

ANNUAL MEETING OF  
**STOCKHOLDERS**

OCTOBER 27, 2022  
10:00 AM





# Welcome *and* Introductory Remarks

**Craig L. Montanaro**

*Director, President and Chief Executive Officer*

# Members *of the* Board of Directors

John J. Mazur, Jr., *Chairman*

Theodore J. Aanensen

John F. McGovern

Raymond E. Chandonnet

Craig L. Montanaro

John N. Hopkins

Leopold W. Montanaro

Catherine A. Lawton

Christopher Petermann

Joseph P. Mazza

Charles J. Pivirotto

John F. Regan

# Executive Management Team



**Keith Suchodolski**  
*Senior Executive Vice President  
Chief Financial Officer*



**Patrick M. Joyce**  
*Executive Vice President  
Chief Lending Officer*



**Anthony V. Bilotta, Jr.**  
*Executive Vice President  
Chief Banking Officer*



**Thomas D. DeMedici**  
*Executive Vice President  
Chief Credit Officer*



**John V. Dunne**  
*Executive Vice President  
Chief Risk Officer*



**Erika K. Parisi**  
*Executive Vice President  
Chief Administrative Officer*



**Timothy A. Swanson**  
*Executive Vice President  
Chief Technology &  
Innovation Officer*

# Other Participants

Corporate Secretary  
Kearny Financial Corp.

Gail Corrigan  
*Senior Vice President*

Legal Counsel  
Luse Gorman, PC

Marc Levy, Esq.

Independent Registered Public  
Accounting Firm  
Crowe LLP

Andrey Dragun, CPA  
*Partner*

Inspector of Election  
Computershare

Amilja Regan  
*Assistant Vice President*

# Business of the Meeting

- ▶ **Proposals to be voted upon:**
  - ▶ *Election of four directors, each for a three-year term;*
  - ▶ *Ratification of the appointment of Crowe LLP as the Company's independent auditor for the fiscal year ending June 30, 2023;*
  - ▶ *Advisory, non-binding resolution to approve our executive compensation as described in the Proxy Statement;*
- ▶ **Review of Financial Results**
- ▶ **Stockholder Questions**
- ▶ **Report of the Inspector of Election**

# ANNUAL MEETING OF **STOCKHOLDERS**

Review of Financial Results  
Fiscal Year Ended June 30 ,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.

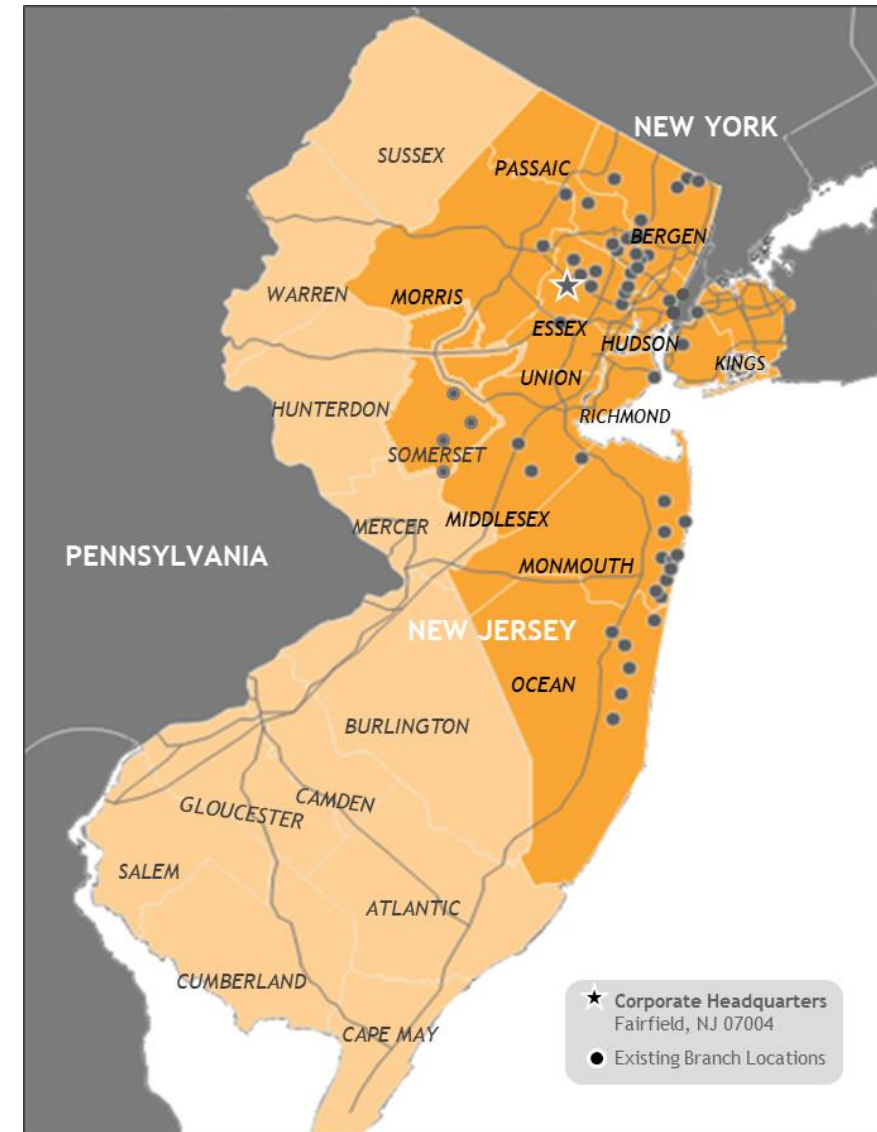
The Company cautions that the foregoing list of important factors is not exhaustive. Readers should not place any undue reliance on any forward looking statements, which speak only as of the date made. The Company does not undertake any obligation to update any forward-looking statement, whether written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

