

INVESTOR PRESENTATION

**FIRST QUARTER FISCAL 2024**

OCTOBER 26, 2023



# Forward Looking Statements & Financial Measures

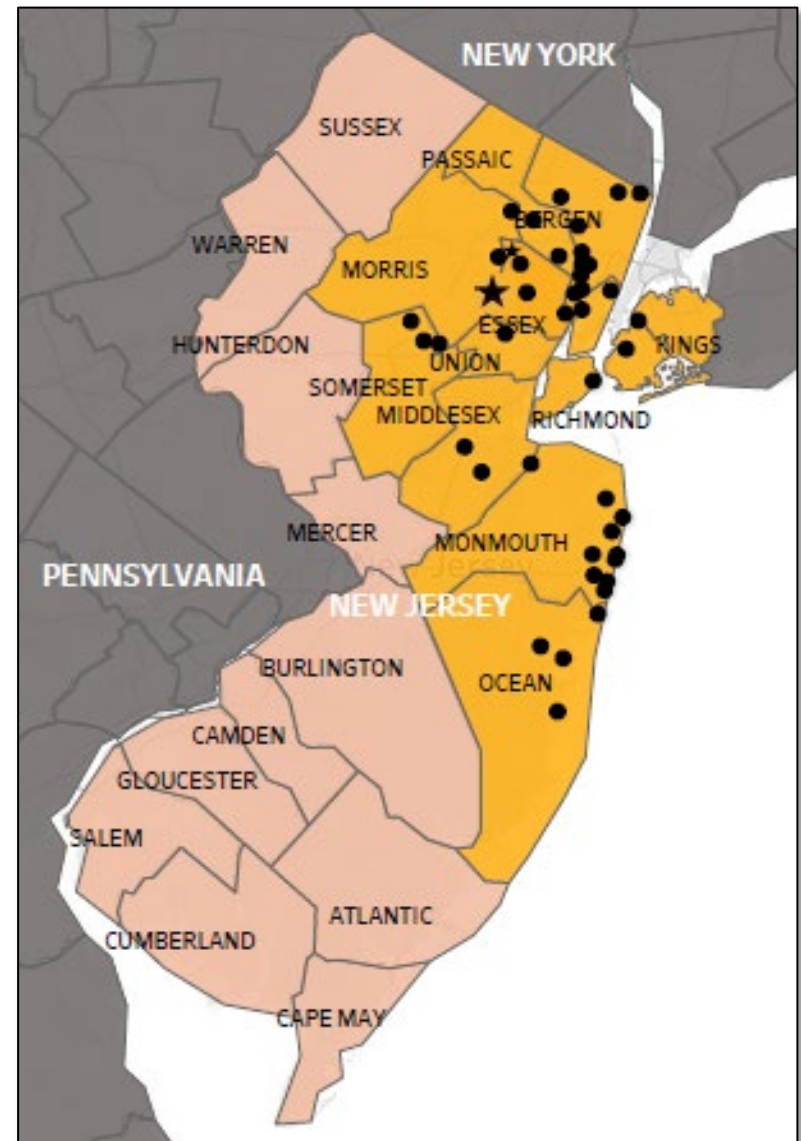
This presentation may include certain “forward-looking statements,” which are made in good faith by Kearny Financial Corp. (the “Company”) pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties, 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.

# Kearny Financial Corp.

- NASDAQ: KRNY
- Market Cap: \$429.2 million<sup>1</sup>
- Founded in 1884
- Top 10 New Jersey-based financial institution by assets
- 43 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

