAAP financial measure is total shareholders’ equity to total assets.

Tangible book value per share is defined as book value, excluding the impact of goodwill and other intangible assets, if any, divided by common shares outstanding.

Total revenue is defined as the sum of net interest income before provision of loan losses and noninterest income.

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The information provided below presents a reconciliation of each of BWFG's non-GAAP financial measures to the most directly comparable GAAP financial measures.

	Three Months Ended March 31,		Years Ended December 31,		
	2014	**2013**	**2013**	**2012**	**2011**
			(Dollars in thousands, except per share data)		
Efficiency Ratio					
Noninterest expense	$6,041	$4,598	$22,119	$17,858	$14,601
Less: foreclosed real estate expenses	14	—	7	9	—
Less: merger and acquisition related expenses	141	—	908	—	—
Adjusted noninterest expense (numerator)	$5,886	$4,598	$21,204	$17,849	$14,601
Net interest income	$7,146	$6,085	$25,327	$21,205	$17,717
Noninterest income	769	284	4,722	345	1,134
Less: gains (losses) on sales of securities	—	—	648	(18)	250
Less: gains on sale of foreclosed real estate	—	71	63	—	—
Less: gain on bargain purchase	—	—	1,333	—	—
Adjusted operating revenue (denominator)	$7,915	$6,298	$28,005	$21,568	$18,601
Efficiency ratio	74.37 %	73.01 %	75.72 %	82.76 %	78.50 %
Tangible Common Equity and Tangible Common Equity/Tangible Assets					
Total shareholders' equity	$71,106	$59,817	$69,485	$51,534	$49,188
Less: preferred stock	10,980	10,980	10,980	10,980	10,980
Common shareholders' equity	60,126	48,837	58,505	40,554	38,208
Less: Intangible assets	454	—	481	—	—
Tangible common shareholders' equity	$59,672	$48,837	$58,024	$40,554	$38,208
Total assets	$812,055	$629,535	$779,618	$610,016	$477,355
Less: Intangible assets	454	—	481	—	—
Tangible assets					