ANNUAL MEETING OF
STOCKHOLDERS

OCTOBER 26, 2023
10:00 AM

kearny financial corp.



Craig L. Montanaro

Director, President and Chief Executive Officer

Welcome *and* Introductory Remarks

Members *of the* Board *of* Directors

John J. Mazur, Jr., *Chairman*

Theodore J. Aanensen

Raymond E. Chandonnet

Curtland E. Fields

John N. Hopkins

Catherine A. Lawton

Joseph P. Mazza

John F. McGovern

Craig L. Montanaro

Leopold W. Montanaro

Christopher Petermann

Charles J. Pivirotto

John F. Regan

Melvina Wong-Zaza

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. Swansson
Executive Vice President
Chief Technology &
Innovation Officer



Sean M. Byrnes
Executive Vice President
Deputy Chief Financial 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 six directors for the terms indicated;*
  - *Ratification of the appointment of Crowe LLP as the Company's independent auditor for the fiscal year ending June 30, 2024;*
  - *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, 2023

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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, and subsequent filings with the Securities and Exchange Commission, 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 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.

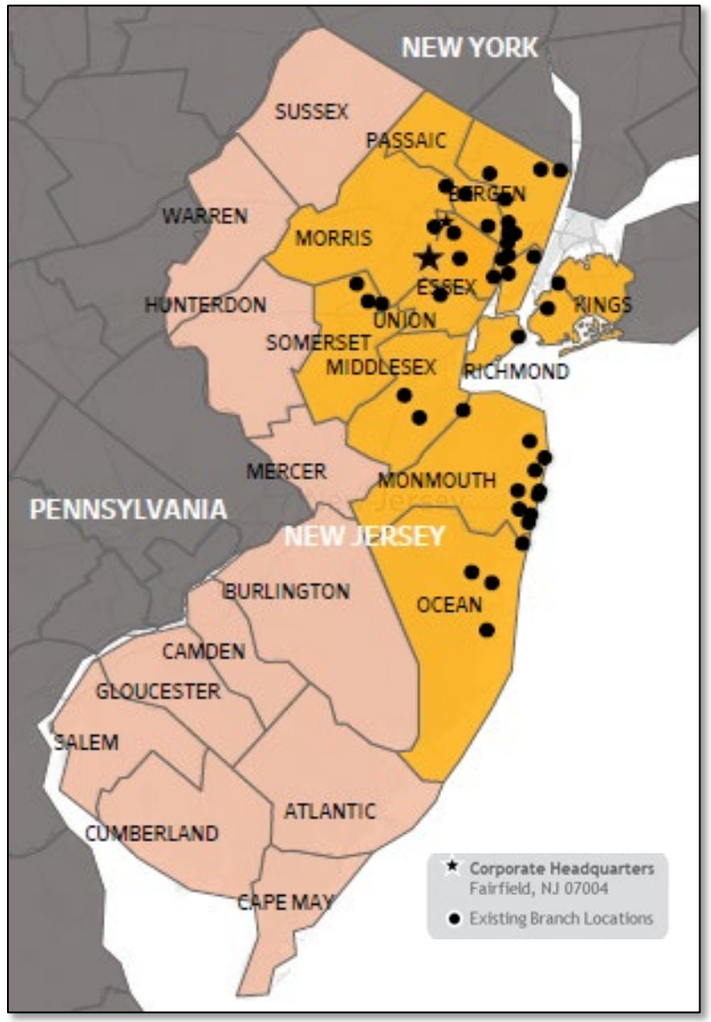
The Company cautions that the foregoing list of important factors is not exhaustive. Readers should not place any undue reliance on any forward looking statements, which speak only as of the date made. The Company does not undertake any obligation to update any forward-looking statement, whether written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

Kearny Financial Corp.

