kearny financial corp.

Investor Presentation
Third Quarter Fiscal 2022

Forward Looking Statements & Non-GAAP Financial Measures

This presentation may include certain "forward-looking statements," which are made in good faith by Kearny Financial Corp. (the "Company") pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties, such as statements of the Company's plans, objectives, expectations, estimates and intentions that are subject to change based on various important factors (some of which are beyond the Company's control). In addition to the factors described under Item 1A. Risk Factors in the Company's Annual Report on Form 10-K, the following factors, among others, could cause the Company's financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements:

- the strength of the United States economy in general and the strength of the local economy in which the Company conducts operations,
- the effects of COVID-19 on our business, financial condition or results of operations,
- the effects of and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System, inflation, interest rates, market and monetary fluctuations,
- the impact of changes in laws, regulations and government policies regarding financial institutions (including laws concerning taxation, banking, securities and insurance),
- changes in accounting policies and practices, as may be adopted by regulatory agencies, the Financial Accounting Standards Board ("FASB") or the Public Company Accounting Oversight Board,
- technological changes,
- competition among financial services providers, and
- the success of the Company at managing the risks involved in the foregoing and managing its business.

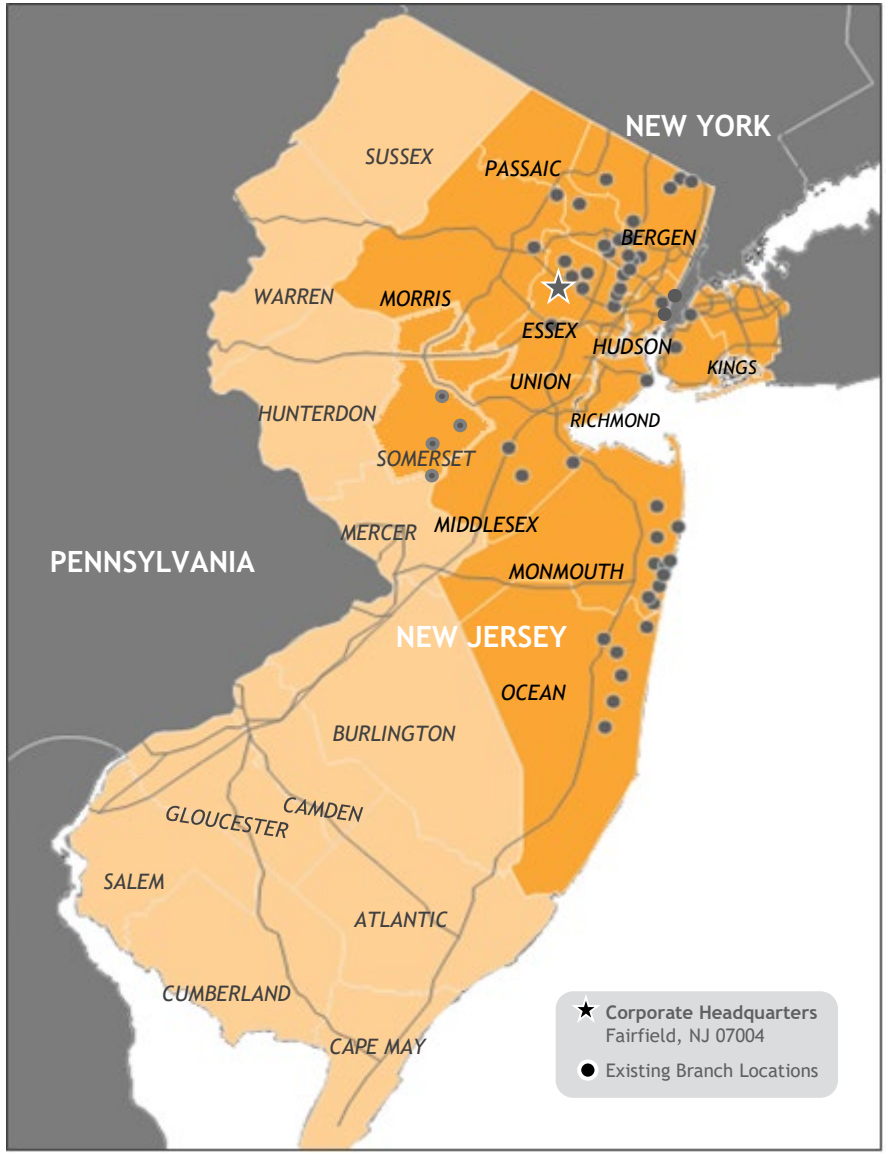
The Company cautions that the foregoing list of important factors is not exhaustive. Readers should not place any undue reliance on any forward looking statements, which speak only as of the date made. The Company does not undertake any obligation to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Management uses these "non-GAAP" measures in its analysis of the Company's performance. Management believes these non-GAAP financial measures allow for better comparability of period to period operating performance. Additionally, the Company believes this information is utilized by regulators and market analysts to evaluate a company's financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

A reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

Company Overview

- NASDAQ: KRNY
- Market Cap: $877.8 million[1]
- Founded in 1884
- Top 10 New Jersey-based financial institution by assets
- 45 full-service branches[2] in 12 counties throughout northern and central New Jersey and New York City
- Active acquirer, having completed 7 whole-bank acquisitions since 1999



[1] As of April 26, 2022 [2] As of March 31, 2022
Source: S&P Global Market Intelligence & Company Filings