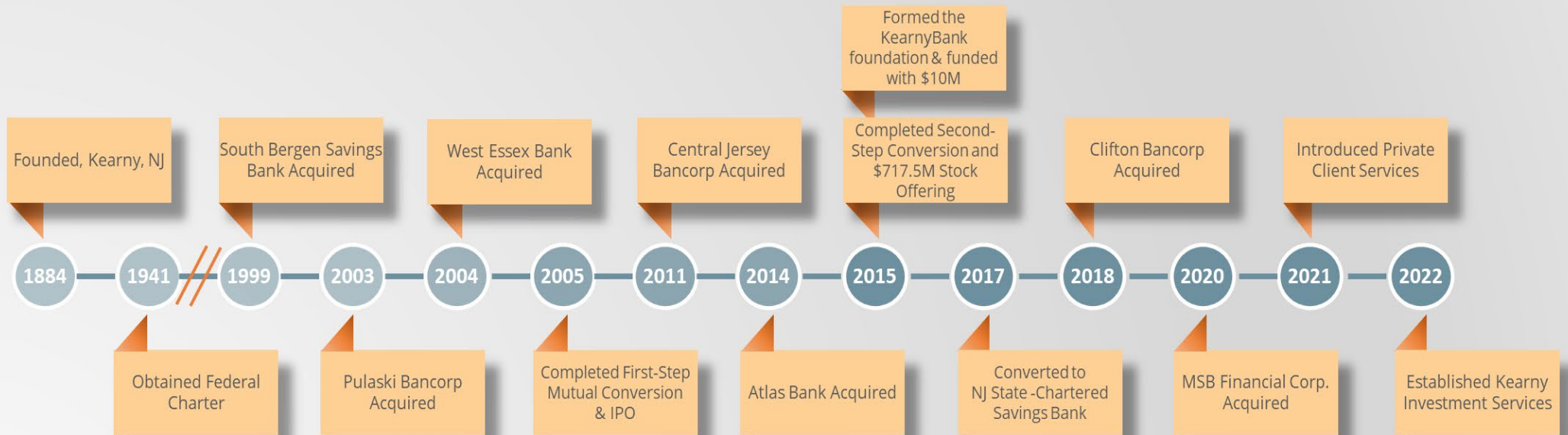


<sup>1</sup> As of October 23, 2023

<sup>2</sup> As of September 30, 2023

Source: S&P Global Market Intelligence & Company Filings

# 139 Years of Serving our Communities and Clients



# 1Q24 Financial Highlights

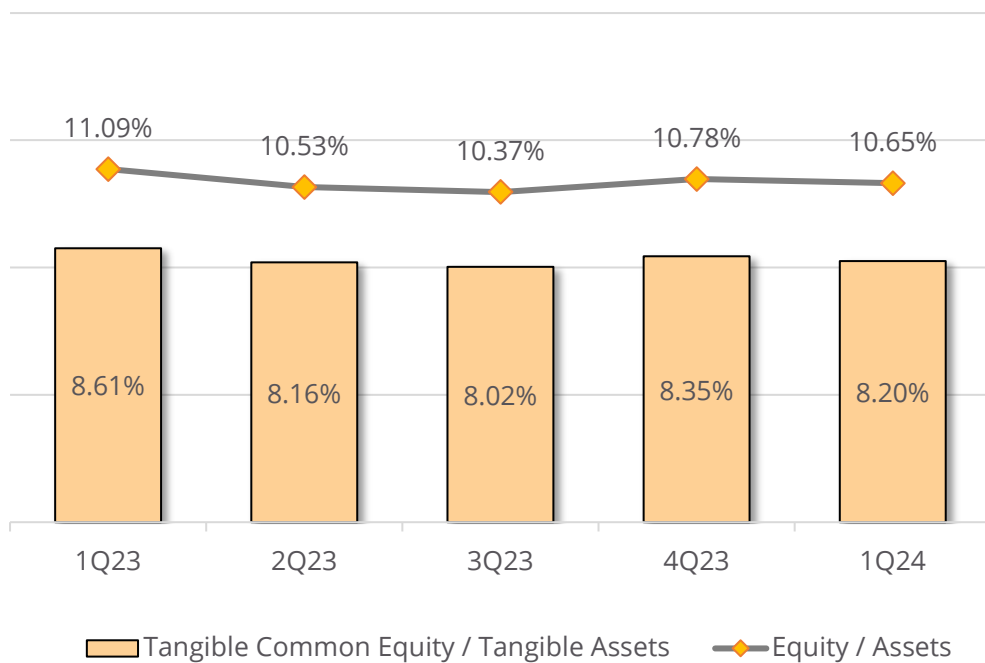
<b>Net Income</b>	<b>Net Interest Income</b>	<b>Diluted EPS</b>
\$9.8 million	\$39.2 million	\$0.16
<b>Total Assets</b>	<b>Total Loans<sup>1</sup></b>	<b>Total Deposits</b>
\$8.0 billion	\$5.7 billion	\$5.4 billion

## 1Q24 Highlights:

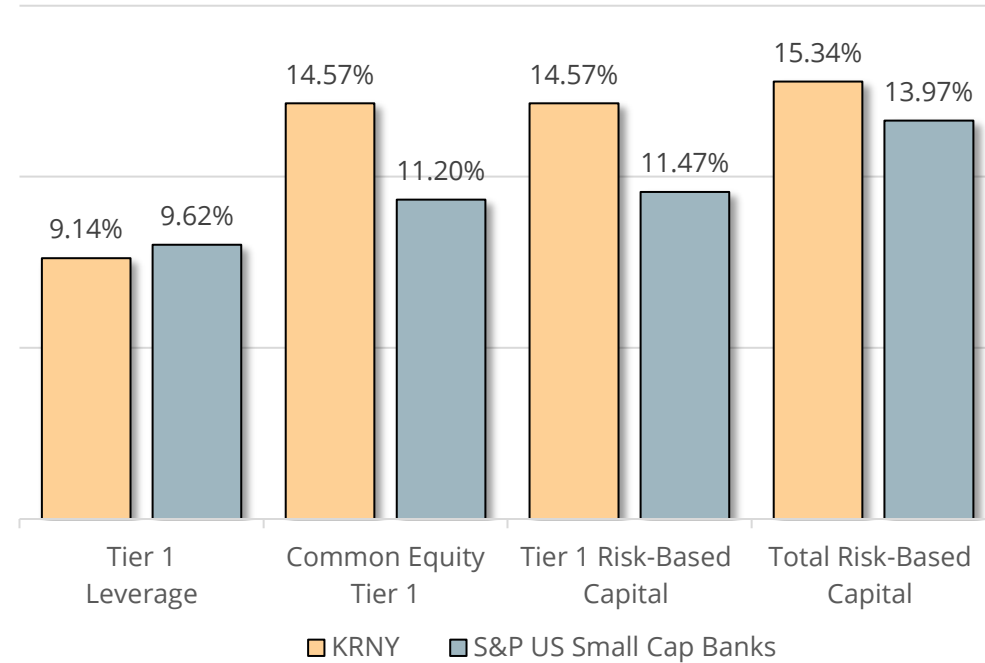
- Corporate Banking Division Formed – Staffed with seasoned banking professionals whose sole focus is the origination of stable, long-term non-interest bearing deposits of corporate clients.
- Digital Banking Platform – Launched in October 2023. Expands our client-facing online and mobile capabilities while providing a state-of-the-art user experience.
- Net Interest Margin - Compression slowed, declining one basis point from the prior quarter.