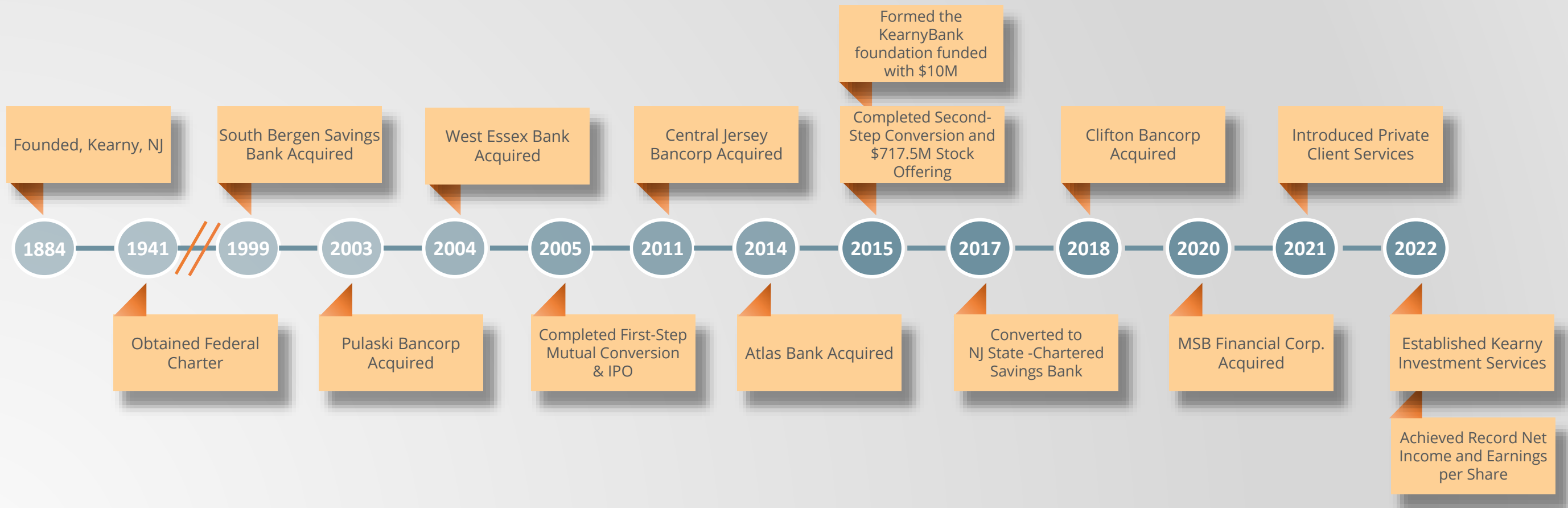
A reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

# Kearny Financial Corp.

- NASDAQ: KRNY
- Market Cap: \$741.2 million<sup>1</sup>
- Founded in 1884
- Top 10 New Jersey-based financial institution by assets
- 45 full-service branches<sup>2</sup> in 12 counties throughout New Jersey and New York City
- Active acquirer, having completed 7 whole-bank acquisitions since 1999



# 138 Years of Serving our Communities and Clients



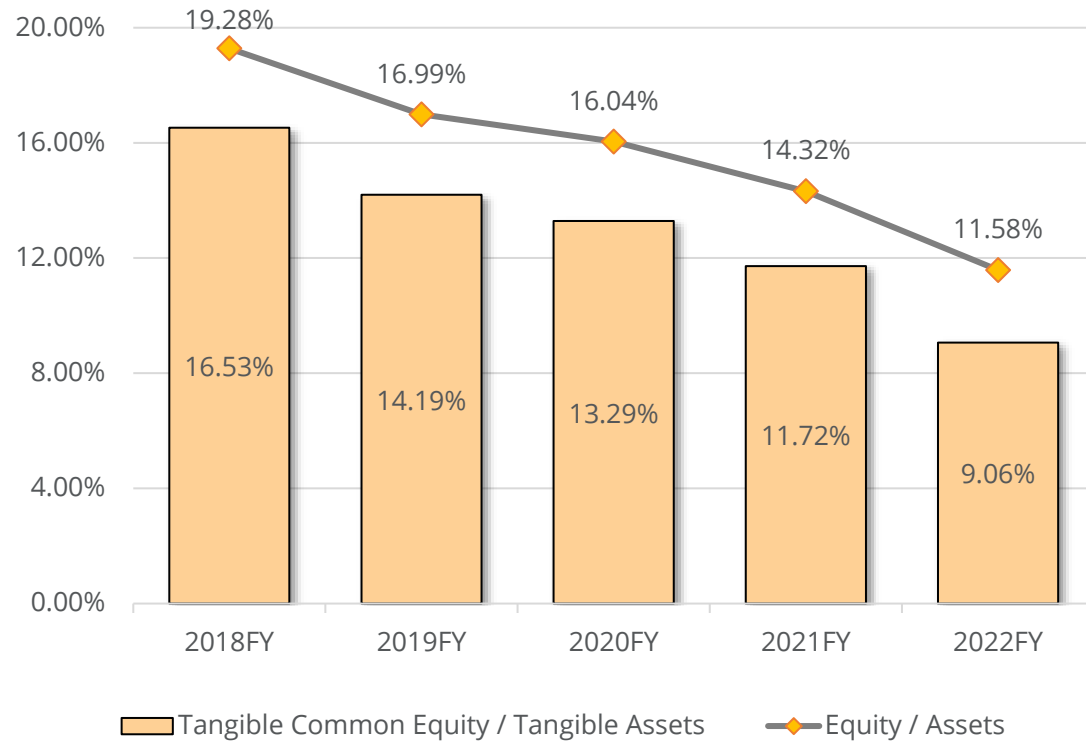
# Financial Highlights

Balance Sheet (\$ in billions)	2022FY	2021FY
Total Assets	\$7.72	\$7.28
Total Loans	\$5.44	\$4.88
Total Deposits	\$5.86	\$5.49