Financial Highlights

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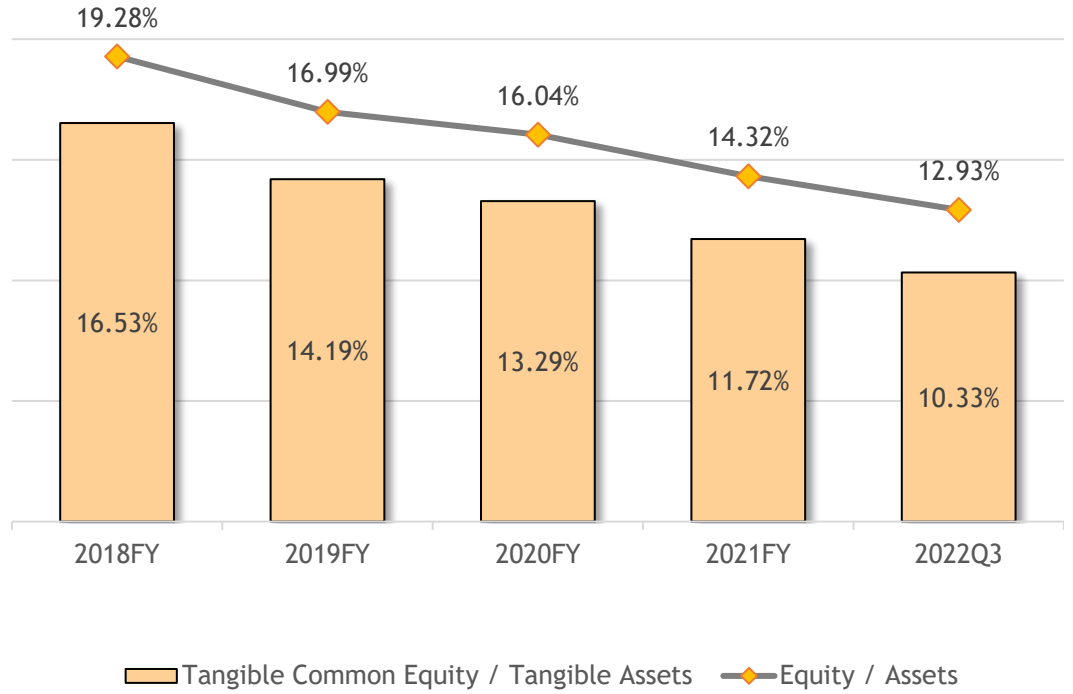
Balance Sheet ($ in billions)	2022Q3	2022Q2
Total Assets	$7.39	$7.19
Total Loans	$5.00	$4.83
Total Deposits	$5.53	$5.45

Profitability and Performance Ratios ($ in millions)	2022Q3	2022Q2
Net Income	$17.7	$18.8
Net Interest Income	$47.7	$48.7
Net Interest Margin	2.89%	2.96%
Efficiency Ratio [1]	60.14%	56.17%
Return on Average Assets [2]	0.98%	1.05%
Return on Average Equity [2]	7.24%	7.46%
Return on Average Tangible Equity [2]	9.27%	9.49%

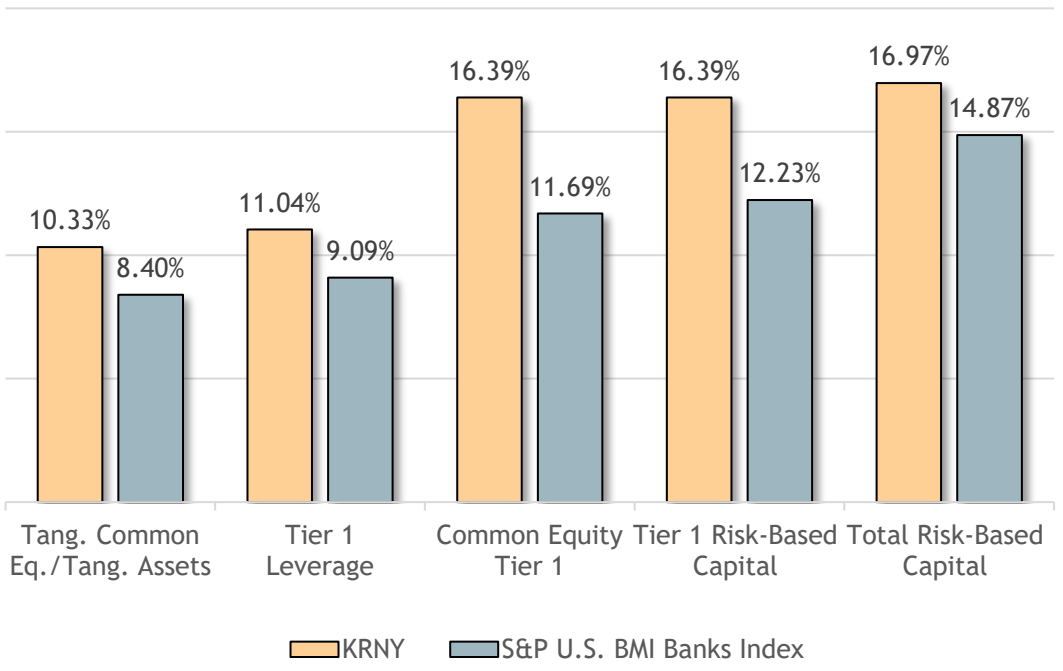
Source: Company Filings
[1] Non-interest expense divided by the sum of net interest income and non-interest income.
[2] Annualized.

