

ANNUAL MEETING OF  
**STOCKHOLDERS**

OCTOBER 17, 2024  
10:00 AM





**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

John F. McGovern

Raymond E. Chandonnet

Craig L. Montanaro

Curtland E. Fields

Leopold W. Montanaro

John N. Hopkins

Christopher Petermann

Catherine A. Lawton

Charles J. Pivrotto

Joseph P. Mazza

John F. Regan

Melvina Wong-Zaza

# Executive Management Team



**Keith Suchodolski**  
*Senior Executive Vice President  
Chief Operating 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  
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**

Adela Forsyth  
*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, 2025;*
- ▶ *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 and Strategic Outlook  
Fiscal Year Ended June 30, 2024



## 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.



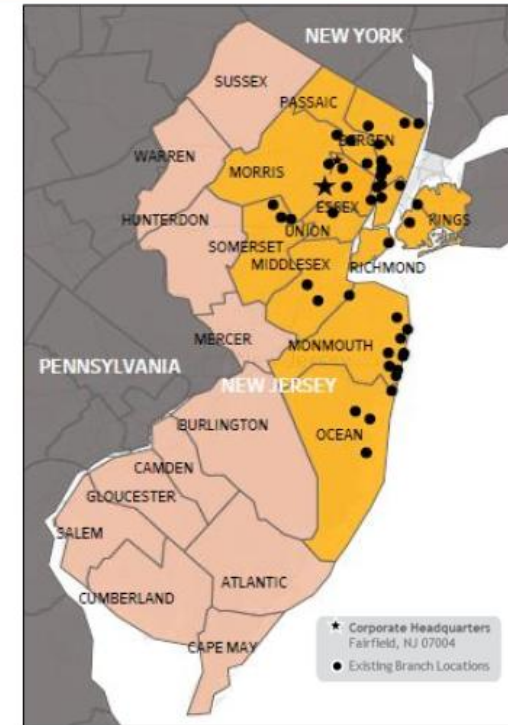
# Kearny Financial Corp.

## Company Overview

- NASDAQ: KRN
- Founded: 1884
- Assets: \$7.7 billion
- Loans: \$5.7 billion
- Deposits: \$5.2 billion
- TBV Per Share: \$9.90
- Market Cap: \$443.7 million<sup>1</sup>



## Branch/Office Footprint



## Company Profile

- Top 10 New Jersey-based financial institution by assets & deposits.
- 43 full-service branches in 12 counties throughout New Jersey and New York City.
- Active acquirer, having completed 7 whole-bank acquisitions since 1999.
- Focus is on helping our clients achieve their financial goals for today and aspirations for tomorrow – creating communities that thrive.

<sup>1</sup> As of September 30, 2024  
Source: S&P Global Market Intelligence & Company Filings



**kearnybank**

Empowering Prosperity. Connecting Community.  
Delivering Trust.

1884

**140 Years**

2024



**NOW OPEN!**

Drive-In Window Hours

**DAILY**

9 to 3 P.M.

**THURSDAYS**

9 to 7 P.M.



drive-up service at its best at Kearny Federal Savings' main office — 614 Kearny Avenue, Kearny, New Jersey. Drive-up service to the drive-in window assure continuous traffic flow, completely eliminating frustration. No fuss. No worry. All smooth. Just drive in! Drive out!