# Equity & Capitalization

### Equity Capitalization Level



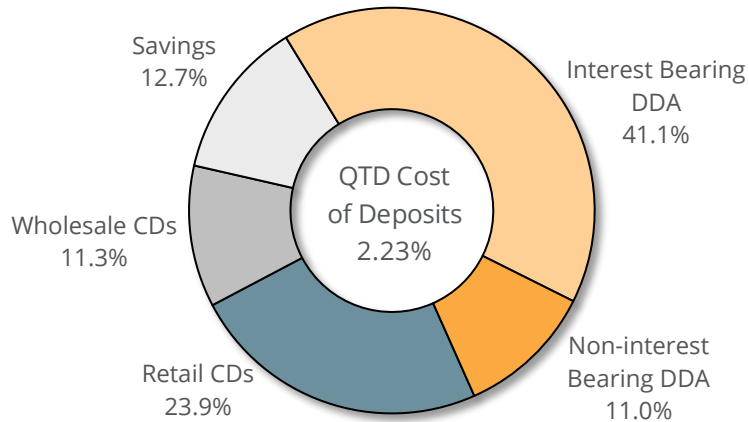
### Regulatory Capital Ratios<sup>1,2</sup>



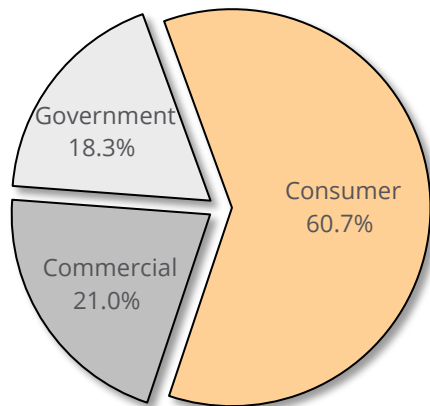
<sup>1</sup> Kearny Financial Corp. (NASDAQ: KRNY) Regulatory Capital Ratios as of September 30, 2023 are preliminary.  
<sup>2</sup> S&P U.S. Small Cap Banks Index comprised of 236 constituents, based on June 30, 2023 results.  
 Source: Company Filings

# Deposits

## Deposit Composition<sup>1</sup>

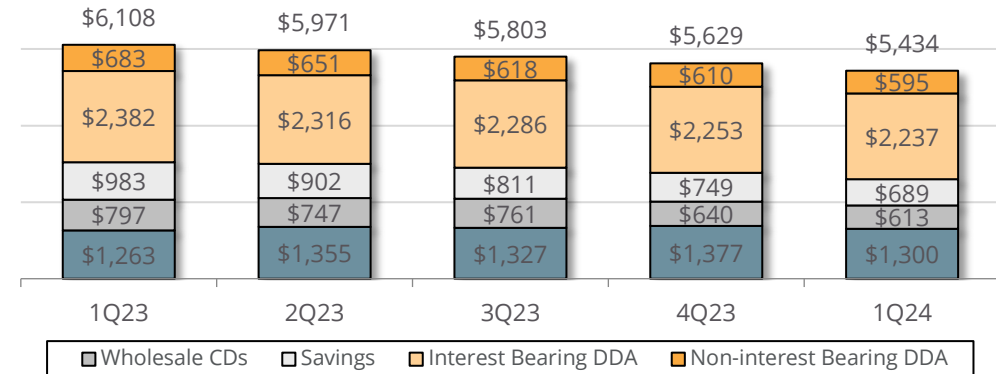


## Non-Maturity Account Deposit Mix



## Deposit Trend

(\$ millions)