Equity & Capitalization

Equity Capitalization Level



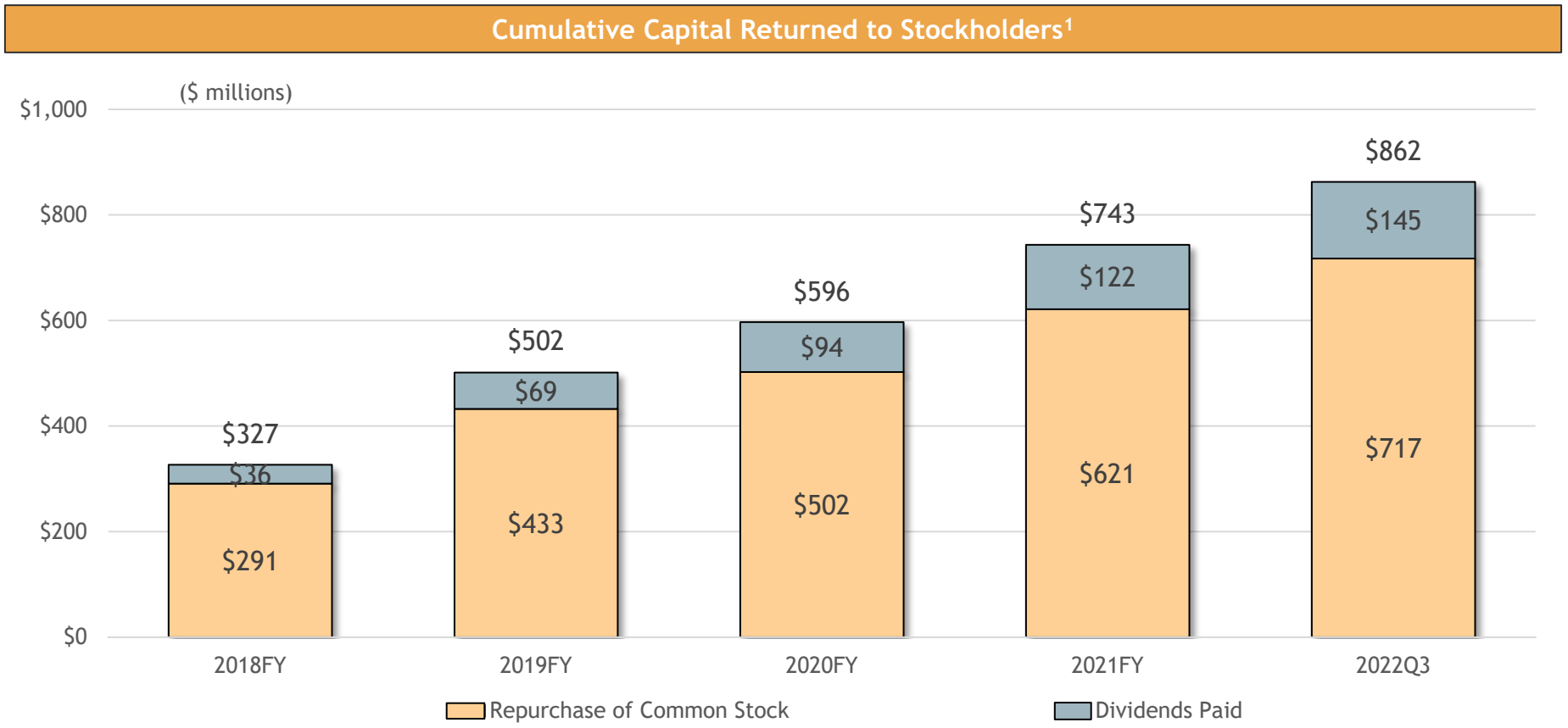
Regulatory Capital Ratios[1,2]



- Normalizing capital ratios which continue to provide ample opportunity for growth and capital management activities

1 Regulatory Capital Ratios based on March 31, 2022 results.
2 S&P U.S. Broad Market Index ("BMI") Banks Index, Mid-Atlantic region based on December 31, 2021 results.
Source: Company Filings