**DRIVE-IN WINDOW APPROACH**



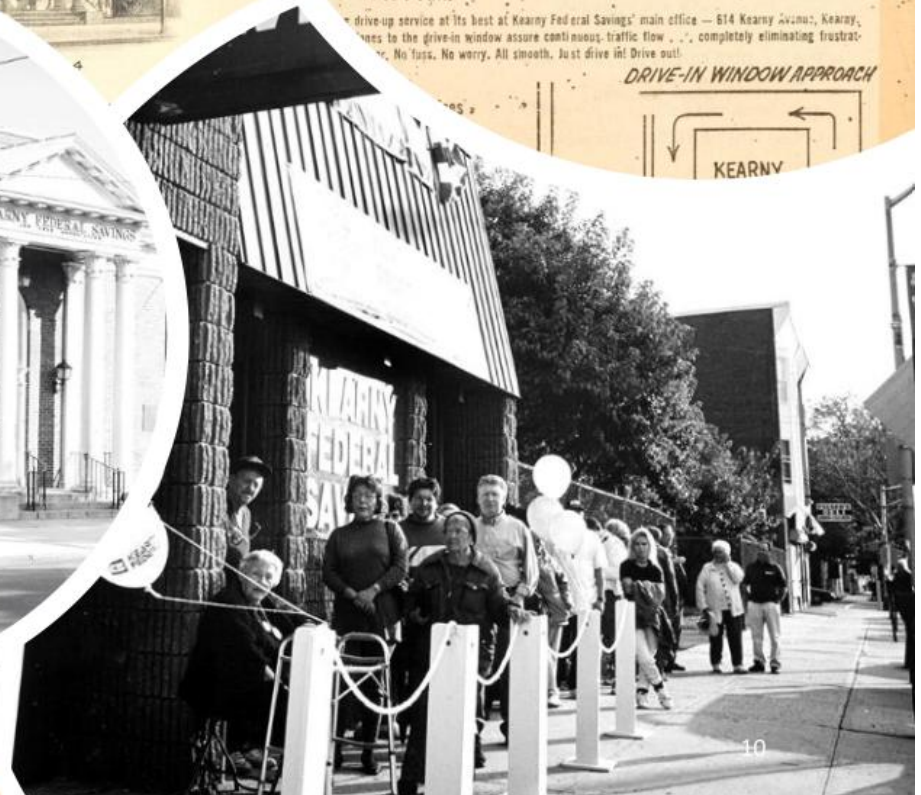
Exp  
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\$6,994 54