## Deposit Segmentation<sup>2</sup>

Product	# of Accounts	Balance (\$ millions)	Average Balance per Account
Checking	53,728	\$ 2,832	\$ 53,728
Savings	33,640	689	33,640
CD	28,665	1,300	28,665
<b>Total Retail Deposits</b>	<b>116,033</b>	<b>\$ 4,821</b>	<b>\$ 41,550</b>

<sup>1</sup> For the quarter ended September 30, 2023

<sup>2</sup> For the quarter ended September 30, 2023; excludes Wholesale CDs  
Source: S&P Global Market Intelligence & Company Filings

# Liquidity Available for Uninsured Deposits

## Estimated Uninsured Deposits Analysis<sup>2</sup>

Estimated Uninsured Deposit Analysis	(\$ millions)
Estimated Uninsured Deposits <sup>1</sup>	\$ 1,734
Less: Collateralized State & Local Government Deposits	(630)
Less: Bank's wholly-owned subsidiary & Holding Company Deposits	(421)
<b>Estimated uninsured deposits excluding items above:</b>	<b>\$ 683</b>
<b>Total Deposits</b>	<b>\$ 5,434</b>
<b>Estimated uninsured deposits, excluding items above, as a % of Total Deposits</b>	<b>12.6%</b>

## Liquidity Capacity<sup>2</sup>

Sources of Liquidity (\$ millions)	Liquidity Capacity	Funding Utilized	Available Capacity
Internal Sources:			
Free Securities and other	\$ 444	\$ -	\$ 444
External Sources:			
FRB	435	-	435
FHLB	2,840	1,628	1,212
<b>Total Liquidity</b>	<b>\$ 3,719</b>	<b>\$ 1,628</b>	<b>\$ 2,091</b>

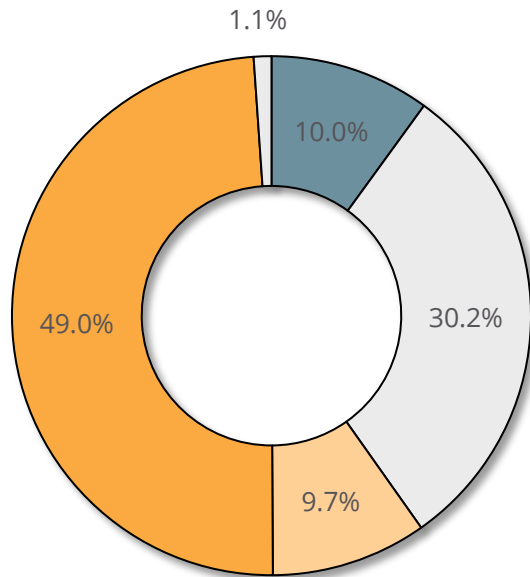
➤ Available liquidity is 3.1x greater than estimated uninsured deposits (excluding items above)

<sup>1</sup> Estimated amount of uninsured deposits reported in September 30, 2023 Call Report.

<sup>2</sup> As of September 30, 2023

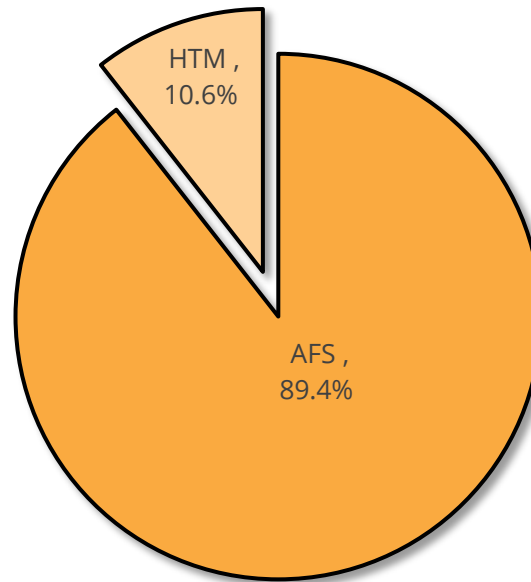
# Investment Securities

## Securities Composition<sup>1</sup>



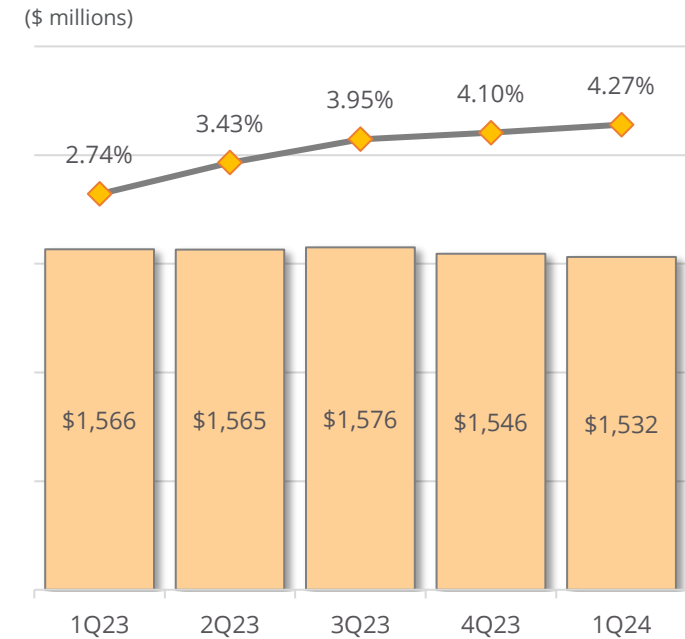
- Corporate Bonds
- CLO
- ABS Student Loans<sup>2</sup>
- Agency MBS
- Municipal Bonds