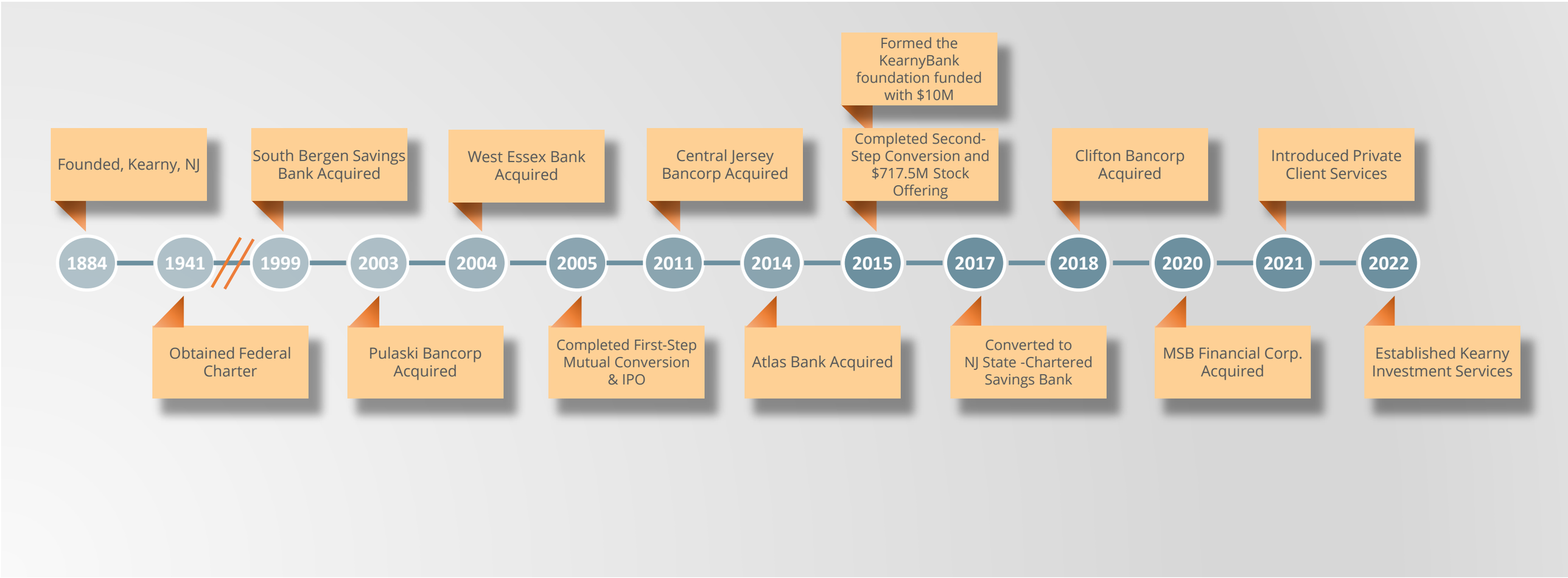
- NASDAQ: KRNY
- Market Cap: $448.1 million[1]
- Founded in 1884
- Top 10 New Jersey-based financial institution by assets
- 43 full-service branches[2] in 12 counties throughout New Jersey and New York City
- Active acquirer, having completed 7 whole-bank acquisitions since 1999



[1] As of October 17, 2023 [2] As of June 30, 2023
Source: S&P Global Market Intelligence & Company Filings

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139 Years of Serving our Communities and Clients



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Fiscal 2023 – Financial Highlights

Net Income	Adjusted Net Income[2]	Diluted EPS	
		(GAAP)	(Adjusted)[2]
$40.8 million	$50.6 million	$0.63	$0.78

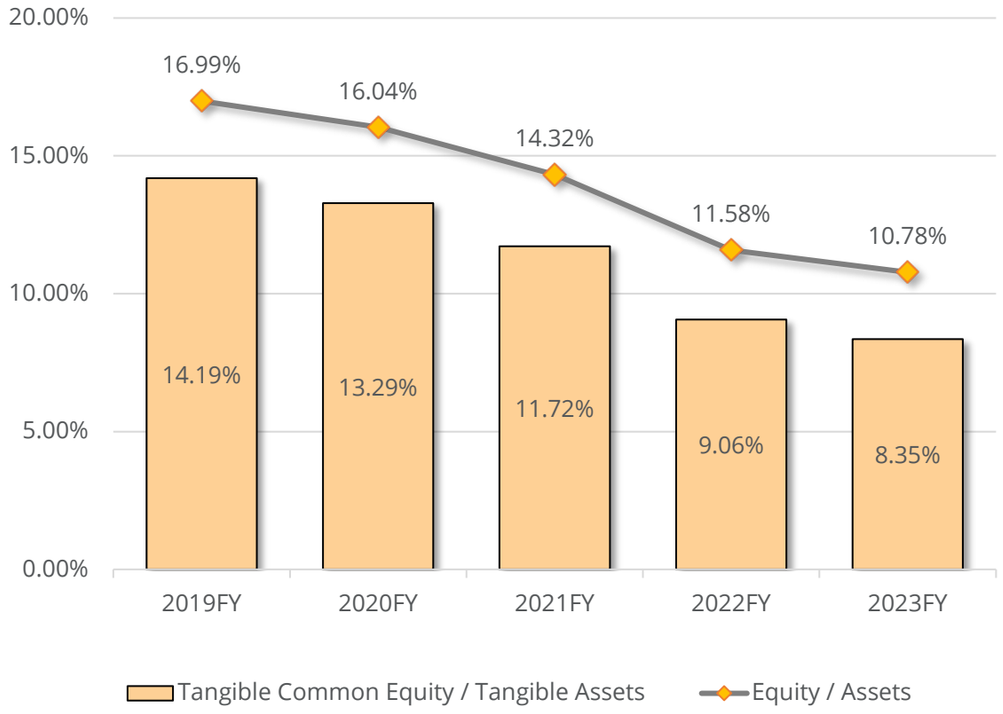
Total Assets	Total Loans[1]	Total Deposits
$8.1 billion	$5.9 billion	$5.6 billion

Reduction in Interest Rate Sensitivity	➢ *Added $675 million of fair value asset swaps* ➢ *Hedged an additional $700 million of borrowings*
Wholesale Restructuring	➢ *Sold $121 million of securities and reinvested in securities yielding, on average, 440 basis points higher than the securities that were sold* ➢ *Purchased $100 million of securities, funded by wholesale borrowings, which produced an average spread of 216 basis points*
Operating Efficiency Initiative	➢ *Reduced adjusted non-interest expenses by 9.7% through optimization and reduction of vendor spend[2]* ➢ *Continued investment in technology to automate routine activities* ➢ *Realignment of the Company's workforce* ➢ *Consolidation of 2 branch locations*

