

Atlas Bank (Mutual; Brooklyn, NY) has agreed to merge with Kearny Financial Corp. (MHC) (NASDAQ: KRNY; Fairfield, NJ)

Sandler O’Neill served as financial advisor to Atlas Bank in this transaction. This transaction is Sandler O’Neill’s 113th bank or thrift transaction nationwide since January 1, 2011, more than any other investment bank during that time period.¹ Since January 1, 2011, Sandler O’Neill has advised on six mergers between mutual banks, more than any other investment bank during that time period.¹

FAIRFIELD, NJ and BROOKLYN, NY — Kearny Financial Corp. (NASDAQ: KRNY), (the “Company”), the holding company for Kearny Federal Savings Bank (“Kearny”), and Atlas Bank (“Atlas”), today announced the execution of a merger agreement pursuant to which Atlas will merge with and into Kearny. The acquisition will add Atlas’s offices in Brooklyn and Staten Island, New York to Kearny’s 41 branch network located throughout Northern and Central New Jersey. Atlas’s existing branch offices are expected to operate under the name, “Atlas Bank, a division of Kearny Federal Savings Bank,” for at least a year following the merger.

Under the terms of the merger agreement, depositors of Atlas will become depositors of Kearny and will have the same rights and privileges in Kearny MHC, the mutual holding company parent of the Company, as if their accounts had been established in Kearny on the date established at Atlas. As part of the transaction, Kearny Financial Corp. will issue additional shares of its common stock to Kearny MHC in an amount equal to the fair value of Atlas as determined by an independent appraiser. These shares are expected to be issued immediately prior to completion of the merger. In addition, Kearny and The Kearny Federal Savings Charitable Foundation will support the charitable organizations serving the communities served by Atlas.

Craig L. Montanaro, President and Chief Executive Officer of Kearny Financial, stated “We are extremely excited about our partnership with Atlas Bank. While we have had a lending presence in the Brooklyn and Staten Island markets, this transaction provides us with an excellent platform to further grow and diversify our franchise there.. This will be achieved by delivering on our value proposition of providing superior customer service coupled with our rich history of investing in the communities we serve.”

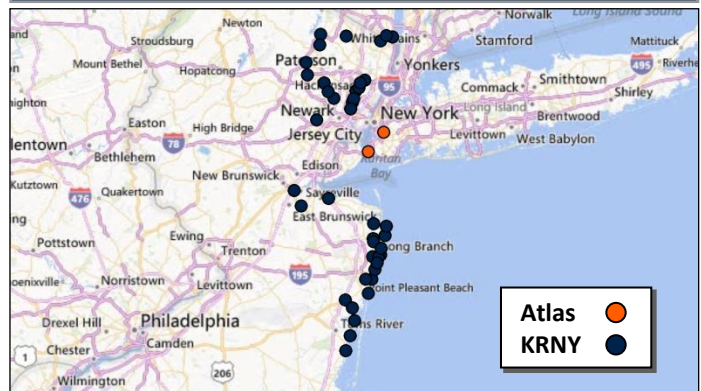
“We’ve always focused on our community and the needs of our banking clients,” said Danuta Sieminski, President of Atlas. “We feel strongly that this merger is an excellent opportunity for us to expand and enhance the financial products and services available to our customers and the communities we serve. Partnering with Kearny will allow us to continue to provide our customers with a high level of personalized service and local decision-making while preserving our values and our community bank culture.”

Financial Highlights

<i>(Dollars in millions)</i>	<u>Atlas</u>	<u>KRNY</u>
Total Assets	\$110	\$3,238
Gross Loans	\$70	\$1,486
Total Deposits	\$80	\$2,331
Total Equity	\$15	\$469
Tang. Comm. Equity / Tang. Assets	13.68%	11.51%

1) Excludes terminated transactions and self-advisory roles
Note: Financial data as of 9/30/13
Source: SNL Financial

Pro Forma Branch Map



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