

Bankwell Financial Group, Inc.
Form 10-Q
November 01, 2018

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36448

Bankwell Financial Group, Inc.

(Exact Name of Registrant as specified in its Charter)

Connecticut 20-8251355

(State or other jurisdiction of (I.R.S. Employer

Incorporation or organization) Identification No.)

220 Elm Street

New Canaan, Connecticut 06840

(203) 652-0166

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of October 31, 2018, there were 7,842,246 shares of the registrant's common stock outstanding.

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PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

Bankwell Financial Group, Inc.

Consolidated Balance Sheets - (unaudited)

(Dollars in thousands, except share data)

	September 30, 2018	December 31, 2017
ASSETS		
Cash and due from banks	\$ 84,437	\$ 70,545
Federal funds sold	2,664	186
Cash and cash equivalents	87,101	70,731
Available for sale investment securities, at fair value	94,438	92,188
Held to maturity investment securities, at amortized cost	21,464	21,579
Loans receivable (net of allowance for loan losses of \$19,311 at September 30, 2018 and \$18,904 at December 31, 2017)	1,585,465	1,520,879
Accrued interest receivable	6,055	5,910
Federal Home Loan Bank stock, at cost	9,210	9,183
Premises and equipment, net	20,245	18,196
Bank-owned life insurance	40,413	39,618
Goodwill	2,589	2,589
Other intangible assets	309	382
Deferred income taxes, net	4,583	4,904
Other assets	13,164	10,448
Total assets	\$ 1,885,036	\$ 1,796,607
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits		
Noninterest bearing deposits	\$ 162,473	\$ 172,638
Interest bearing deposits	1,330,696	1,225,767
Total deposits	1,493,169	1,398,405
Advances from the Federal Home Loan Bank	180,000	199,000
Subordinated debentures	25,142	25,103
Accrued expenses and other liabilities	11,971	13,072
Total liabilities	1,710,282	1,635,580
Commitments and contingencies		
Shareholders' equity		
Common stock, no par value; 10,000,000 shares authorized, 7,842,996 and 7,751,424 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	120,188	118,301
Retained earnings	52,386	41,032
Accumulated other comprehensive income	2,180	1,694
Total shareholders' equity	174,754	161,027
Total liabilities and shareholders' equity	\$ 1,885,036	\$ 1,796,607

See accompanying notes to consolidated financial statements (unaudited)

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Bankwell Financial Group, Inc.

Consolidated Statements of Income – (unaudited)

(Dollars in thousands, except per share amounts)

	Three Months		Nine Months	
	Ended September		Ended September	
	30,	30,	30,	30,
	2018	2017	2018	2017
Interest and dividend income				
Interest and fees on loans	\$19,153	\$17,175	\$54,685	\$49,348
Interest and dividends on securities	1,002	934	2,912	2,623
Interest on cash and cash equivalents	345	239	924	501
Total interest income	20,500	18,348	58,521	52,472
Interest expense				
Interest expense on deposits	5,044	3,416	13,009	9,092
Interest on borrowings	1,210	1,071	3,653	2,930
Total interest expense	6,254	4,487	16,662	12,022
Net interest income	14,246	13,861	41,859	40,450

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