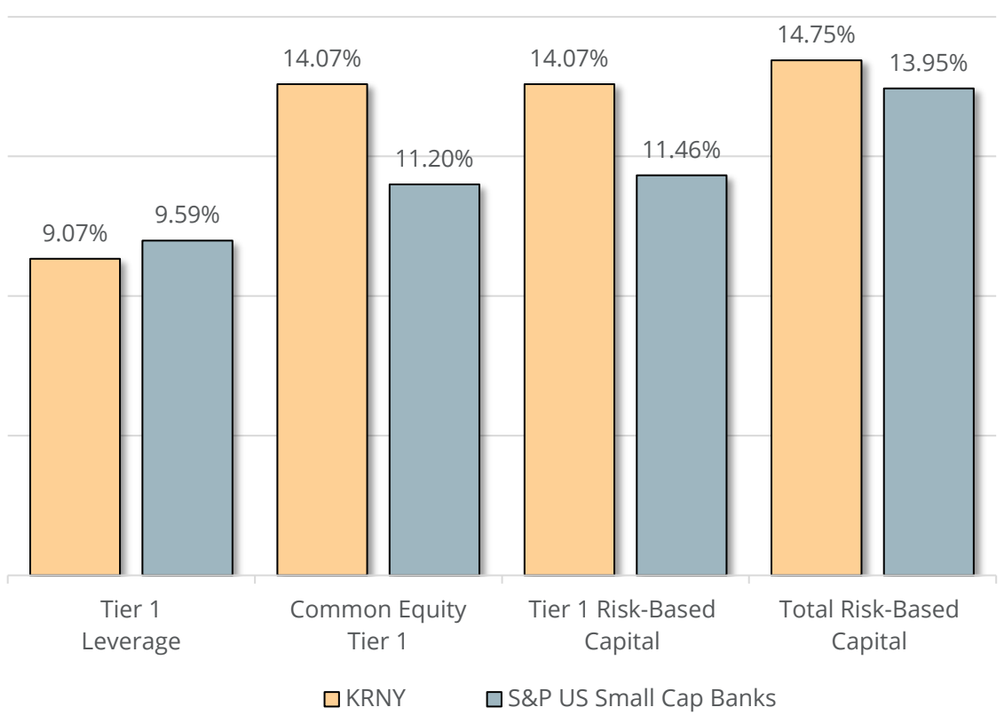
[1] Excludes Yield Adjustments
[2] Refer to Non-GAAP Reconciliation at the end of this presentation – Adjusted non-interest expenses were reduced by $3.1 million from $31.9 million to $28.8 million for 2Q '23 and 4Q '23, respectively.
Source: Company Filings

Equity & Capitalization

Equity Capitalization Level



Regulatory Capital Ratios[1,2]