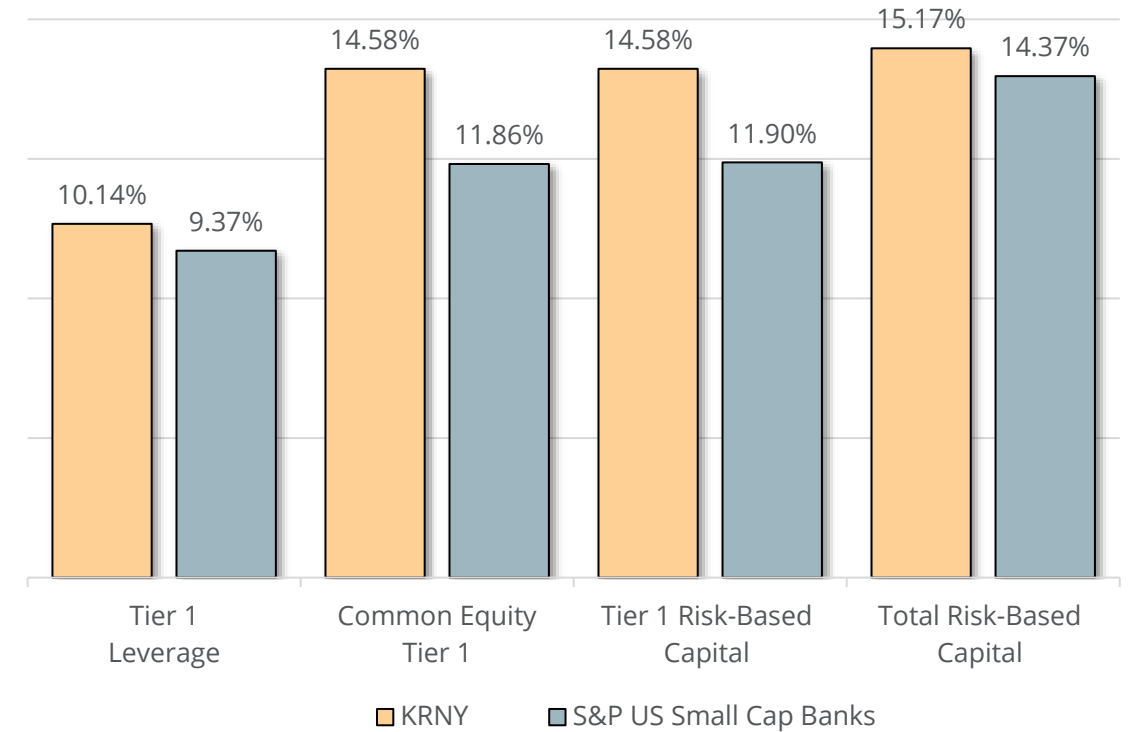
Profitability and Performance Ratios (\$ in millions, except per share data)	2022FY	2021FY
Net Income	\$67.5	\$63.2
Earnings per share	\$0.95	\$0.77
Net Interest Income	\$196.6	\$188.2
Net Interest Margin	2.94%	2.80%
Return on Average Assets	0.93%	0.86%
Return on Average Equity	6.86%	5.79%
Return on Average Tangible Equity	8.77%	7.22%