Capital Management

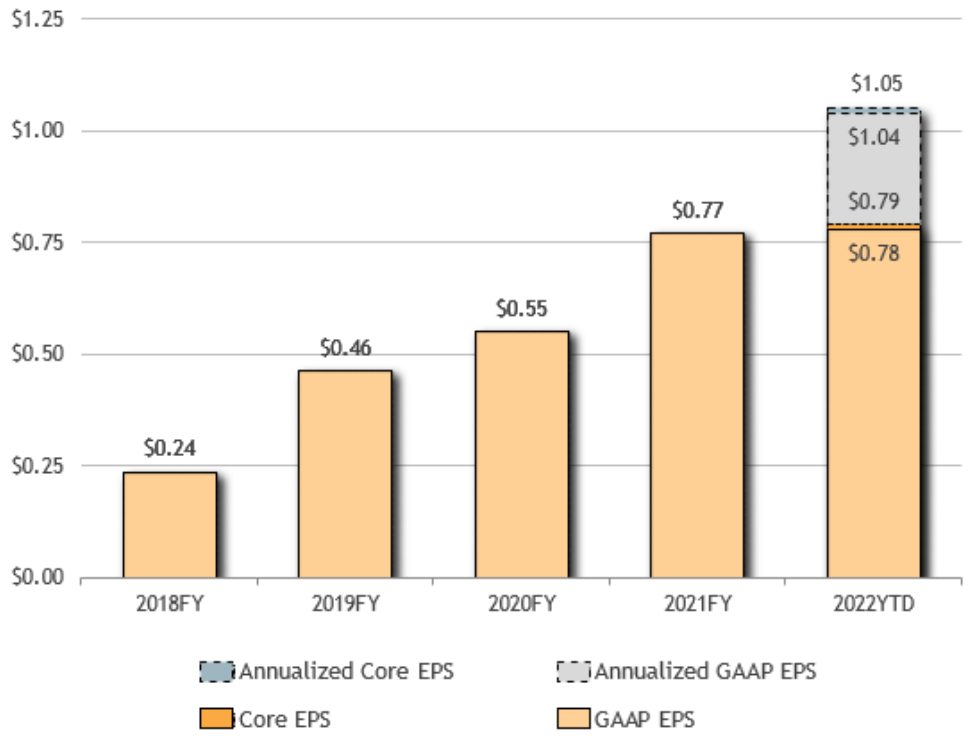


- Repurchased 2.0 million shares during the quarter at an average price of $13.35 per share
- 3.1 million shares are available for repurchase pursuant to the current repurchase plan

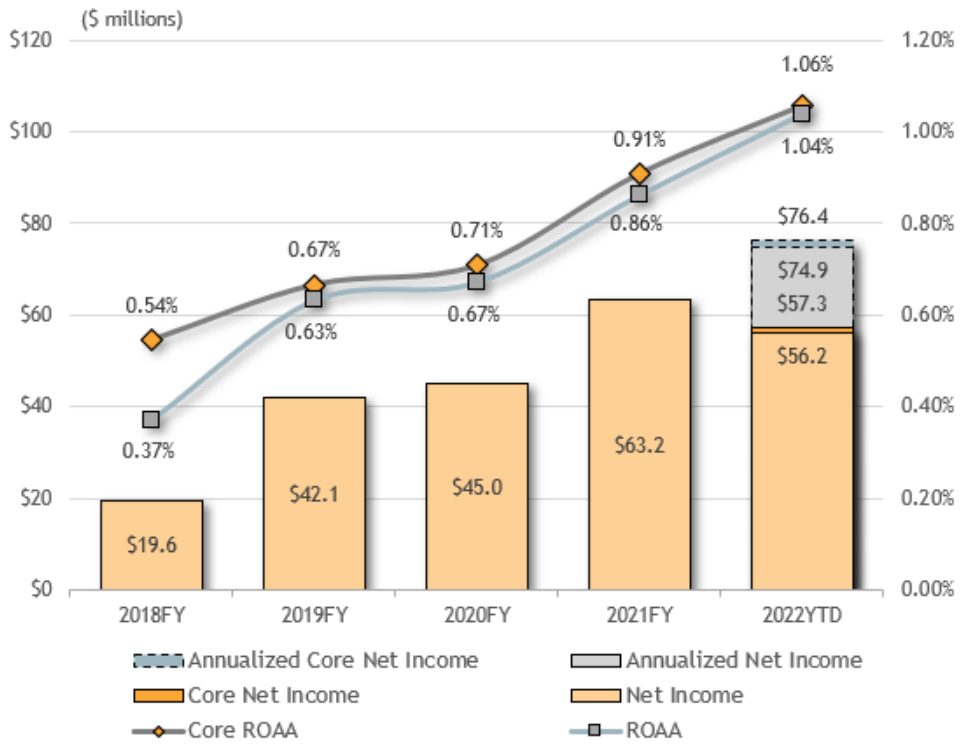
Source: Company Filings
[1] Since conclusion of second step conversion in May 2015.

Earnings Performance

Earnings per Share[1]



Net Income & Return on Assets[1]

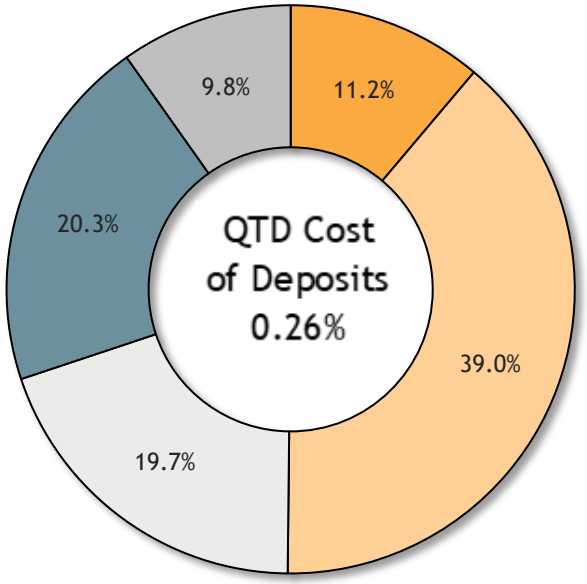


- Sustained growth trajectory in net income, earnings per share and return on assets
- Annualized Q3 EPS represents a 36% increase from Fiscal 2021