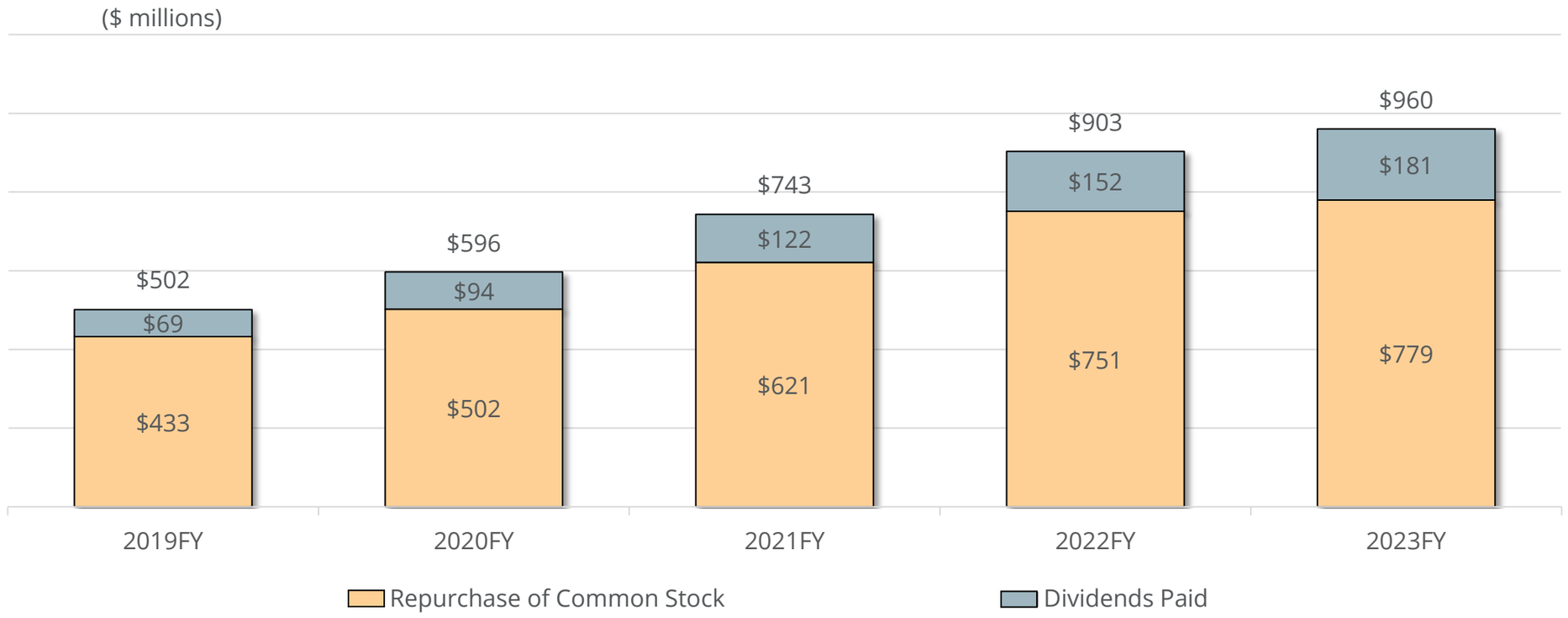


[1] Kearny Regulatory Capital Ratios based on June 30, 2023 results.
[2] S&P U.S. Small Cap Banks Index comprised of 236 constituents, based on June 30, 2023 results.
Source: Company Filings

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Capital Management

Cumulative Capital Returned to Stockholders[1]

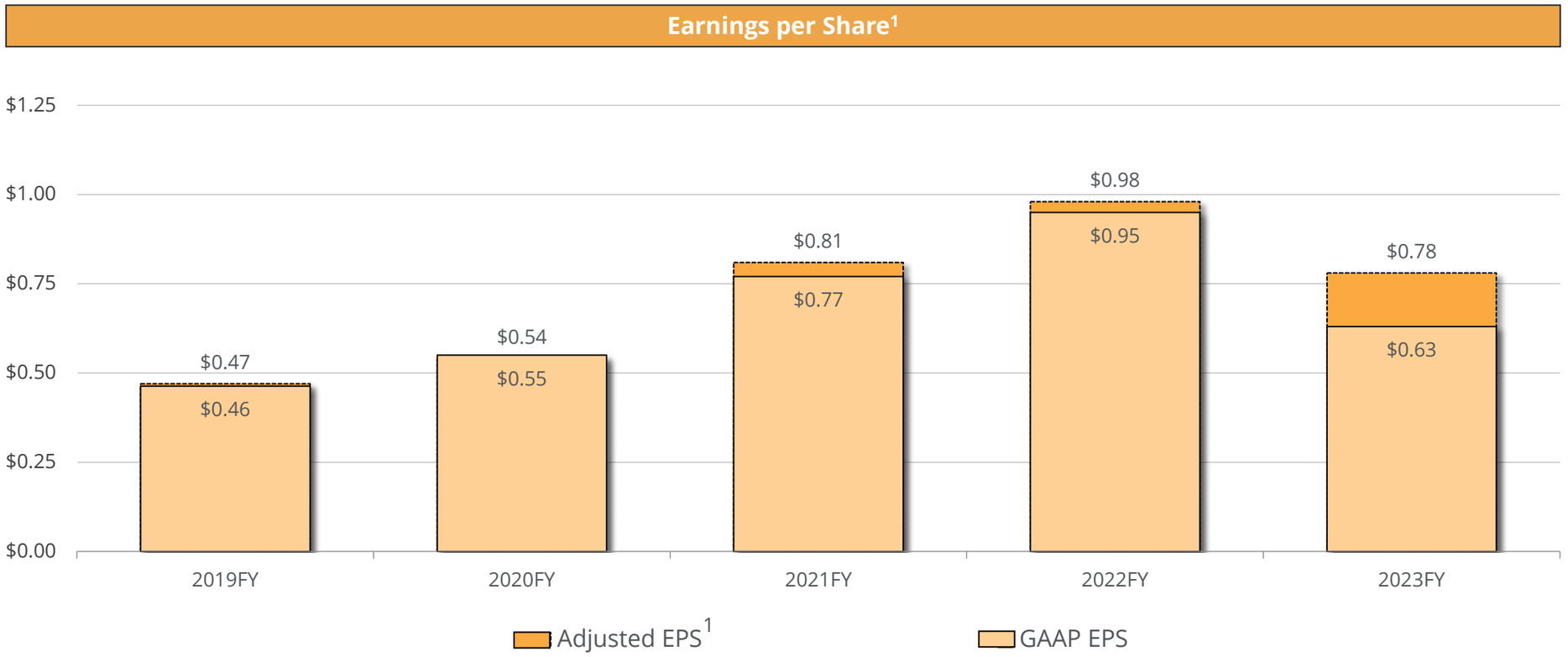


- Repurchased 2.8 million shares during Fiscal 2023 at an average price of $9.73 per share