**STATEMENT.**

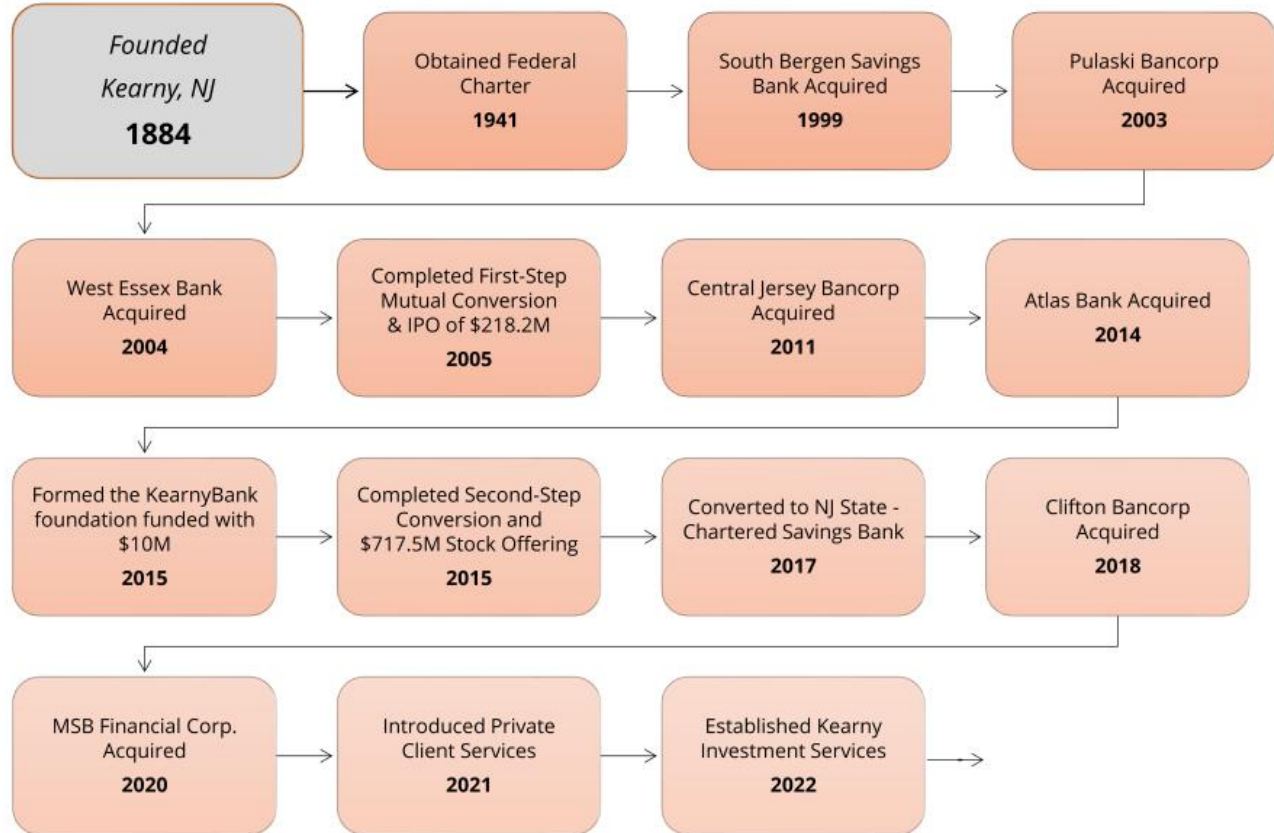
**ASSETS.**

d.....	\$366 62	Due Stockholders on installments.....	\$6,8
ortgage, A. E. Wright.....	700 00	Due D. W. Cummings for cancelled stock.....	2
“ Geo. H. Stagen, Jr.....	1,200 00	Due Wm. Newton balance due on bond No. 7.....	485
“ J. C. Shepherd.....	700 00		



# 140 Years: Franchise Milestones

*"Serving our  
Communities and  
Clients"*



## Fiscal Year 2024 Accomplishments

**Executed strategies to support earnings and mitigate market risk, while remaining well positioned for the future**

Repositioned investment portfolio to retire higher-cost wholesale funding and to reinvest in higher yielding loans

Restructured Bank-Owned Life Insurance portfolio

Executed non-performing note sale

Achieved a reduction in non-interest expenses through a company-wide initiative which included optimizing vendor spend and automating or outsourcing routine tasks

Continued our hedging program with the goal of net interest margin stabilization

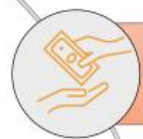
## Advancing our Digital Transformation Process

- During Fiscal 2024, focus was on delivering client-centric and digitally-driven tools and solutions to make managing finances even easier.
  - Digital Banking Platform Conversion - Allows clients to customize offerings as well as provide an aggregation tool allowing users to see their complete financial picture each day by simply logging into their PC, tablet, or mobile device.
  - Digital Account Opening Platform – Simplifies the process for online account opening and is comparable to the top platforms that the money center banks utilize in terms of usability and speed.
- Going forward, we continue to look for opportunities to serve our clients' needs in an omnichannel environment while expanding our products and services into new markets in an efficient and cost-effective manner.
- Internally, we continue to make investments in solutions that reimagine bank process and workflows.

### Technology Ecosystem



# Fiscal Year 2025 Strategic Initiatives



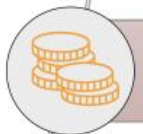
Diversify loan portfolio with focus on C&I, Owner-Occupied CRE, Construction, and HELOC loans to improve net interest margins and manage interest rate risk while broadening our lending footprint



Deepen existing deposit relationships, driving growth from within the existing client base. Selectively add deposit-focused business development teams to acquire new commercial deposit clients.



Enhance operational efficiency by leveraging technology and continuously assessing our branch network



Grow Fee Revenue including Interchange and Investment Services



Utilize digital channels to efficiently and cost-effectively expand our products and services into new markets

## Positioned for Earnings Growth in a Declining Rate Environment:

### Liability Sensitive

Liability-Sensitive balance sheet optimally positioned for rate cuts and yield curve normalization.

Low-cost core deposit base is expected to reprice more rapidly than assets as the majority of assets are fixed-rate in nature.

### Strong Historical Asset Quality

Minimal exposure to New York City office and rent regulated multifamily properties, as percentage of total loans.

Historical net charge-offs to average total loans have been consistently below peer averages.

### Operating Efficiency

Disciplined cost control measures focused on eliminating inefficiencies and optimizing resources, thereby ensuring sustainable financial health and improved profitability.

Advance technological innovation by implementing robotic process automation (RPA) and artificial intelligence (AI) to optimize efficiency and streamline operations.

# Fiscal Year 2024 – Financial Highlights

Fiscal 2024 proved to be an extremely challenging operating environment for community financial institutions, including us.