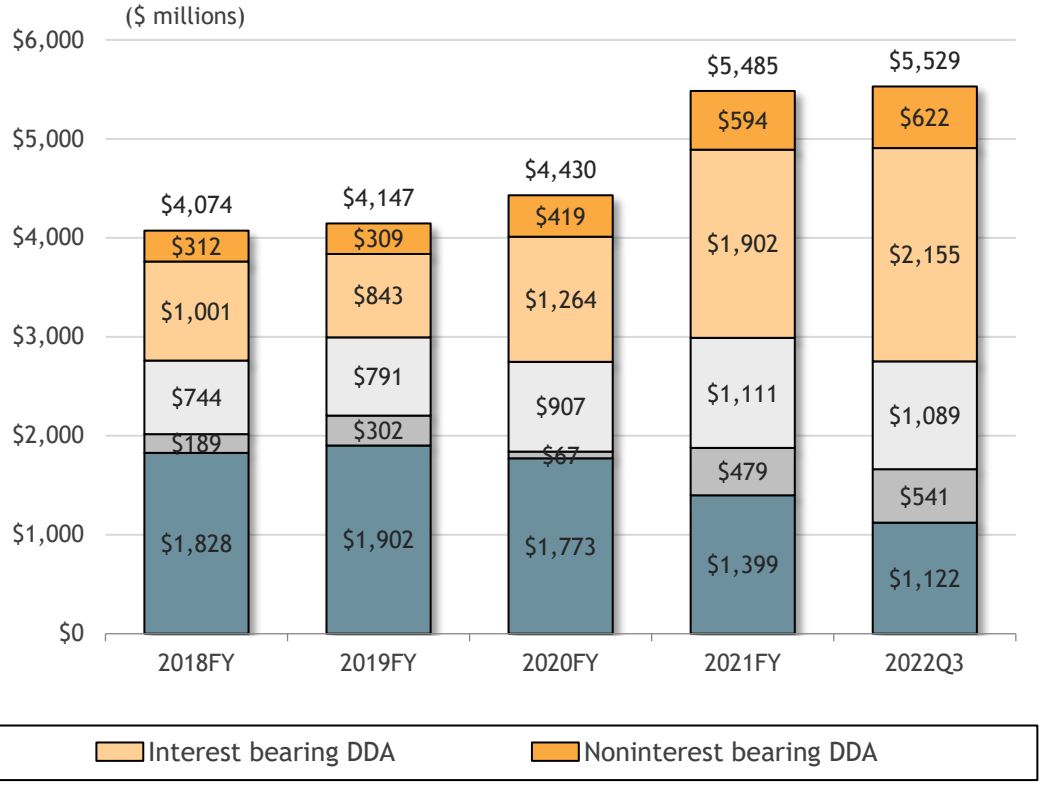
[1] Although management believes core net income, EPS and ROAA, which are non-GAAP measures, are useful to investors by providing a greater level of understanding of its business, they should not be considered a substitute for financial measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP financial measures that may be presented by other companies. Core net income, EPS and ROAA exclude non recurring income and expenses, including branch consolidation expenses and impairment charges. Refer to reconciliation of GAAP to non-GAAP at the end of this presentation.
Source: S&P Global Market Intelligence & Company Filings

Deposits

Deposit Composition[1]



Deposit Growth



- Consolidated 26% of branches over a three-year period.
- Replaced higher cost Retail CDs with lower cost core deposits

[1] As of and for the quarter ended March 31, 2022
Source: S&P Global Market Intelligence & Company Filings

Mortgage Banking

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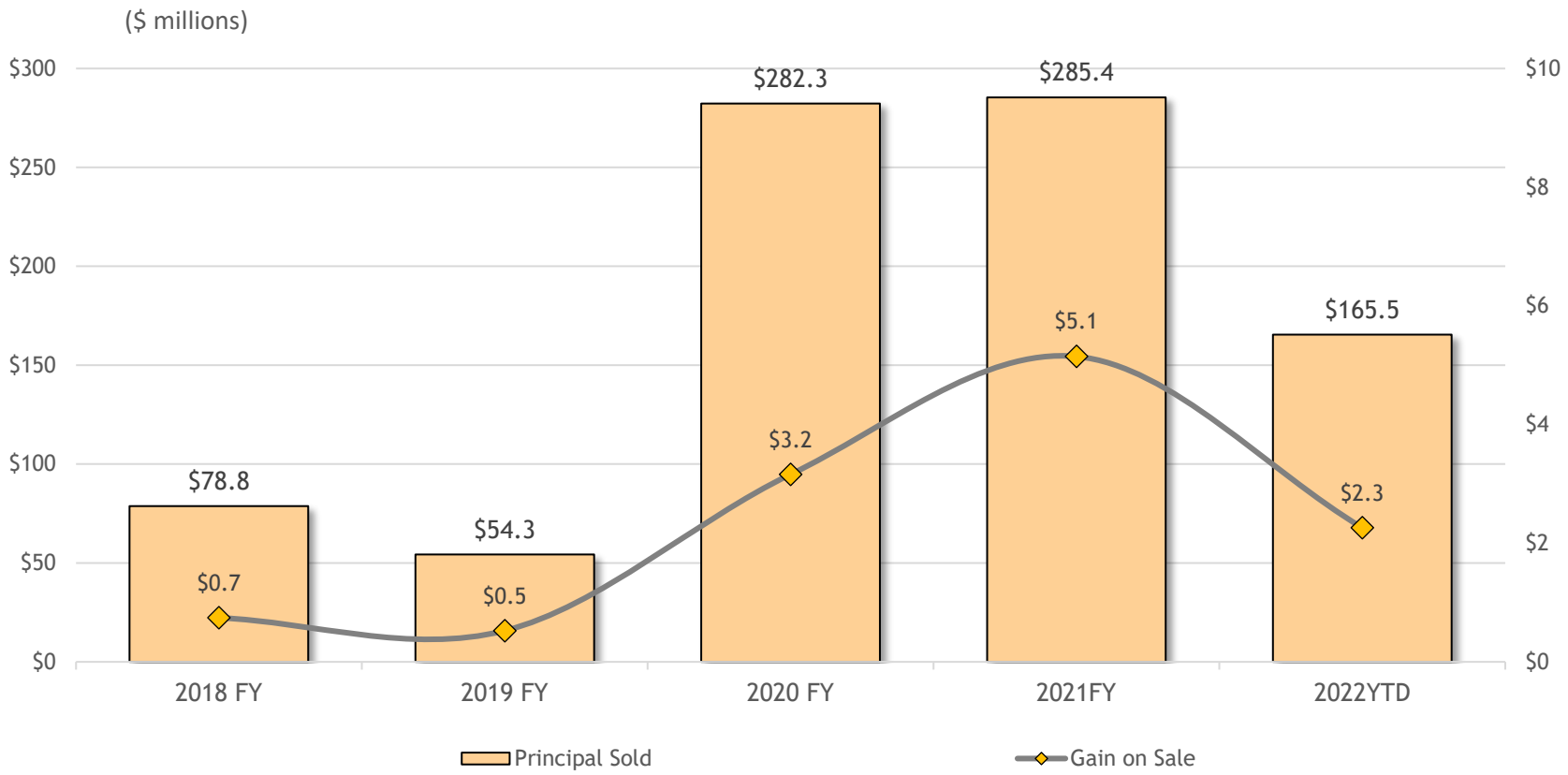
Residential 1-4 Family Loans Sold