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

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Earnings Performance

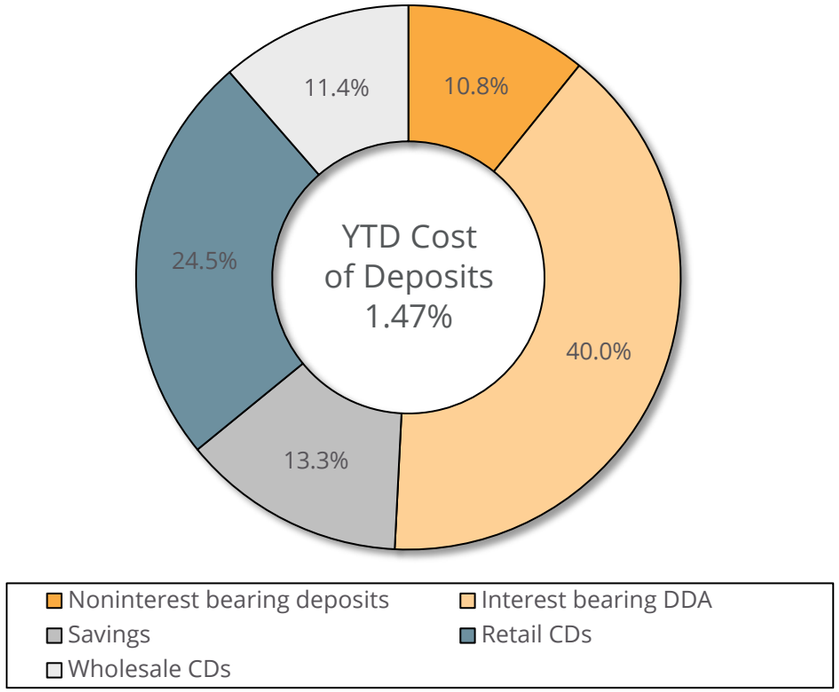


- Fiscal 2023 earnings per share were challenged due to the rapid increase in short-term interest rates which resulted in an inverted yield curve.

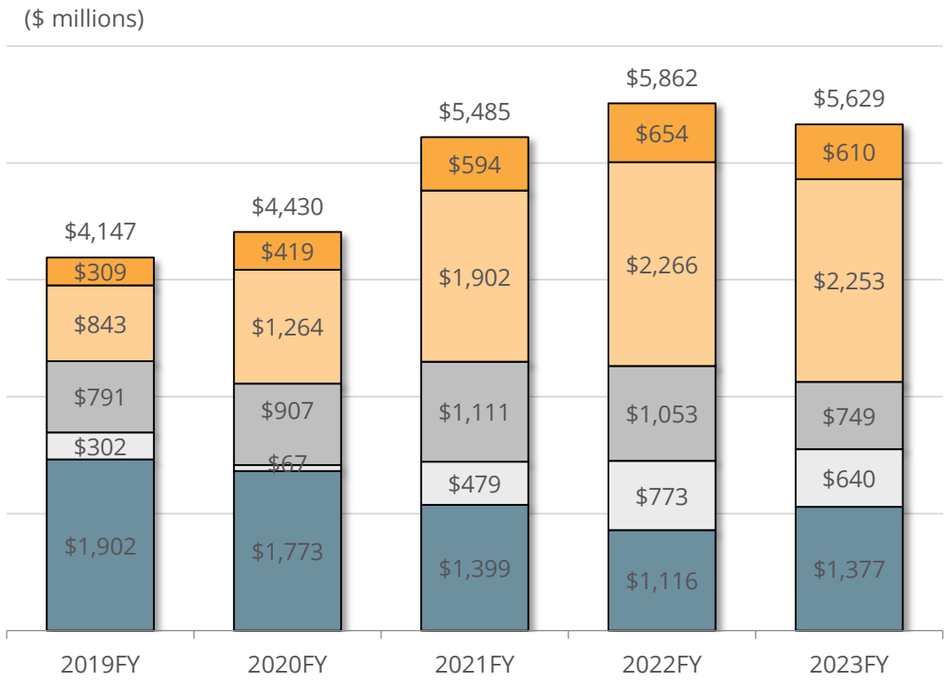
[1] Although management believes adjusted EPS, which is a non-GAAP measure, is useful to investors by providing a greater level of understanding of its business, it should not be considered a substitute for a financial measure determined in accordance with GAAP, nor is it necessarily comparable to a non-GAAP financial measure that may be presented by other companies. Adjusted EPS excludes 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



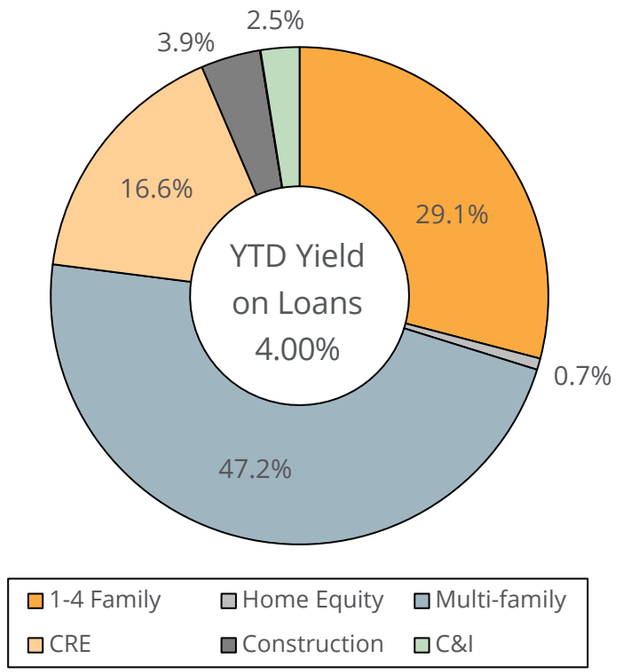
- Consolidated 17 branches since the end of Fiscal 2019