## AFS/HTM & Effective Duration



- Total Effective Duration ≈ 3.4 years
- Floating rate securities ≈ 37.1%

## Securities Average Balance & Yield Trend



➤ At September 30, 2023, the after-tax net unrecognized loss on securities held-to-maturity was \$14.7 million, or 2.3% of tangible equity<sup>3</sup>

<sup>1</sup> For the quarter ended September 30, 2023

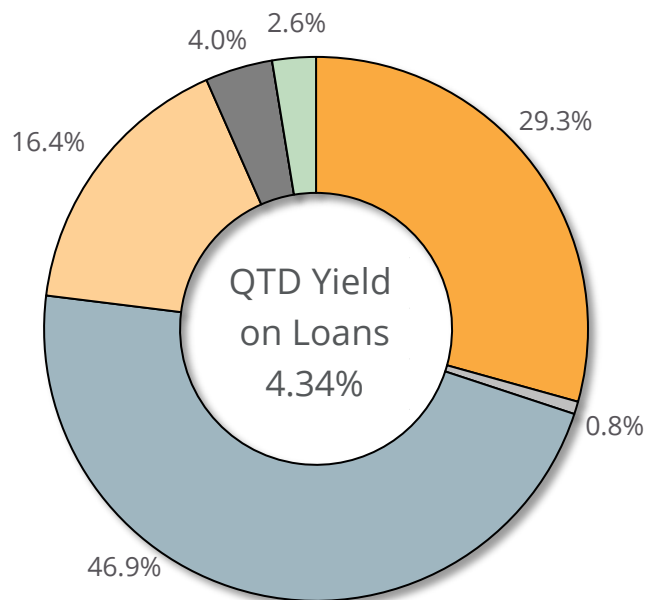
<sup>2</sup> Comprised entirely of securitized federal education loans with 97% U.S. government guarantees

<sup>3</sup> Assumes 29% marginal tax rate

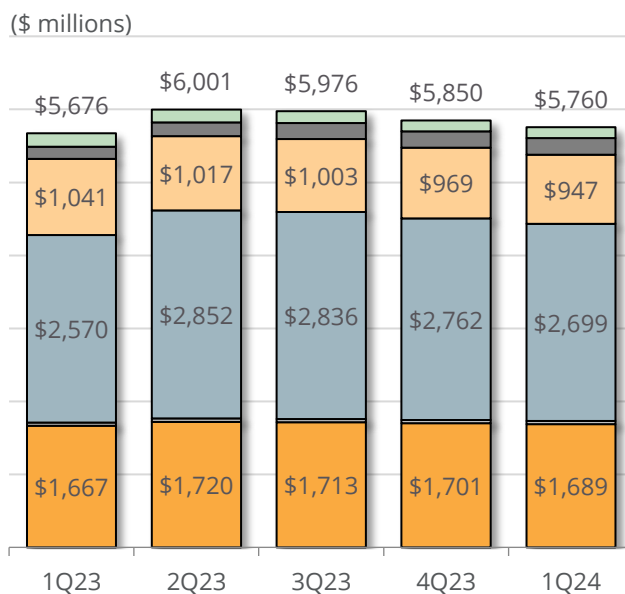
Source: S&P Global Market Intelligence & Company Filings

# Portfolio Lending

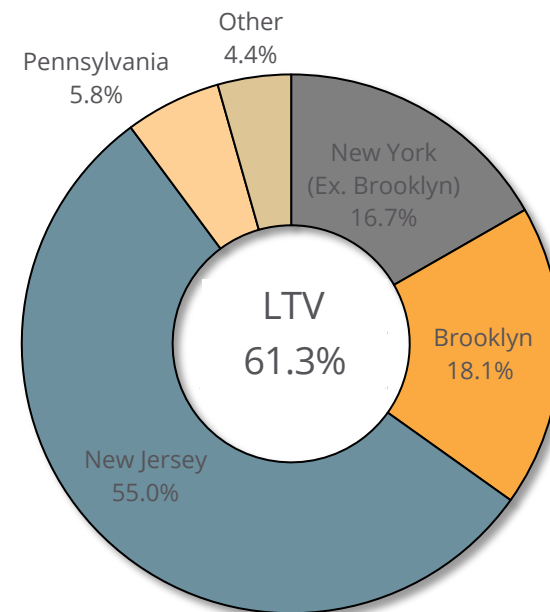
Loan Composition<sup>1</sup>



Loan Trend



Geographic Distribution<sup>2</sup>



- 1-4 Family
- Home Equity
- Multi-family
- CRE
- Construction
- C&I

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- Home Equity
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<sup>1</sup> For the quarter ended September 30, 2023.