# Equity & Capitalization

Equity Capitalization Level

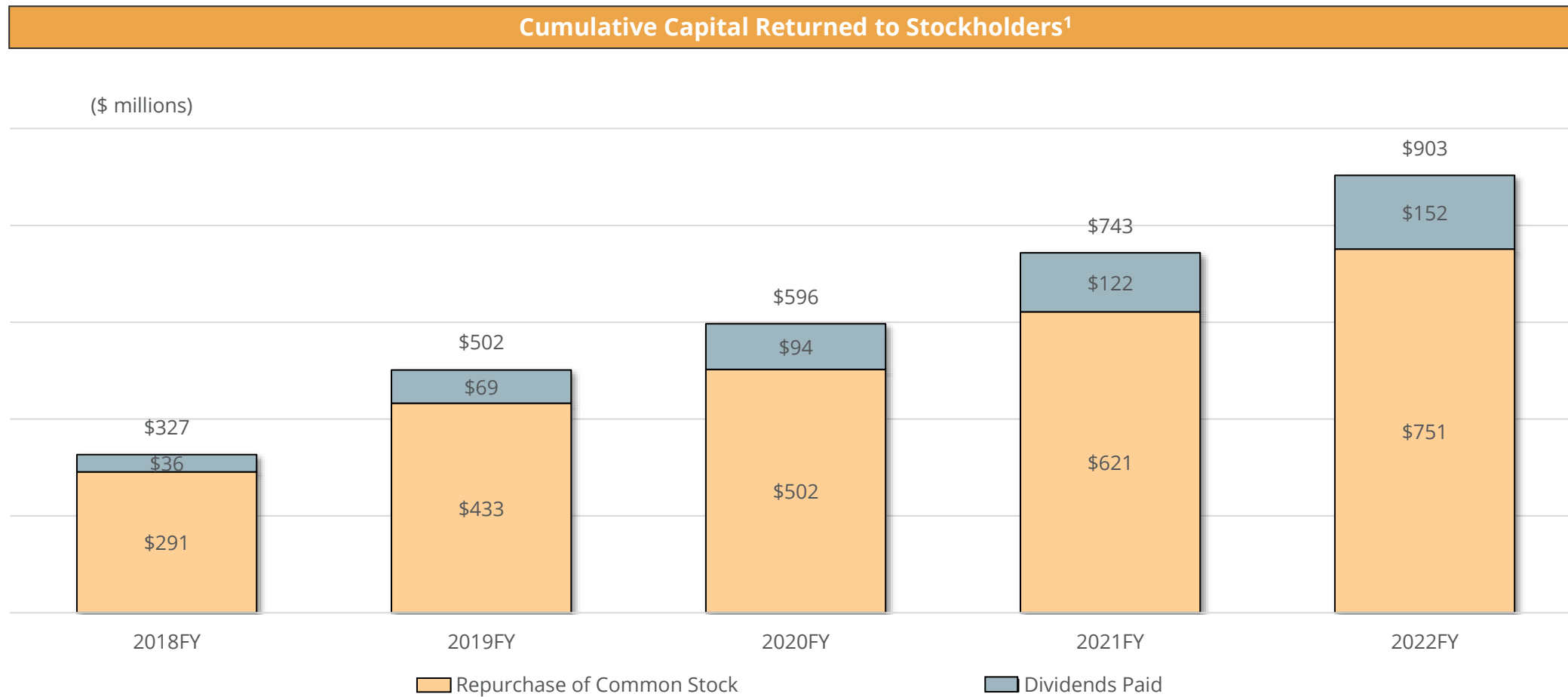


Regulatory Capital Ratios<sup>1,2</sup>



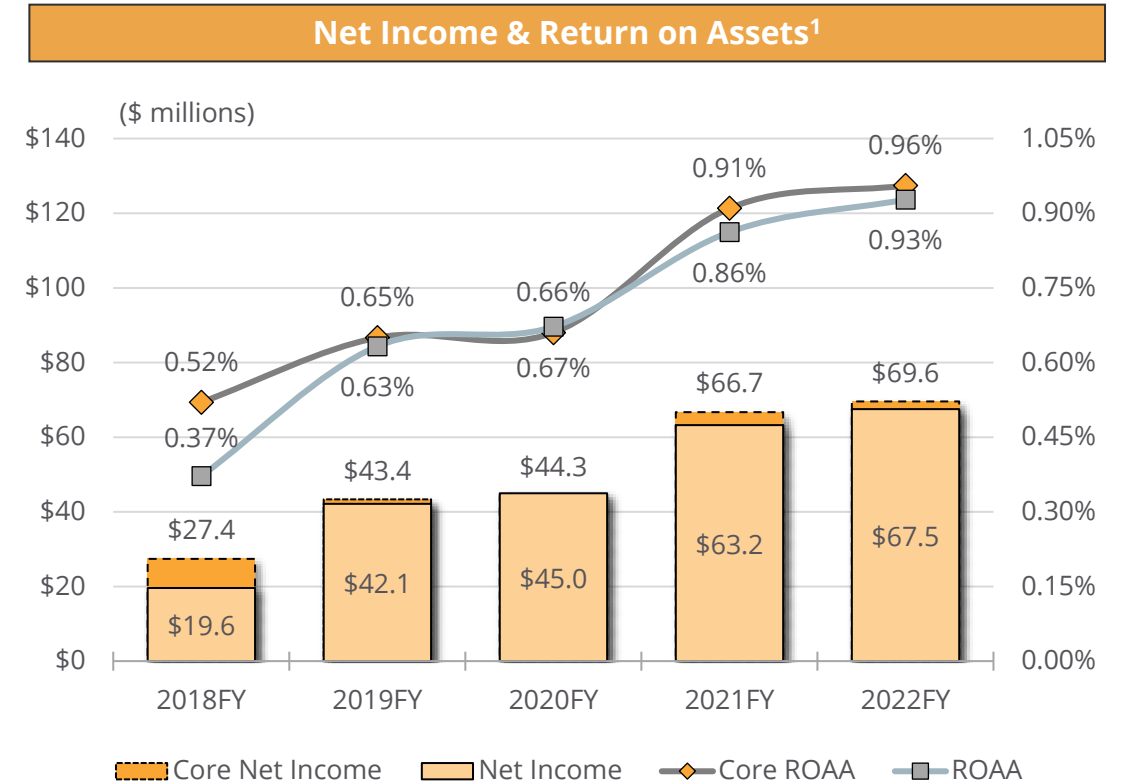
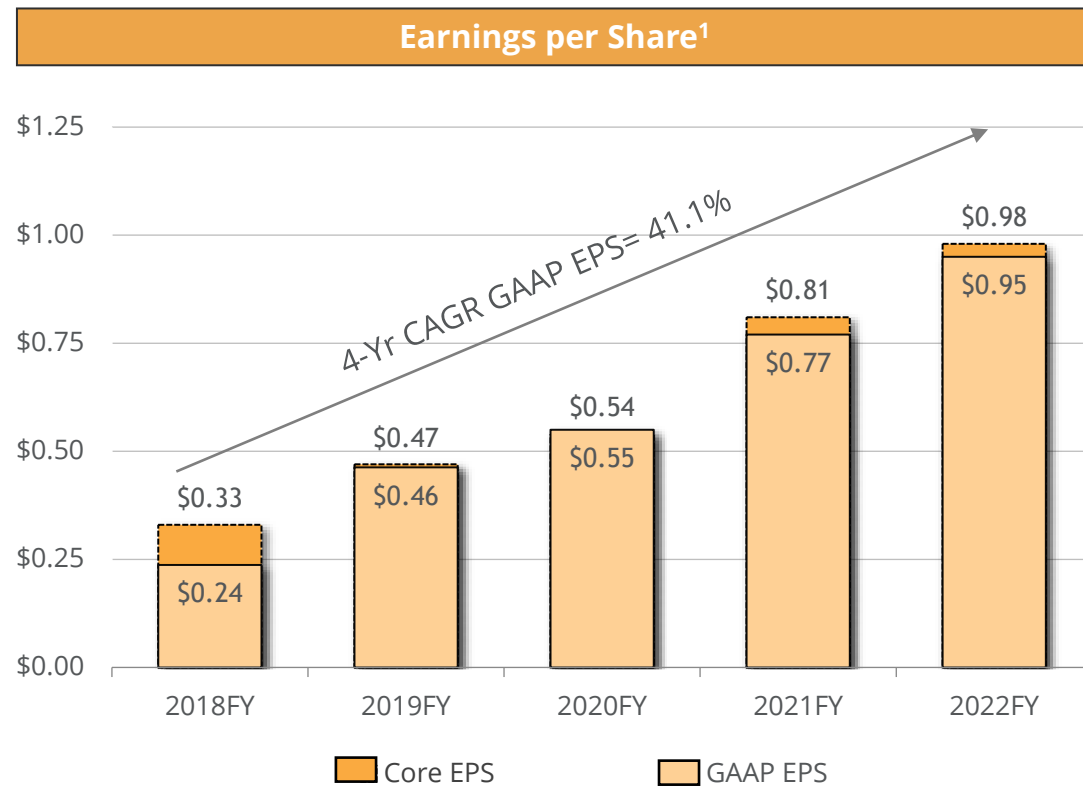
<sup>1</sup> Kearny Regulatory Capital Ratios based on June 30, 2022 results  
<sup>2</sup> S&P U.S. Small Cap Banks Index comprised of 280 constituents, based on March 31, 2022 results.  
 Source: Company Filings

# Capital Management



➤ Repurchased 10.2 million shares during Fiscal 2022 at an average price of \$12.67 per share

# Earnings Performance

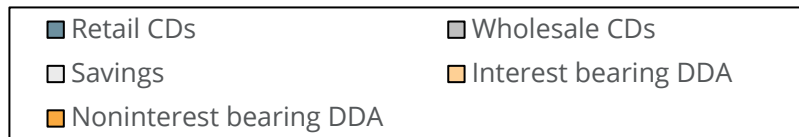
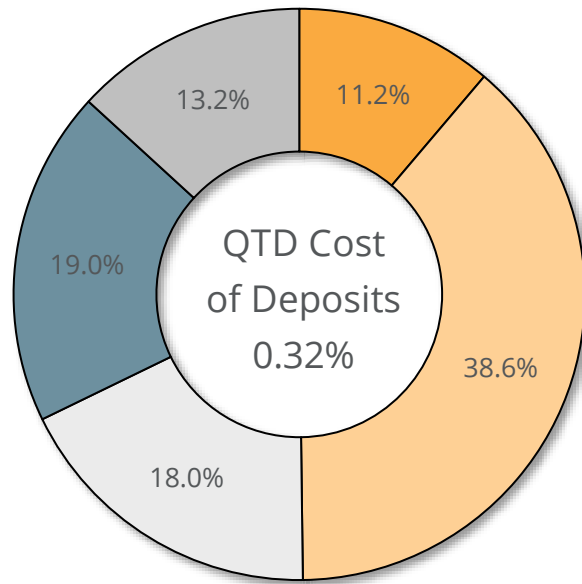