- Inverted yield curve brought on by the Federal Reserve’s restrictive monetary policy during the last two years continued to pressure margins for most community banks.
- Fierce competition for deposits as consumers and businesses demanded higher interest rates and sought alternatives outside the banking system.

## Earnings

- Recognized non-cash, after-tax goodwill impairment of \$95.3 million, which had no impact on our tangible book value, regulatory capital ratios, or liquidity position.

## Capital

- Common Equity Tier 1 Capital ratio of 14.79%, as of June 30, 2024, remains in excess of regulatory minimums and peer comparisons.

## Asset Quality / Deposits

- Asset quality remains strong despite the market pressures mentioned above with nonperforming assets improving from June 30, 2023 levels.
- Deposit origination efforts including those via our digital channel, have continued to gain traction.

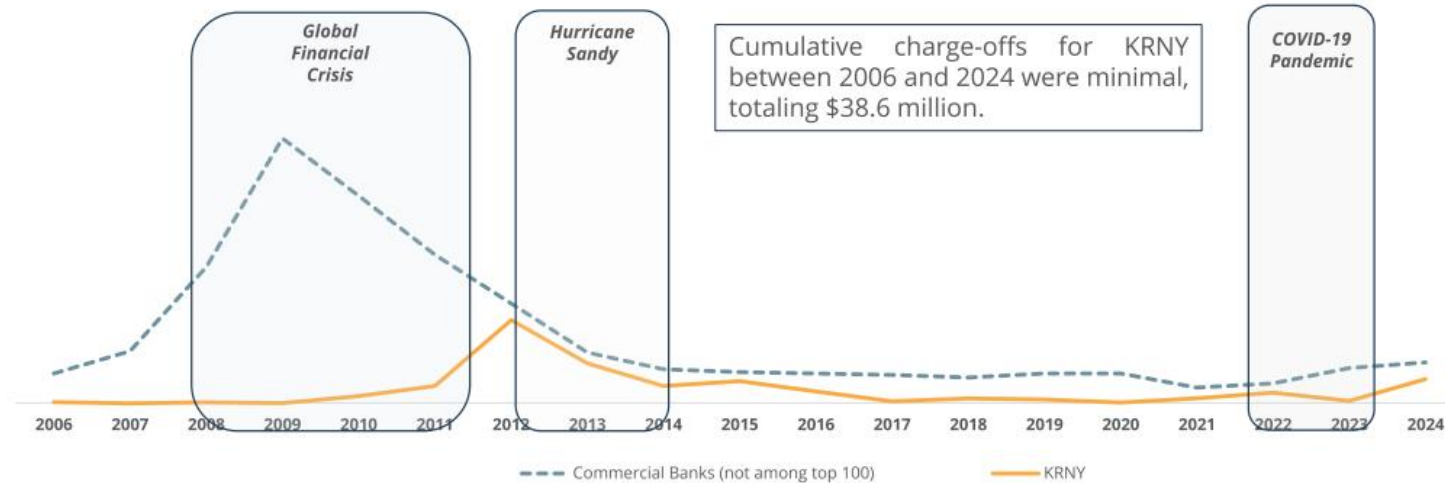
<b>Net Income (Loss)</b>	
GAAP	Adjusted <sup>1</sup>
\$(86.7 million)	\$28.2 million
<b>Diluted EPS</b>	
GAAP	Adjusted <sup>1</sup>
\$(1.39)	\$0.45
<b>Net Interest Income</b>	<b>CET-1 Ratio</b>
\$142.6 million	14.79%
<b>Total Assets</b>	
\$7.7 billion	
<b>Total Deposits</b>	<b>Total Loans<sup>2</sup></b>
\$5.2 billion	\$5.7 billion

<sup>1</sup> Refer to Non-GAAP Reconciliation at the end of this presentation  
<sup>2</sup> Excludes Yield Adjustments  
 Source: Company Filings