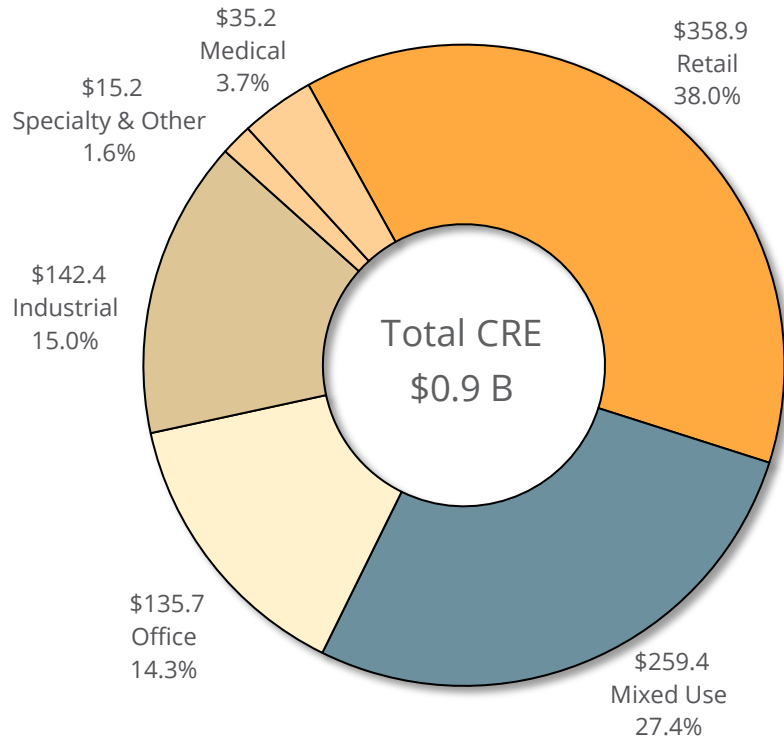
<sup>2</sup> As of September 30, 2023.

Source: S&P Global Market Intelligence & Company Filings

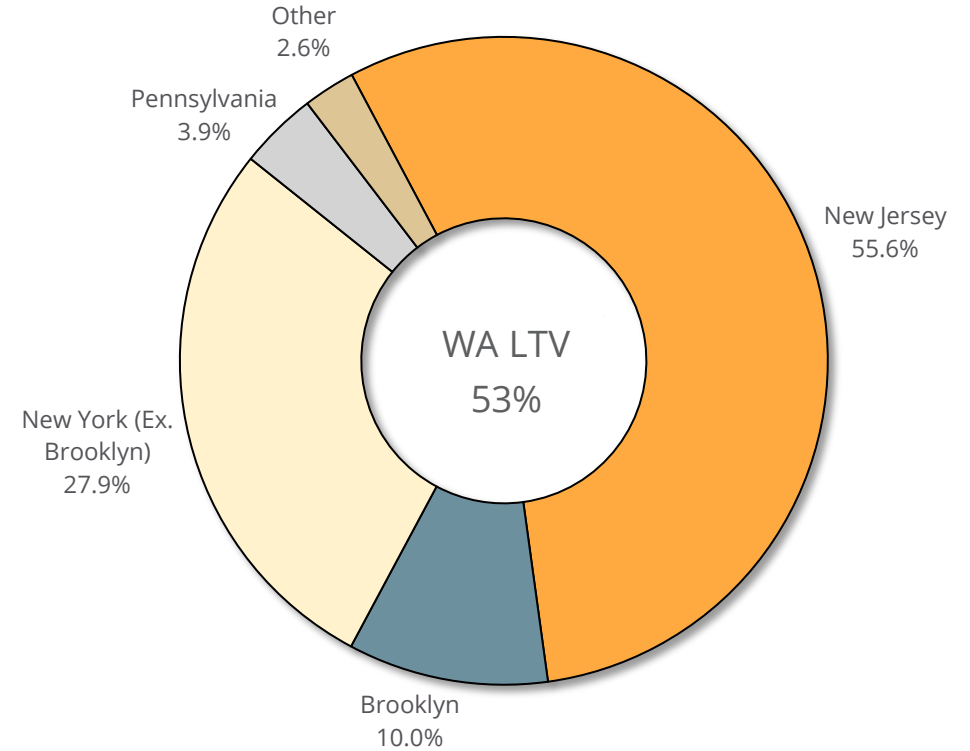
# CRE Lending

CRE Portfolio by Collateral Type<sup>1</sup>

(\$ millions)