- Sustained growth trajectory in net income, earnings per share and return on assets
- Annual GAAP EPS for Fiscal 2022 represented a 23% increase from Fiscal 2021

<sup>1</sup> 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

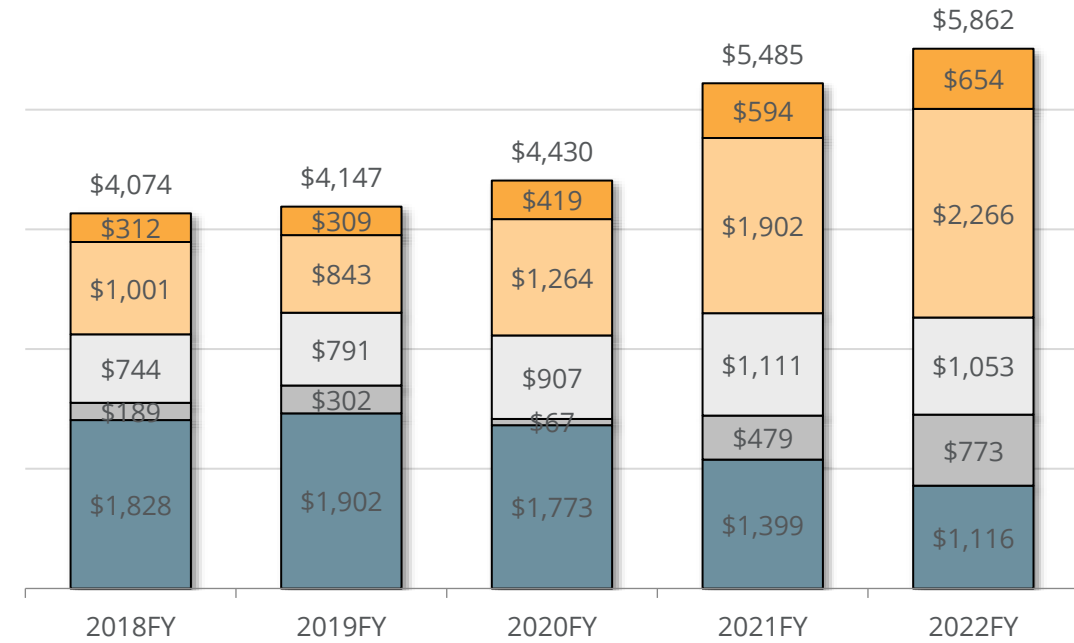
# Deposits

Deposit Composition<sup>1</sup>



Deposit Growth

(\$ millions)

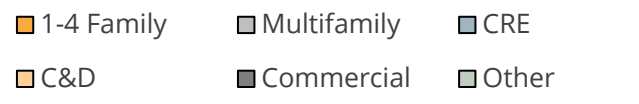
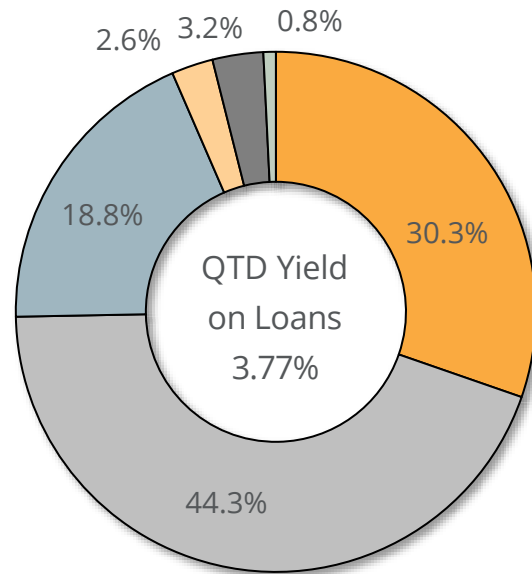


- Consolidated 25% of branches over a three-year period
- Grew non-maturity deposits 10% during Fiscal 2022

<sup>1</sup> For the quarter ended June 30, 2022.  
Source: S&P Global Market Intelligence & Company Filings

# Portfolio Lending

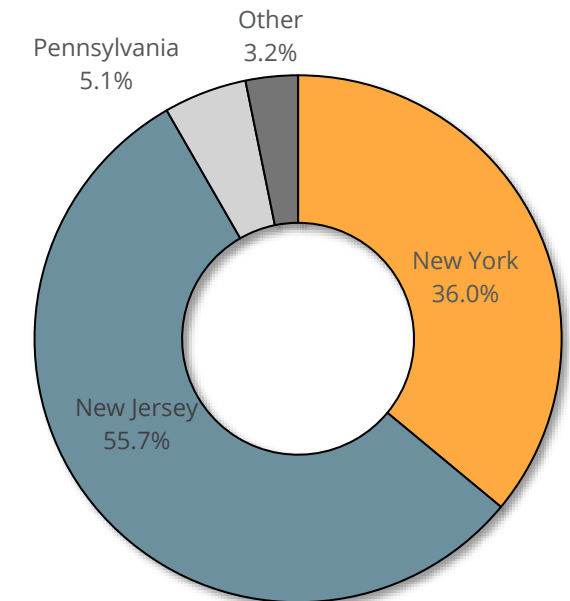
Loan Composition<sup>1</sup>



Loan-to-Value by Real Estate Secured Segment<sup>2</sup>

Loan Type	Balance (\$ millions)	Loan to Value (LTV)
1-4 Family	\$1,646	62%
Multifamily	\$2,409	64%
CRE	\$1,020	54%
Construction	\$140	61%
Home Equity	\$42	46%
<b>Total</b>	<b>\$5,257</b>	<b>61%</b>

Geographic Distribution<sup>2</sup>



- Strategy designed to grow and diversify the loan portfolio with a focus on increasing the allocation of C&I and construction credits
- Grew net loans by 11% during Fiscal 2022