# Track Record of Strong Credit Performance

Net Charge-offs to Average Total Loans

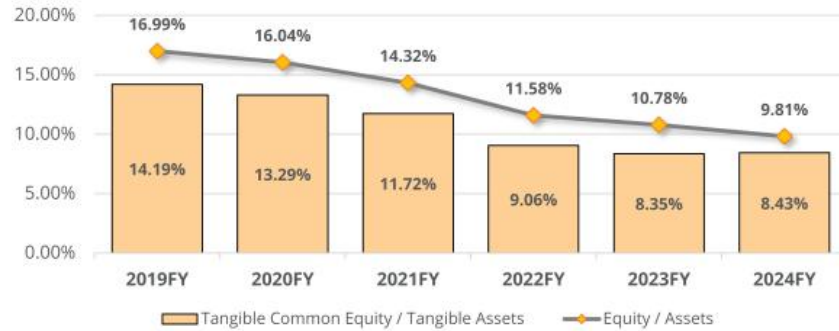


- From 2006 to 2023, inclusive of the Global Financial Crisis and the COVID-19 Pandemic, KARNY's net charge-offs to average total loans totaled 9 bps per year compared to 50 bps for all commercial banks (US Banks not among the top 100)<sup>1</sup>.

<sup>1</sup> Data provided by Federal Reserve Bank of St. Louis.  
Source: Company Filings.

# Financial Metrics

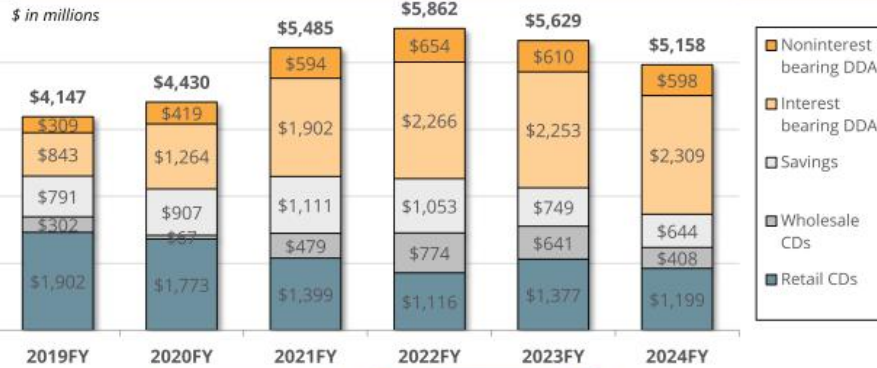
### Normalizing Equity Capitalization



### Cumulative Capital Returned to Stockholders<sup>1</sup>



### Deposit Volume



### Loan Volume



<sup>1</sup> Since conclusion of second step conversion in May 2015  
Source: Company Filings

# KearnyBank Foundation

Supporting our community by supporting the important work done by you.

**The KearnyBank Foundation donated \$735,500 during 2023 to local charities.**

**These contributions went to organizations in New Jersey and New York.**

**For the past five calendar years (2019-2023), Kearny Bank has contributed \$3.6 million to charitable organizations.**



*We take great pleasure and pride in supporting a range of programs that help communities in which we conduct business," says Craig Montanaro, Kearny Bank President and CEO. "In fact, since our founding 140 years ago, we've been committed to charitable giving. These most recent donations continue our longstanding tradition of trying to make people's lives better."*

- Our deep-rooted commitment to the communities we serve is an integral part of our success. Our support helps provide these communities with resources they need to grow and prosper. Kearny Bank was proud to be recognized for these efforts in 2024 by the New Jersey Bankers Association as a recipient of the Community Service Award.
- In 2023, the largest single donation was to Junior Achievement of New Jersey, which received \$140,000. In addition, contributions were made to many organizations including Meadowlands YMCA, Habitat for Humanity of Morris County and the National Council for Jewish Women.

## The Foundation focuses on organizations who are:

### Education

Providing literacy, financial literacy, higher education, and youth outreach.

### Housing

Addressing the urgent need for affordable housing, positive neighborhood development and emergency housing.

### Community Betterment (Arts, Culture, Stewardship)

Enhancing our lives through the arts, social programs, local improvements and the understanding of the responsibilities of citizenship.

### Quality of Life

Helping senior citizens, veterans, the disabled or seriously ill including hospice care and end of life family support.

