

OMB No. 1545-0123

Part I	Reporting Issuer
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1 Issuer's name Kearny Financial Corp.		2 Issuer's employer identification number (EIN) 30-0870244	
3 Name of contact for additional information Keith Suchodolski	4 Telephone No. of contact (973) 244-4500	5 Email address of contact ksuchodolski@kearnybank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 120 Passaic Avenue		7 City, town, or post office, state, and ZIP code of contact Fairfield, NJ 07004	
8 Date of action July 10, 2020		9 Classification and description See attached	
10 CUSIP number 48716P108	11 Serial number(s)	12 Ticker symbol KRNY	13 Account number(s)

Part II	Organizational Action Attach additional statements if needed. See back of form for additional questions.
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14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► [See attached](#)

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► [See attached](#)

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► [See attached](#)

Part II **Organizational Action** (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached**18** Can any resulting loss be recognized? ▶ See attached**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Keith SuchodolskiDate ▶ 7/28/2020Print your name ▶ Keith SuchodolskiTitle ▶ EVP, Chief Financial Officer**Paid
Preparer
Use Only**

Print/Type preparer's name

James D. Slivanya

Preparer's signature

James D. Slivanya

Date

7/28/2020Check ☐ if
self-employed

PTIN

P00638817Firm's name ▶ Crowe LLP

Firm's EIN ▶

35-0921680Firm's address ▶ 488 Madison Avenue - Floor 3, New York, NY 10022

Phone no.

(212) 572-5500

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Kearny Financial Corp.
30-0870244
Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects on the tax basis of Kearny Financial Corp. ("Kearny") stock received in exchange for MSB Financial Corp. ("MSB") stock as a result of the merger of MSB with and into Kearny on July 10, 2020 (the "Merger"). The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Kearny does not provide tax advice to its shareholders. The tax treatment described below may not apply to all shareholders of MSB. You are urged to consult your own tax advisor regarding the particular consequences of the Merger to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

Form 8937 Part I, Box 9

The securities subject to reporting include all shares of Kearny Financial Corp. ("Kearny") common stock issued in exchange for the outstanding common stock of MSB Financial Corp. ("MSB") as a result of the merger of MSB with and into Kearny on July 10, 2020 (the "Merger").

Form 8937 Part II, Box 14

The reportable organizational action, effective July 10, 2020, is the merger of MSB with and into Kearny, with Kearny continuing as the surviving corporation.

As a result of the Merger, each share of MSB common stock issued and outstanding was converted into the right to receive (i) 1.30 shares of Kearny common stock, (ii) \$18.00 in cash, or (iii) a combination of Kearny common stock and cash, subject to proration and allocation to ensure that 90% of the shares of MSB common stock issued and outstanding immediately prior to the completion of the Merger are exchanged for shares of Kearny common stock and 10% are exchanged for cash.

No fractional shares of Kearny common stock were issued in connection with the Merger. To the extent that the exchange would have resulted in the issuance of a fractional share of Kearny common stock to a MSB shareholder, a cash payment equal to the market value equivalent of the fractional share was paid in lieu of issuing a fractional share of Kearny common stock.

Form 8937 Part II, Box 15

The merger of MSB with and into Kearny is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the

“Code”). As a result, each MSB shareholder will generally recognize a taxable gain, but not a loss, equal to the lesser of:

- The amount of cash received in the exchange, or
- The amount, if any, by which the sum of the cash received plus the fair market value of the shares of Kearny common stock received in the exchange (measured at the time of the exchange) exceeds the MSB shareholder's tax basis in the MSB shares surrendered in the exchange.

For purposes of calculating the taxable gain, the amount of cash received in the exchange does not include cash received in lieu of fractional shares of Kearny common stock (see discussion of cash received in lieu of fractional shares below).

Gain or loss must be calculated separately for each identifiable block of MSB common shares surrendered in the exchange having a common tax basis. A loss realized on one block of MSB common shares may not be used to offset a gain realized on another block of MSB common shares.

Each MSB shareholder is required to determine the tax basis of the shares of Kearny common stock received in the exchange by performing the following calculations separately for each identifiable block of MSB common shares surrendered in the exchange having a common tax basis:

- Begin with the aggregate tax basis of the MSB common shares surrendered in the exchange
- Add the amount of taxable gain, if any, determined from the above calculation (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares described below)
- Subtract the total amount of cash received (excluding any cash received in lieu of fractional shares described below)
- Subtract the tax basis in any fractional shares of Kearny common stock that were deemed to have been received in the exchange and immediately sold (see the treatment of fractional shares described below)

The resulting figure represents the aggregate tax basis of the shares of Kearny common stock received in the exchange for that identifiable block of MSB common shares transferred. The tax basis of each individual share of Kearny common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of Kearny common shares that comprise this identifiable block.

MSB shareholders who receive cash in lieu of a fractional share of Kearny common stock are, for purposes of determining the taxability of that cash, deemed to have received a fractional share in the exchange and then as having sold the fractional share for cash. These MSB shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the MSB common shares deemed to have been exchanged for the fractional shares and the amount of cash received.

Form 8937 Part II, Box 16

Refer to the description of the basis calculation in Part II, Box 15 above. The July 10, 2020 closing price of a single share of Kearny common stock (KARNY) on NASDAQ was \$7.71 which was used as fair market value.

Form 8937 Part II, Box 17

The merger of MSB with and into Kearny is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. Other relevant Internal Revenue Code sections include 356, 358, and 1001.

Form 8937 Part II, Box 18

No loss can be recognized upon the exchange of MSB common stock for Kearny common stock. If a taxable loss is calculated on the deemed sale of a fractional share of Kearny common stock deemed to have been received in the exchange, this loss can be recognized.

Form 8937 Part II, Box 19

The Merger was completed on July 10, 2020. Consequently, the reportable tax year of the MSB shareholders for reporting the tax effect of the share exchange and cash receipt is the tax year that includes the July 10, 2020 date. This is the 2020 calendar year for those shareholders who report taxable income on the basis of a calendar year.