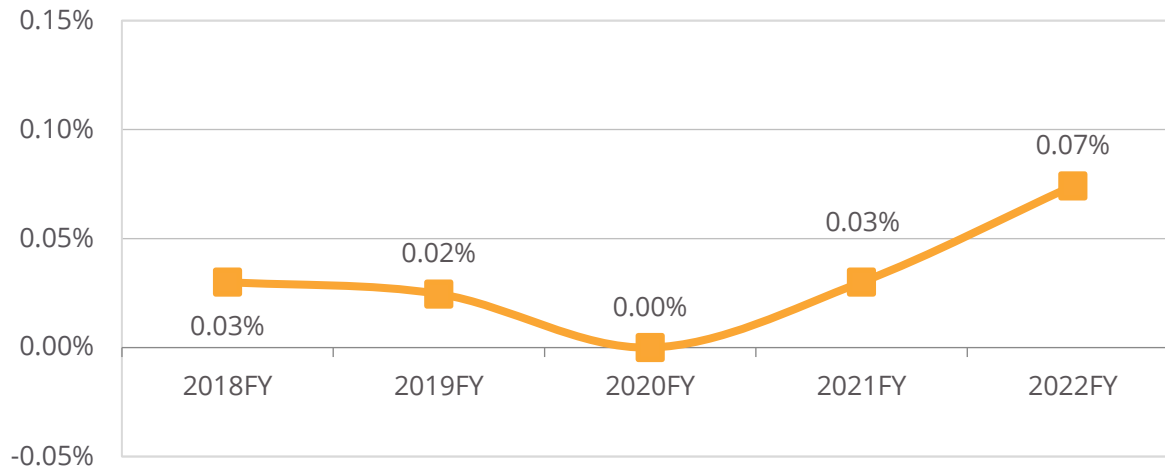
<sup>1</sup> For the quarter ended June 30, 2022.

<sup>2</sup> As of June 30, 2022

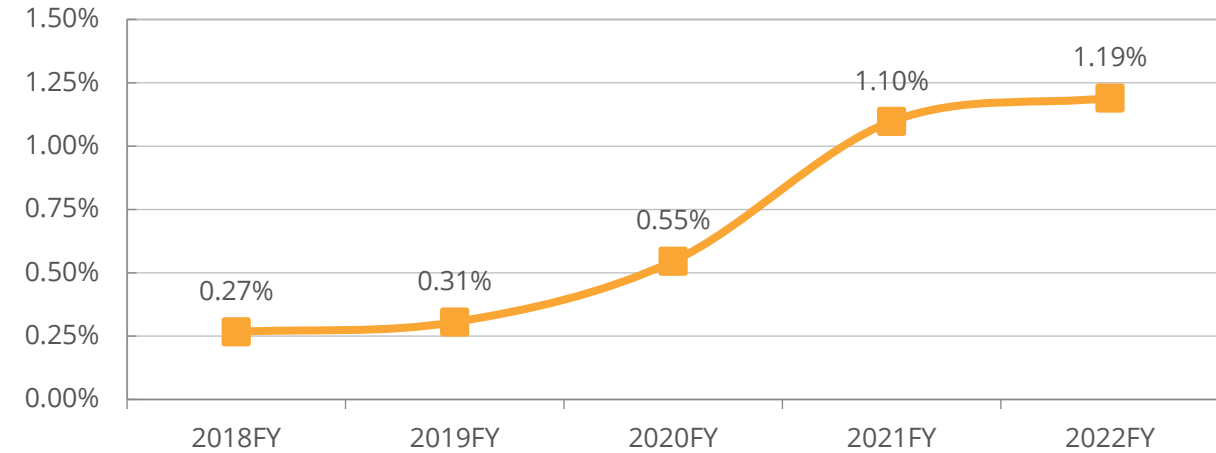
Source: S&P Global Market Intelligence & Company Filings

# Asset Quality

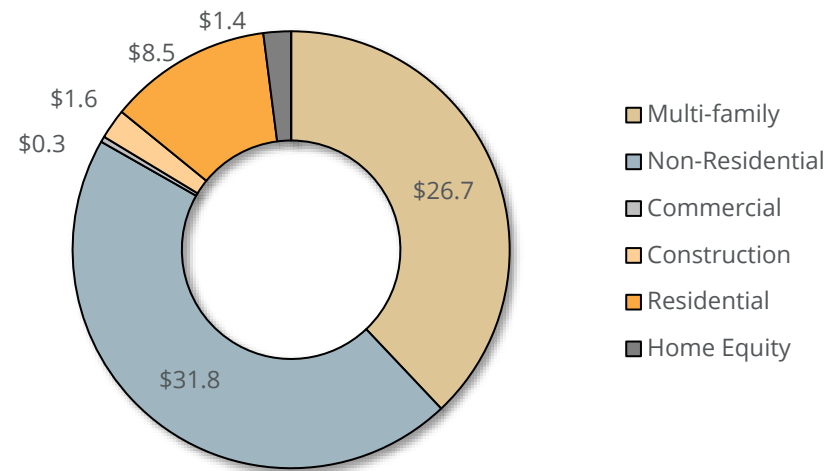
### Net Charge-Offs / Average Loans



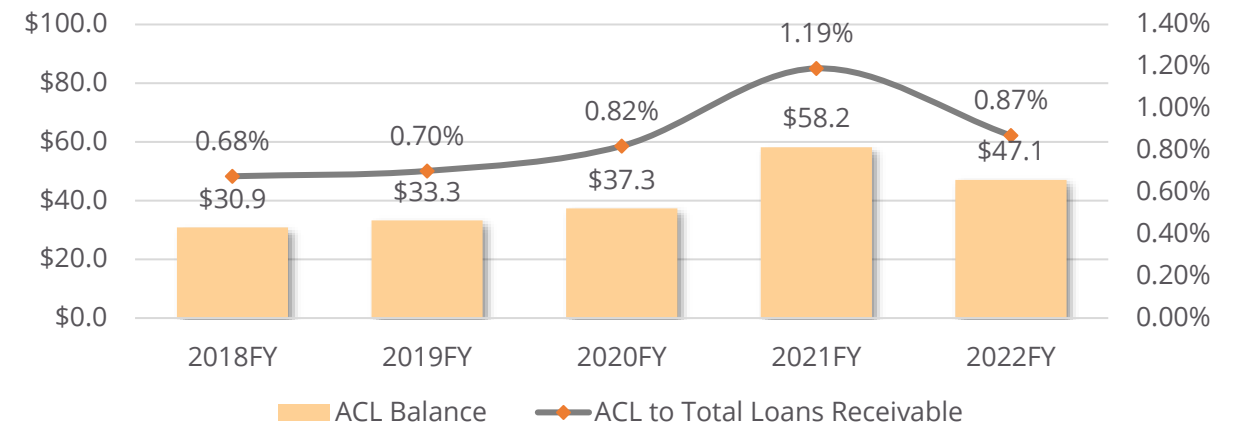
### Non-Performing Assets / Total Assets