[1] For the quarter ended June 30, 2023.
Source: S&P Global Market Intelligence & Company Filings

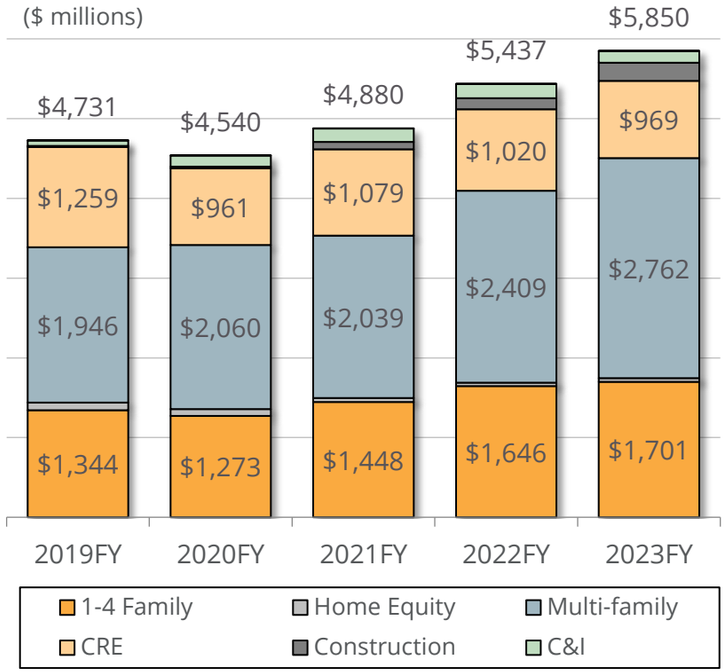
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Portfolio Lending

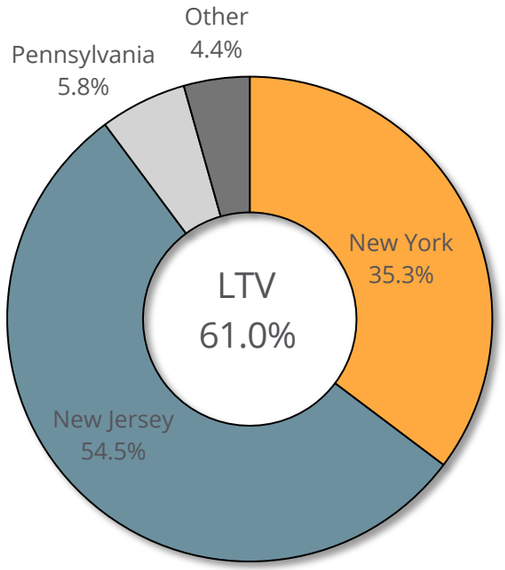
Loan Composition[1]



Loan Growth



Geographic Distribution[2]



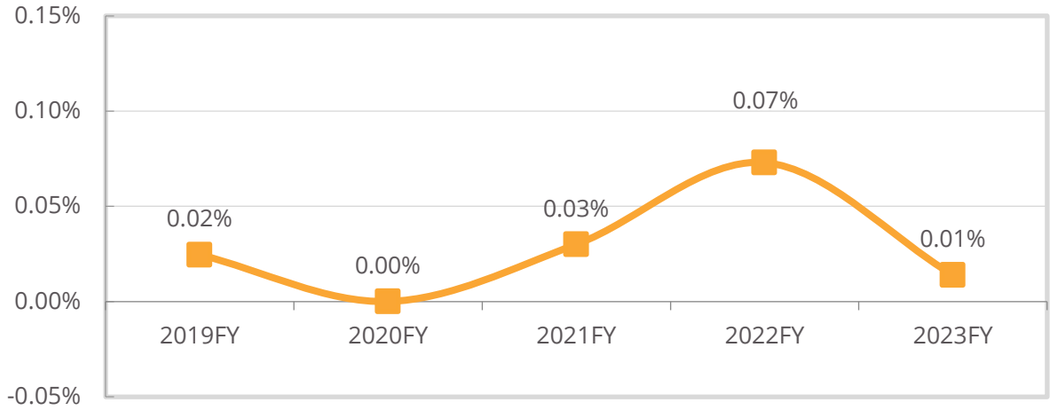
- Grew net loans by 8% during Fiscal 2023

[1] For the quarter ended June 30, 2023.
[2] As of June 30, 2023
Source: S&P Global Market Intelligence & Company Filings