CRE Loan Geographic Distribution<sup>1</sup>

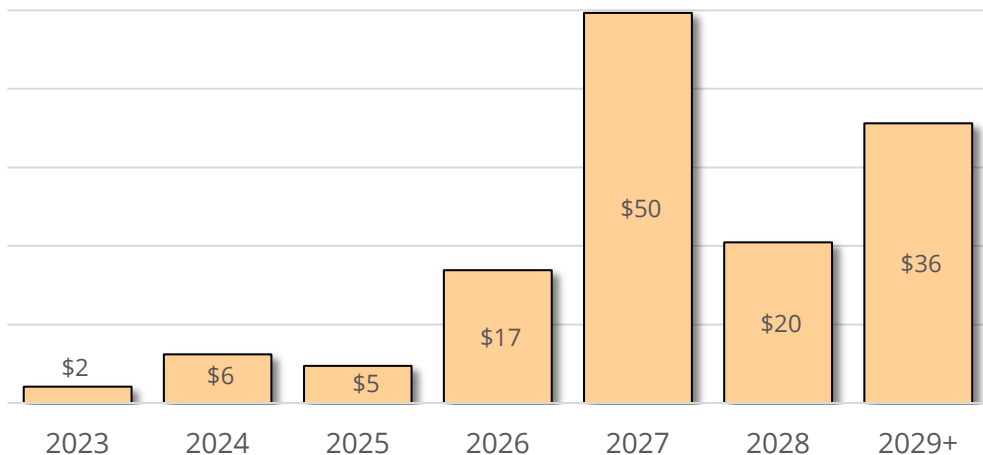


<sup>1</sup> As of September 30, 2023  
Source: Company Filings

# Office Portfolio

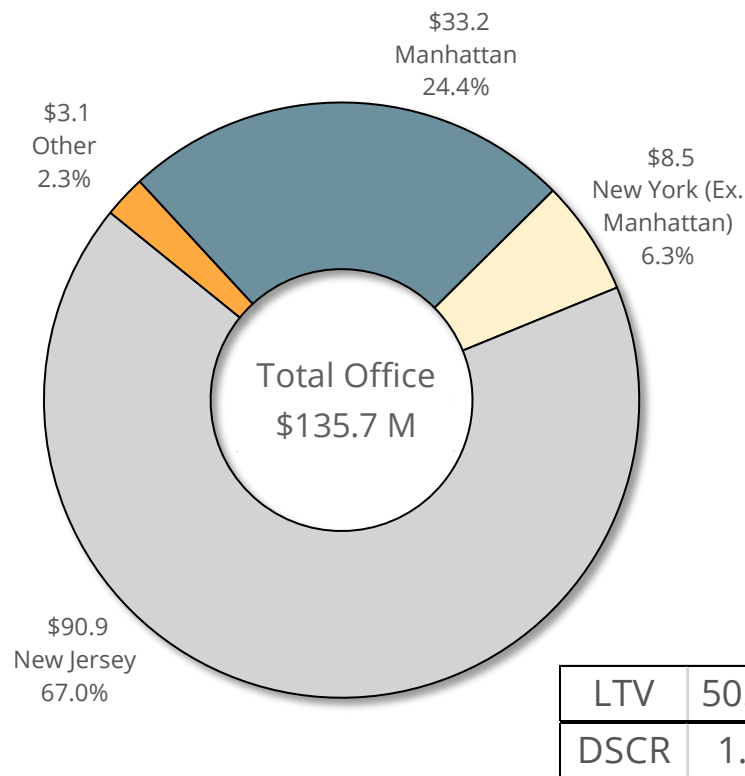
Office Portfolio by Contractual Maturity<sup>1</sup>

(\$ millions)



Office Loan Geographic Distribution<sup>1</sup>

(\$ millions)



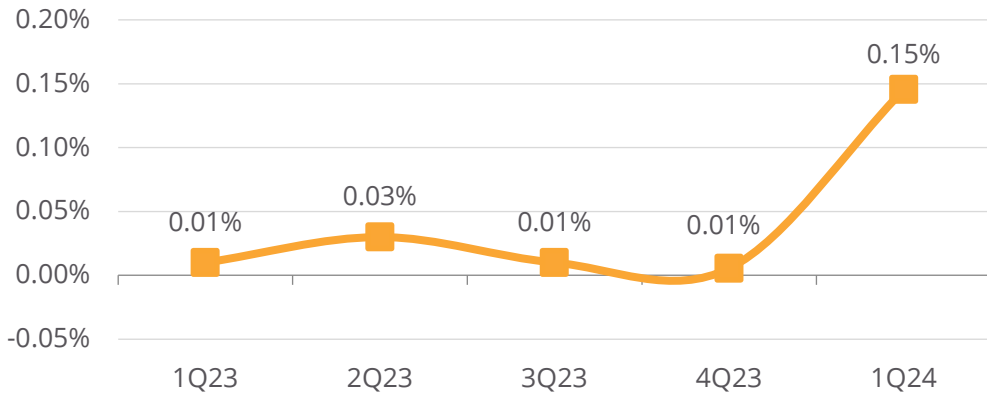
## Office Portfolio Profile

- 15.0% of total CRE portfolio or \$136 million
- Average loan size of \$1.5 million
- Classified office loans comprised of 2.7% of total office loans