Source: Company Filings

Portfolio Lending

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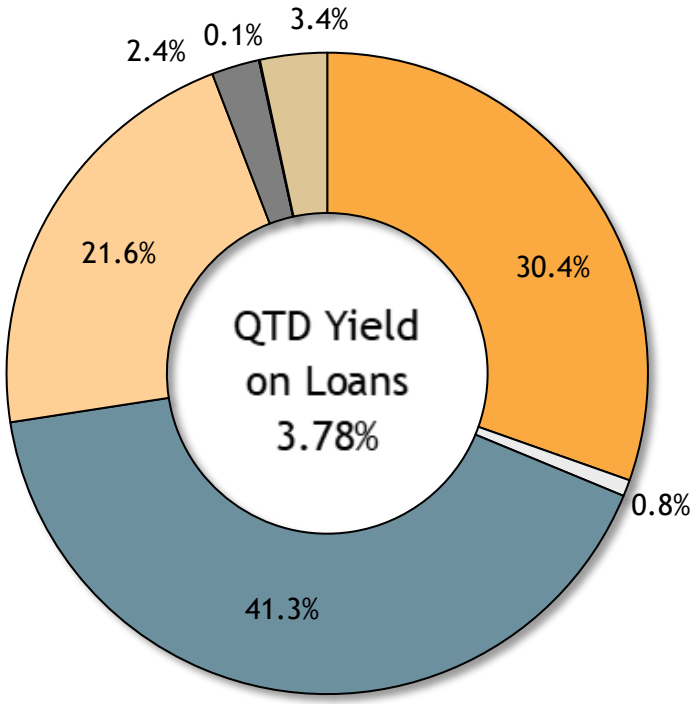
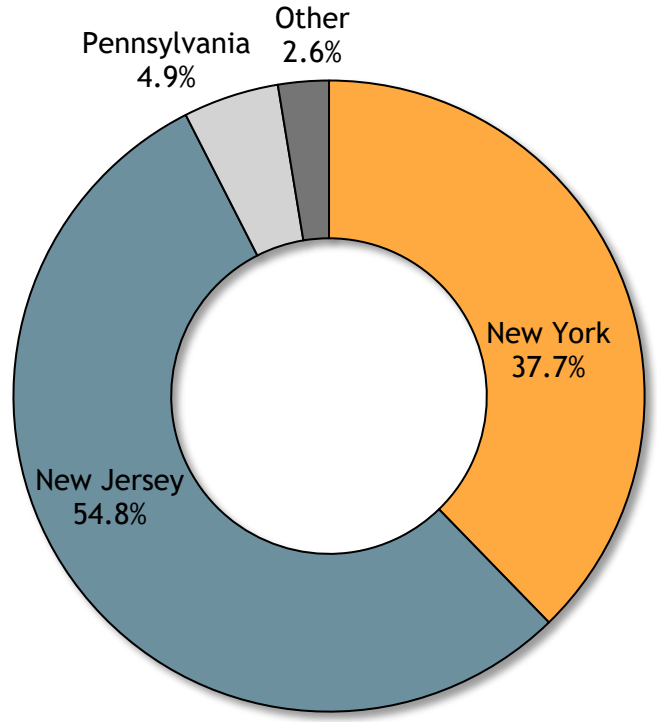
Loan Composition[1]



Loan-to-Value by Real Estate Secured Segment[2]

Loan Type	Balance ($ millions)	Loan to Value (LTV)
1-4 Family	$1,528	61%
Multifamily	$2,076	64%
CRE	$1,086	54%
Construction	$121	59%
Home Equity	$42	46%
Total	**$4,853**	**61%**

Geographic Distribution[2]