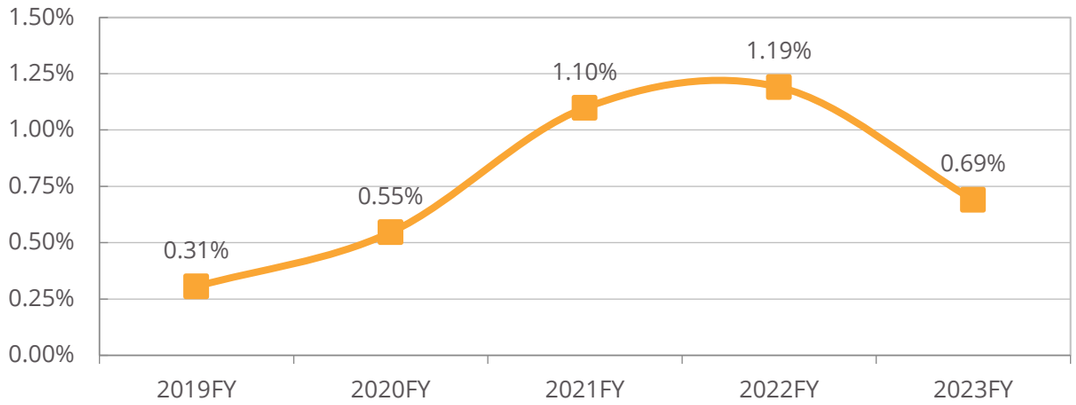
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Asset Quality

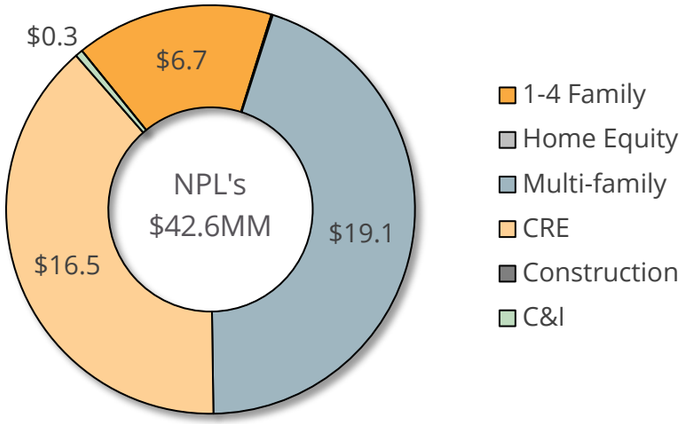
Net Charge-Offs / Average Loans



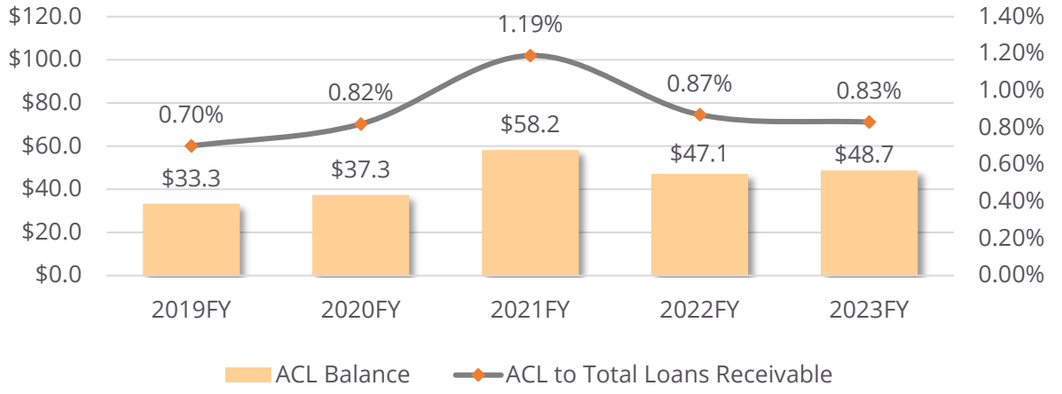
Non-Performing Assets / Total Assets



Non-Performing Loans[1]



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



[1] As of June 30, 2023; amounts shown in millions.
[2] The Company adopted CECL methodology effective FY 2021 Q1
Source: S&P Global Market Intelligence & Company Filings

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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

Selected Technology Partners

VERAFIN Artificial intelligence-based anti-fraud solution	Encompass, abrigo Automated mortgage and commercial lending origination platforms	Mortgage Messaging, glia, clinc Omni-channel customer engagement platforms	Z Fintech partnered, escrow and rent deposit and security solutions
optimalblue, loanbeam Automated loan pricing, and financial analysis tools	Finicity, PLAID Digital identity verification systems	AUDITBOARD SOX 404 compliance and audit management software	360factors Extensible automated GRC (governance, risk and compliance) management system
workday. Best-of-breed financial and workforce planning and budgeting tool	BLACKLINE General ledger account automation and reconciliation platform	Q2 Industry leading digital banking solutions provider	Power Automate Robotic process automation platform

Environmental, Social & Governance (ESG)

- The Company recently released an ESG Highlights Report disclosing updates to our ESG program during fiscal 2023 including:
  - Welcoming two new directors to the Boards of Kearny Financial Corp. and Kearny Bank
  - Appointing a Director of Diversity, Equity and Inclusion
  - Implementing an energy management system in our corporate headquarters



A Message From Our CEO

Dear Shareholders,

We recognize the importance of focusing on long-term financial sustainability and the prudent management of environmental, social and governance ("ESG") factors.