### Non-Performing Loans<sup>1</sup>












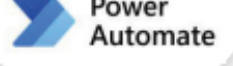


### Allowance for Credit Losses on Loans (ACL)<sup>2</sup>



<sup>1</sup> As of June 30, 2022; amounts shown in millions.  
<sup>2</sup> The Company adopted CECL methodology effective FY 2021 Q1  
 Source: S&P Global Market Intelligence & Company Filings

# Selected Technology Partners

 <p>Artificial intelligence-based anti-fraud solution</p>	 <p>Automated mortgage and commercial lending origination platforms</p>	 <p>Omni-channel customer engagement platforms</p>	 <p>Fintech partnered, escrow and rent deposit and security solutions</p>
 <p>Automated loan pricing, and financial analysis tools</p>	 <p>Digital identity verification systems</p>	 <p>SOX 404 compliance and audit management software</p>	 <p>Extensible automated GRC (governance, risk and compliance) management system</p>
 <p>Best-of-breed financial and workforce planning and budgeting tool</p>	 <p>General ledger account automation and reconciliation platform</p>	 <p>Industry leading digital banking solutions provider</p>	 <p>Robotic process automation platform</p>

# M&A History and Strategy

- Experienced and disciplined acquirer and integrator
- 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



# Environmental, Social & Governance (ESG)

- The Company's expanded ESG Report was recently released, disclosing the Company's ongoing efforts related to:
  - Environmental sustainability and climate risk management
  - Cyber security, community re-investment and affordable housing initiatives
  - Human capital initiatives, including our diversity, equity & inclusion program
  - Corporate governance and compliance

The screenshot shows the 'Introduction' page of the 2022 ESG Report. It features a header with the company logo and navigation tabs for 'Introduction' and 'A Message From Our CEO'. The main content includes a letter to shareholders from the CEO, Craig L. Montanaro, discussing the company's ESG strategy and 2022 highlights. Key statistics are displayed at the bottom: \$7.7 Billion in Assets, 45 Branches, and 1884 Year Founded. A table of contents for the 2022 ESG Report is visible on the right side of the page.

**Introduction | A Message From Our CEO**

**Dear Shareholders,**

Since 1884, we have remained committed to our foundation as a community banking institution and are proud to be a vital part of the 45 communities in which we operate. We have stayed true to our guiding principles of giving back to the communities we serve and conducting our business with the highest level of integrity.


We recognize the importance of focusing on long-term financial sustainability and the prudent management of environmental, social and governance (ESG) factors, and we continue to improve our processes in these areas. We believe a thoughtful, coordinated approach to ESG will support a more sustainable future for our stakeholders, including our investors, employees, clients and communities.

Our ESG strategy will advance alongside the focus and scale of our business, referencing the evolving ESG principles for our industry.

**Highlights of our 2022 fiscal year include:**

- Continuing to place local communities at the heart of our work through the Kearny Bank First-Time Homebuyer Program and through several partnerships with a financial literacy focus.
- Strengthening our commitment to diversity in recruitment, with 43% of new hires identifying as diverse.
- Growing our digital banking services to meet clients where they are — whether in a branch location, online, or through a mobile application.
- Recognizing the impact that a warming climate has on our business and taking steps to measure the potential risks posed by climate change.

Our Board of Directors is committed to providing leadership in these areas, and as such, we are pleased to publish an expanded ESG Report highlighting our most recent efforts. The Board of Directors and management look forward to sharing our progress while we continue our ESG journey.

  
**Craig L. Montanaro**  
 President and Chief Executive Officer

**2022 ESG Report**

- Introduction 1
- Our Social Impact 4
- Our People 7
- The Environment 9
- Responsible Business Practices 11
- Frameworks and Standards 14

**\$7.7**  
BILLION IN ASSETS

**45**  
BRANCHES

**1884**  
YEAR FOUNDED

Kearny Financial Corp. 2022 ESG Report 1

# ANNUAL MEETING OF **STOCKHOLDERS**

Financial Update  
First Quarter Fiscal 2023



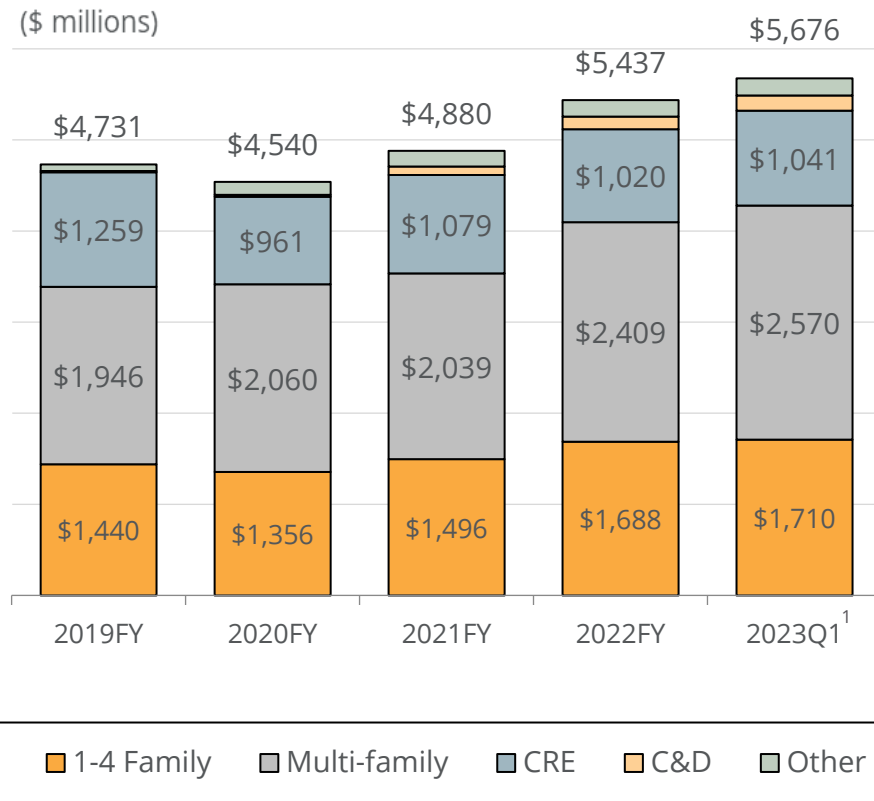
# First Quarter Fiscal 2023

Balance Sheet (\$ in billions)	2023Q1	2022Q4
Total Assets	\$7.89	\$7.72
Total Loans	\$5.68	\$5.44
Total Deposits	\$6.11	\$5.86