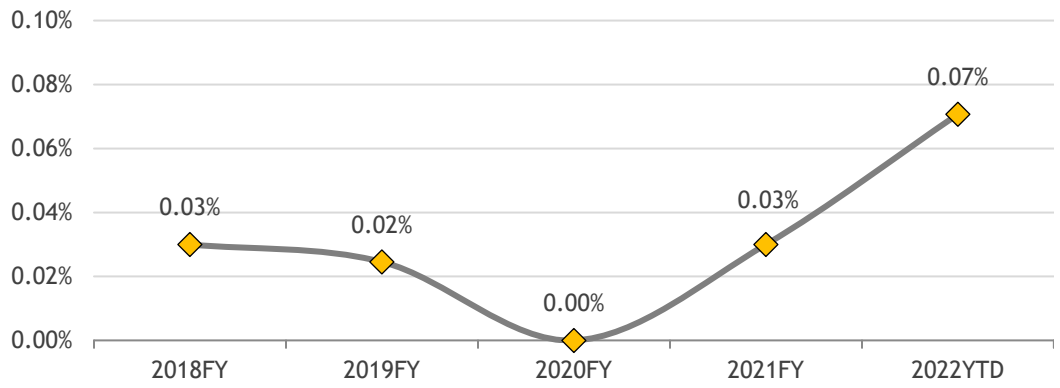


- Strategy designed to grow and diversify the loan portfolio with a focus on increasing the allocation of C&I and construction credits

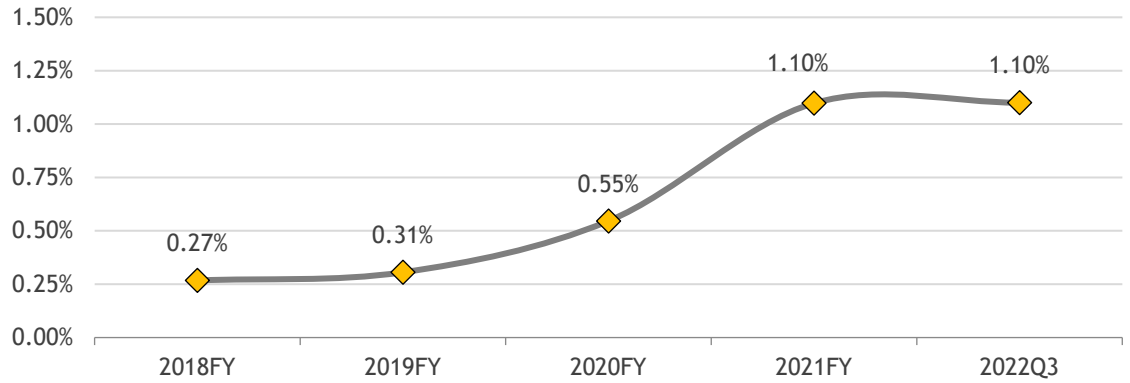
[1] As of and for the quarter ended March 31, 2022
[2] As of March 31, 2022
Source: S&P Global Market Intelligence & Company Filings

Asset Quality

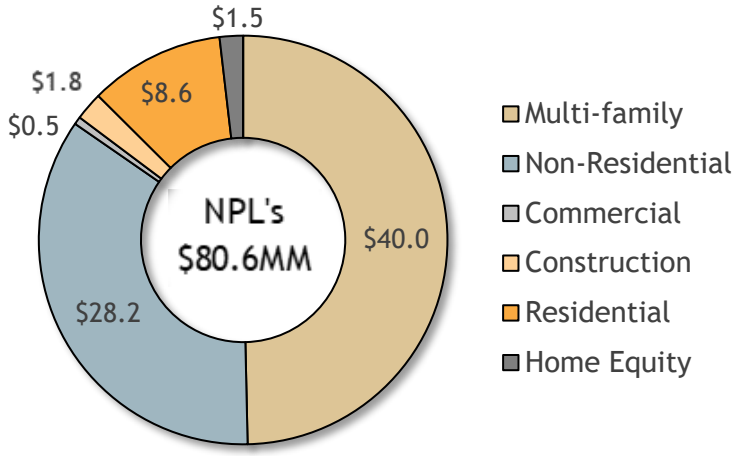
Net Charge-Offs / Average Loans



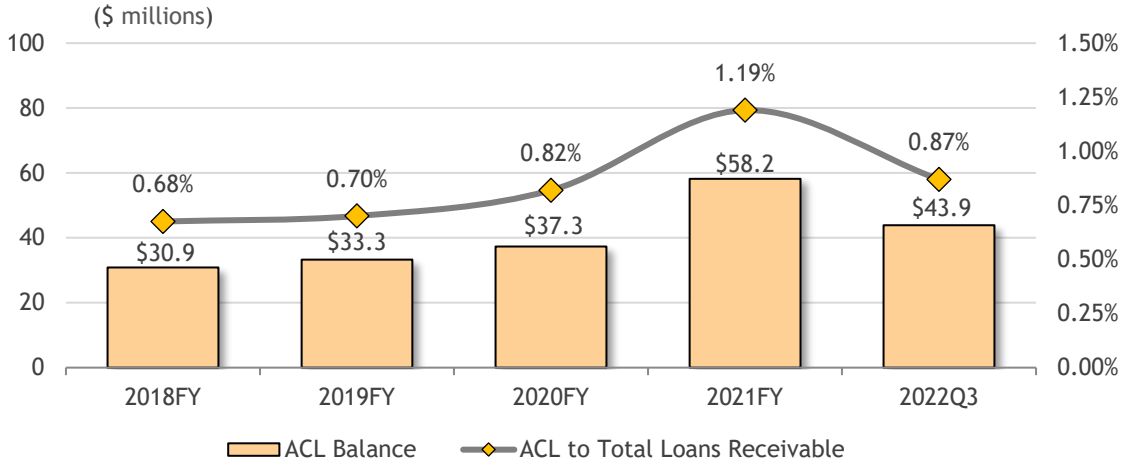
Non-Performing Assets / Total Assets



Non-Performing Loans[1]