# Corporate Responsibility

➤ The Company recently released a highlights report disclosing updates to our Environmental, Social and Governance (ESG) program during fiscal 2024 including:

- Celebrated 140 years of service to our communities
- Launched our first employee survey to assess and respond to employee satisfaction and engagement
- Increased engagement with women owned businesses in our communities through our Kearny Bank ChangeMakers program

## A Message From Our CEO

**Dear Shareholders,**

This year marks a significant milestone for Kearny Bank as we celebrate 140 years of service to our communities. Throughout the years, we have always stayed true to our guiding principles and strong values of ethics, integrity and giving back to the communities we serve.

Our employees have a long-standing history of community service, enhanced by the support of the KearnyBank Foundation, a charitable foundation which demonstrates Kearny Bank's commitment to local communities.

Our Board of Directors and management team are committed to providing leadership in areas pertaining to our long-term financial sustainability, including relevant environmental, social and governance risks and opportunities. We are pleased to share this year's highlights of our environmental, social and governance ("ESG") areas of focus, continuing the tradition we started in 2021.

The diverse talent and skills of our employees remain the driving force behind our Company's ability to deliver innovative and sustainable long-term value to our clients and shareholders. As a Company, we are committed to actively fostering workforce diversity and inclusion. With our appointment of a Director of Diversity, Equity and Inclusion ("DEI") in 2023, we continue to focus on increasing diversity across the company and have created


programs to grow an inclusive workplace environment for all employees.

In 2024, we launched our first formal employee survey to assess and respond to employee satisfaction and engagement. The survey measured employees' self-reported perceptions of various aspects of organizational culture and the impact to our mission and values. This feedback is invaluable as we strive to create a positive workplace experience, support individual career development and increase employee engagement.


Organizationally, the ESG Committee of the Board of Directors continues to oversee ESG matters and review our associated strategy, initiatives, policies and risk management. Additionally, our Board's Enterprise Risk Management Committee collaborates with the ESG Committee to manage ESG-related risk as needed.

On a management level, our ESG Working Group, comprised of cross-functional leaders, drives the execution of initiatives and reports to the ESG Committee of the Board.


We look forward to sharing our progress with you as we continue on our ESG journey.




*Greg L. Montarano*  
President and Chief Executive Officer




**1884**  
YEAR FOUNDED



**\$7.7**  
BILLION IN ASSETS




**43**  
BRANCHES



**552**  
EMPLOYEES

2024 ESG Highlights Report



### Our Social Impact

We are committed to delivering personalized services and continuing our community involvement. The Kearny Bank team will preserve a long-standing history of service.

### Our People

We are committed to the development, engagement and recognition of our employees. We strive to create a diverse workforce reflective of our employees, clients and the communities in which we live and work.

### The Environment

We are committed to advancing practices that reduce the impact of our operations on the environment and continue to look for ways to reduce our carbon footprint. We are also committed to managing the risks posed to our business due to the effects of climate change.

### Responsible Business Practices

We are committed to the transparency, integrity and effectiveness of policy- and decision-making at the Board and management levels. We take legal and regulatory compliance very seriously and strive for the highest moral and ethical standards in conducting our business.

## Non-GAAP Reconciliation

Reconciliation of GAAP to Non-GAAP (Dollars and Shares in Thousands, Except Per Share Data)	For the year ended	For the year ended
	June 30, 2024	June 30, 2023
<b>Adjusted net income:</b>		
Net (loss) income (GAAP)	(\$86,667)	\$40,811
Non-recurring transactions - net of tax:		
Branch consolidation expenses and impairment charges	-	568
Net effect of sale and call of securities	12,876	10,811
Net effect of sale of other assets	-	(2,081)
Severance expense from workforce realignment	-	538
Net effect of bank-owned life insurance contract restructure	6,678	-
Goodwill impairment	95,283	-
Adjusted net income	<u>\$28,170</u>	<u>\$50,647</u>
<b>Adjusted earnings per share:</b>		
Weighted average common shares - basic	62,444	64,804
Weighted average common shares - diluted	62,444	64,804
Earnings per share - basic (GAAP)	(\$1.39)	\$0.63
Earnings per share - diluted (GAAP)	(\$1.39)	\$0.63
Adjusted earnings per share - basic (non-GAAP)	\$0.45	\$0.78
Adjusted earnings per share - diluted (non-GAAP)	\$0.45	\$0.78



# Stockholder Questions

Questions?



## Results of Voting

Report of the Inspector of Election

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10:00 AM