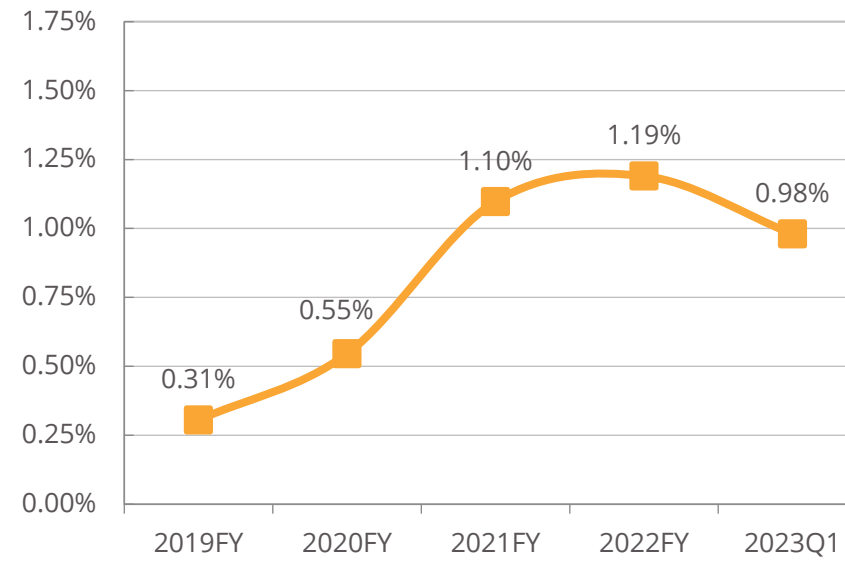
Profitability and Performance Ratios (\$ in millions, except per share data)	2023Q1	2022Q4
Net Income	\$16.5	\$11.4
Earnings per share	\$0.25	\$0.17
Net Interest Income	\$48.5	\$50.6
Net Interest Margin	2.69%	2.92%
Return on Average Assets	0.85%	0.61%
Return on Average Equity	7.38%	4.92%
Return on Average Tangible Equity	9.70%	6.40%

# First Quarter Fiscal 2023

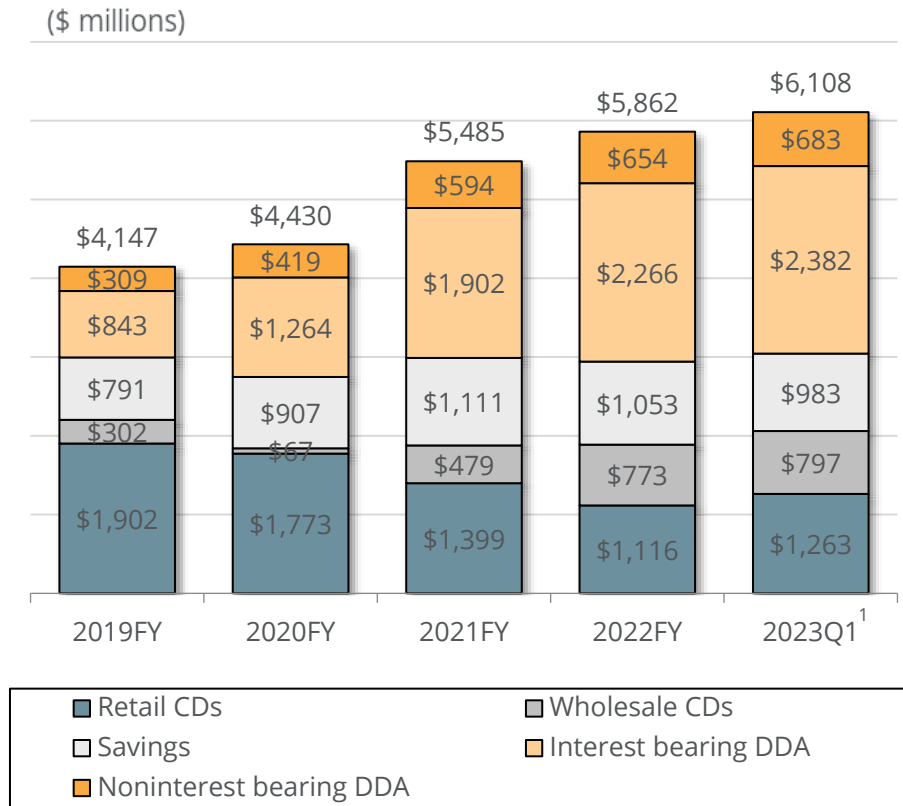
## Loan Growth



## Non-Performing Assets / Total Assets



## Deposit Growth



<sup>1</sup> For the quarter ended September 30, 2022  
Source: S&P Global Market Intelligence & Company Filings

# Stockholder Questions

Questions?

# Results of Voting

## Report of the Inspector of Election

ANNUAL MEETING OF  
**STOCKHOLDERS**

OCTOBER 27, 2022  
10:00 AM



# Non-GAAP Reconciliation

Appendix A: Reconciliation of GAAP to Non-GAAP (Dollars in Thousands, Except Per Share Data)	For the year ended	For the year ended
	June 30, 2022	June 30, 2021
<b>Adjusted net income:</b>		
Net Income (GAAP)	\$67,547	\$63,233
Non-recurring transactions - net of tax:		
Early contract termination	568	-
Bargain purchase gain	-	(3,053)
Provision for credit losses on non-PCD loans	-	3,563
Merger-related expenses	-	3,123
Branch consolidation expenses and impairment charges	1,341	1,377
Net effect of sales and calls of securities	397	(804)
Debt extinguishment expenses	-	558
Reversal of income tax valuation allowance	-	(535)
Net effect of sales of other assets	(251)	(731)
Adjusted net income	<u>\$69,602</u>	<u>\$66,731</u>
<b>Adjusted earnings per share:</b>		
Weighted average common shares - basic	70,911	82,387
Weighted average common shares - diluted	70,933	82,391
Earnings per share - basic (GAAP)	\$0.95	\$0.77
Earnings per share - diluted (GAAP)	\$0.95	\$0.77
Adjusted earnings per share - basic (non-GAAP)	\$0.98	\$0.81
Adjusted earnings per share - diluted (non-GAAP)	\$0.98	\$0.81
<b>Adjusted return on average assets:</b>		
Total average assets	\$7,282,370	\$7,333,861
Return on average assets (GAAP)	0.93%	0.86%
Adjusted return on average assets (non-GAAP)	0.96%	0.91%