Allowance for Credit Losses on Loans (ACL)[2]



[1] As of March 31, 2022; amounts shown in millions [2] The Company adopted CECL methodology effective FY 2021 Q1
Source: S&P Global Market Intelligence & Company Filings

M&A History and Strategy

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- Experienced acquirer and integrator, having successfully completed 7 whole-bank acquisitions over the past two decades
- Opportunistic acquisition strategy with an emphasis on:
  - Low premium deals
  - Similar or complementary business models
  - Expansion in existing or contiguous markets
  - Cultural compatibility
- Focus on limiting tangible book value dilution and earn-back periods while generating strong EPS accretion and operating leverage

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PULASKI SAVINGS BANK

SOUTH BERGEN SAVINGS BANK

Technology Roadmap

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- Omni-channel sales and service model
  - Traditional in-branch products available online and via mobile channels
  - Adoption of Glia, a next-generation digital client service solution
  - Acquisition of best-in-breed digital and mobile banking front-end solutions
- Streamline the client experience, improve operating efficiency and expand our knowledge of how to best serve our clients
  - Automation of residential mortgage application process, workflow and pricing model
  - Leverage data analytics, machine learning and artificial intelligence to aid in client retention and further grow wallet share
  - Bank-wide cloud migration to accommodate scalable and rapidly upgradable technology systems
- Partnerships with FinTech firms, such as ZSuite Technologies, who provide innovative products and services which provide unique value to our clients

glia

ZSUITE TECHNOLOGIES

ICE Mortgage Technology™

Non-GAAP Reconciliation

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Appendix A: Reconciliation of GAAP to Non-GAAP (Dollars in Thousands, Except Per Share Data)	For the quarter ended September 30, 2021	For the quarter ended December 31, 2021	For the quarter ended March 31, 2022	For the nine-months ended March 31, 2022
Adjusted net income:				
Net Income (GAAP)	$19,715	$18,769	$17,693	$56,177
Non-recurring transactions - net of tax:				
Branch consolidation expenses and impairment charges	1,209	132	-	1,341
Net effect of sales and calls of securities	(1)	-	(2)	(3)
Net effect of sales of other assets	-	(251)	-	(251)
Adjusted net income	$20,923	$18,650	$17,691	$57,264
Adjusted earnings per share:				
Weighted average common shares - basic	74,537	72,011	69,790	72,130
Weighted average common shares - diluted	74,556	72,037	69,817	72,154
Earnings per share - basic (GAAP)	$0.26	$0.26	$0.25	$0.78
Earnings per share - diluted (GAAP)	$0.26	$0.26	$0.25	$0.78
Adjusted earnings per share - basic (non-GAAP)	$0.28	$0.26	$0.25	$0.79
Adjusted earnings per share - diluted (non-GAAP)	$0.28	$0.26	$0.25	$0.79
Adjusted return on average assets:				
Total average assets	$7,247,228	$7,180,241	$7,207,950	$7,211,834
Return on average assets (GAAP)	1.09%	1.05%	0.98%	1.04%
Adjusted return on average assets (non-GAAP)	1.15%	1.04%	0.98%	1.06%
Adjusted return on average equity:				
Total average equity	$1,030,008	$1,005,762	$977,489	$1,004,616
Return on average equity (GAAP)	7.66%	7.46%	7.24%	7.46%
Adjusted return on average equity (non-GAAP)	8.13%	7.42%	7.24%	7.60%

Non-GAAP Reconciliation

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Appendix B: Reconciliation of GAAP to Non-GAAP (Dollars in Millions)	For the year ended June 30, 2018	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2021	For the quarter ending December 31, 2021	For the quarter ending March 31, 2022
Calculation of return on average tangible equity						
Net income (GAAP)	$19.6	$42.1	$45.0	$63.2	$18.8	$17.7
Net income (GAAP) (Annualized)	$19.6	$42.1	$45.0	$63.2	$75.1	$70.8
Total average equity (GAAP)	$1,082	$1,197	$1,096	$1,091	$1,006	$977
Less: average goodwill	(137)	(211)	(211)	(211)	(211)	(211)
Less: average other intangible assets	(2)	(6)	(4)	(4)	(4)	(3)
Average tangible equity (non-GAAP)	$943	$980	$881	$876	$791	$763
Return on average tangible equity (non-GAAP)	2.08%	4.30%	5.10%	7.22%	9.49%	9.27%
Calculation of tangible equity to tangible assets						
Stockholders' equity (GAAP)	$1,269	$1,127	$1,084	$1,043	$995	$955
Less: goodwill	(211)	(211)	(211)	(211)	(211)	(211)
Less: other intangible assets	(6)	(5)	(4)	(4)	(3)	(3)
Tangible equity (non-GAAP)	$1,052	$911	$869	$828	$781	$741
Total assets (GAAP)	$6,580	$6,635	$6,758	$7,284	$7,186	$7,390
Less: goodwill	(211)	(211)	(211)	(211)	(211)	(211)
Less: other intangible assets	(6)	(5)	(4)	(4)	(3)	(3)
Tangible assets (non-GAAP)	$6,363	$6,419	$6,543	$7,069	$6,972	$7,176
Tangible equity to tangible assets (non-GAAP)	16.53%	14.19%	13.29%	11.72%	11.21%	10.33%