Over the past two years, we have outlined the ESG factors that matter most to the success of our business and the communities we serve, and we continue to develop capabilities to improve our processes in these areas. In this ESG Highlights Report, we are pleased to share updates to our ESG program during fiscal 2023.

These include:

1. Welcoming two new directors to the Boards of Kearny Financial Corp. and Kearny Bank who bring fresh perspectives and diversity of thought.
2. Appointing a Director of Diversity, Equity and Inclusion to amplify the representation, engagement and retention of underrepresented employees.
3. Implementing an energy management system at our corporate headquarters to better understand the environmental footprint of our operations.

Our previously established ESG Committee of the Board of Directors continues to oversee ESG matters and review our evolving ESG-related strategy, initiatives, policies and risk management. Additionally, our Board's Enterprise Risk Management (ERM) Committee collaborates with the ESG Committee to manage ESG-related risk as needed.

Our ESG Working Group, which is comprised of cross-functional leaders including representation from our Executive team, Compliance, Human Resources, Legal, Risk Management and Facilities departments, reports to the ESG Committee of the Board on an as-needed basis.

We are proud of the progress made this year and are committed to advancing our ESG strategy alongside the focus and scale of our business.

Craig L. Montanaro
President and Chief Executive Officer

ESG Oversight Structure

1884 YEAR FOUNDED

$8.1 BILLION IN ASSETS

43 BRANCHES

556 EMPLOYEES

2023 ESG Highlights Report 1 kearnyfinancial corp.

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Non-GAAP Reconciliation

Appendix A: Reconciliation of GAAP to Non-GAAP (Dollars and Shares in Thousands, Except Per Share Data)	For the year ended June 30, 2023	For the year ended June 30, 2022	For the quarter ended June 30, 2023	For the quarter ended March 31, 2023	For the quarter ended December 31, 2022	For the quarter ended September 30, 2022
Adjusted net income:						
Net Income (GAAP)	$40,811	$67,547	$12,013	$10,312	$1,951	$16,535
Non-recurring transactions - net of tax:						
Branch consolidation expenses and impairment charges	568	1,341	-	568	-	-
Net effect of sales and calls of securities	10,811	397	-	-	10,811	-
Net effect of sales of other assets	(2,081)	(251)	-	-	(2,081)	-
Severance expense from workforce alignment	538	-	-	-	538	-
Early contract termination	-	568	-	-	-	
Adjusted net income	$50,647	$69,602	$12,013	$10,880	$11,219	$16,535
Adjusted earnings per share:						
Weighted average common shares - basic	64,804	70,911	63,667	64,769	65,030	65,737
Weighted average common shares - diluted	64,804	70,933	63,667	64,783	65,038	65,736
Earnings per share - basic (GAAP)	$0.63	$0.95	$0.19	$0.16	$0.03	$0.25
Earnings per share - diluted (GAAP)	$0.63	$0.95	$0.19	$0.16	$0.03	$0.25
Adjusted earnings per share - basic (non-GAAP)	$0.78	$0.98	$0.19	$0.17	$0.17	$0.25
Adjusted earnings per share - diluted (non-GAAP)	$0.78	$0.98	$0.19	$0.17	$0.17	$0.25
Adjusted return on average assets:						
Total average assets	$8,068,937	$7,282,370	$8,163,589	$8,269,245	$8,070,992	$7,778,206
Return on average assets (GAAP)	0.51%	0.93%	0.59%	0.50%	0.10%	0.85%
Adjusted return on average assets (non-GAAP)	0.63%	0.96%	0.59%	0.53%	0.56%	0.85%

Non-GAAP Reconciliation

Appendix A: Reconciliation of GAAP to Non-GAAP (Dollars and Shares in Thousands, Except Per Share Data)	For the year ended June 30, 2023	For the year ended June 30, 2022	For the quarter ended June 30, 2023	For the quarter ended March 31, 2023	For the quarter ended December 31, 2022	For the quarter ended September 30, 2022
Adjusted non-interest expense ratio:						
Non-interest expense (GAAP)	$123,751	$125,708	$28,761	$30,352	$32,650	$31,988
Non-recurring transactions:						
Branch consolidation expenses	(800)	(1,898)	-	(800)	-	-
Severance expense from workforce alignment	(757)	-	-	-	(757)	-
Early contract termination	-	(800)	-	-	-	-
Non-interest expense (non-GAAP)	$122,194	$123,010	$28,761	$29,552	$31,893	$31,988
Non-interest expense ratio (GAAP)	1.53%	1.73%	1.41%	1.47%	1.62%	1.65%
Adjusted non-interest expense ratio (non-GAAP)	1.51%	1.69%	1.41%	1.43%	1.58%	1.65%

Stockholder Questions

Questions?

Results of Voting

Report of the Inspector of Election

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10:00 AM

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