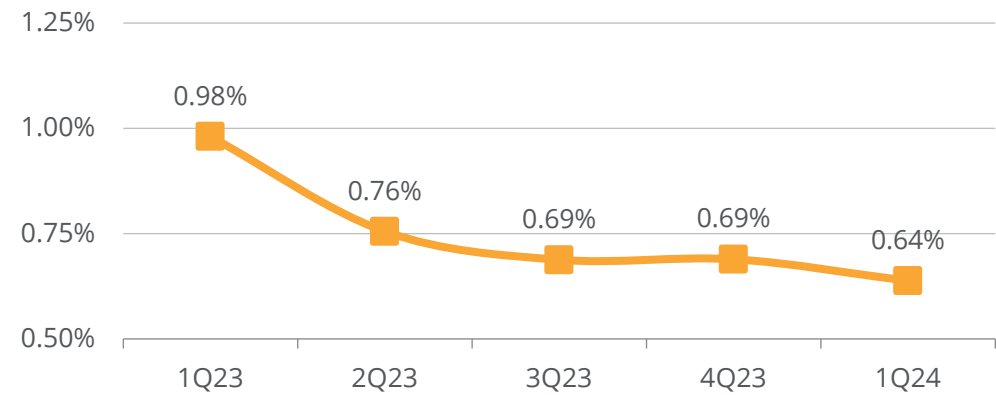
<sup>1</sup> As of September 30, 2023  
Source: Company Filings

# Asset Quality

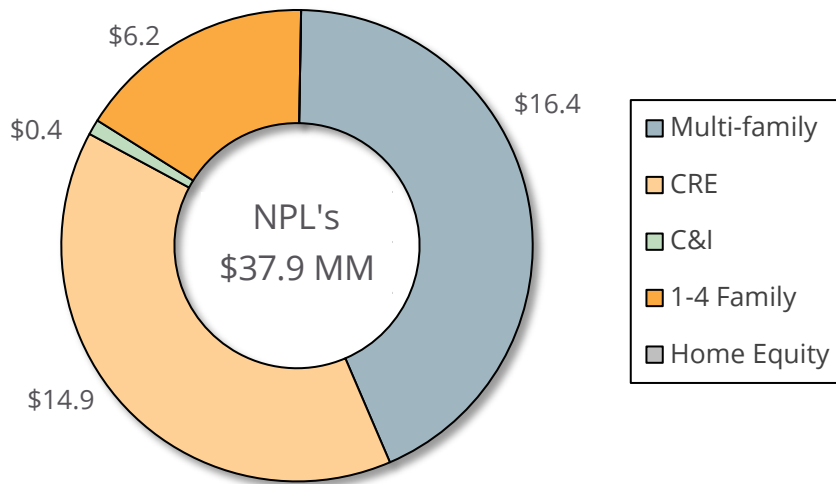
### Net Charge-Offs / Average Loans<sup>1</sup>



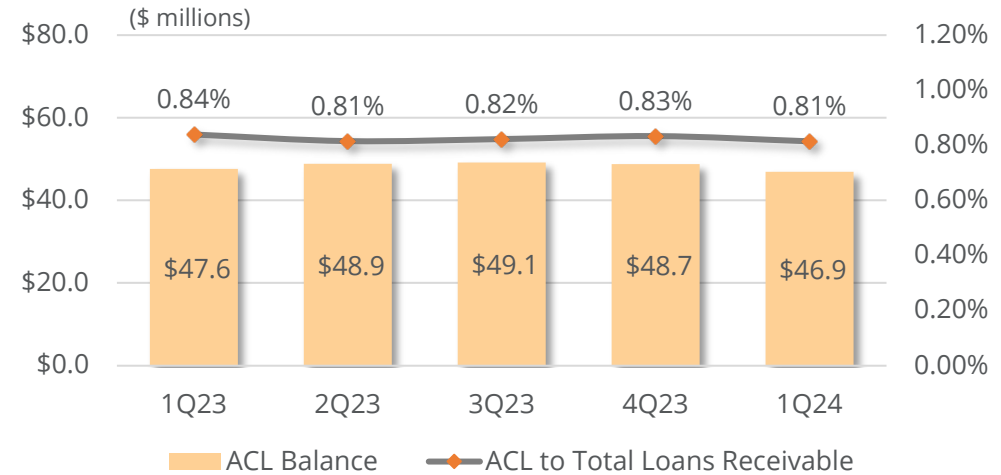
### Non-Performing Assets / Total Assets



### Non-Performing Loans<sup>2</sup>















### Allowance for Credit Losses



<sup>1</sup> All of the charge-offs recorded during 1Q24 had previously been individually reserved for within the allowance for credit losses.

<sup>2</sup> As of September 30, 2023; amounts shown in millions.  
Source: S&P Global Market Intelligence & Company Filings

# Select 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>