



PUBLIC DISCLOSURE

August 17, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Kearny Bank
Charter Number 702319

614 Kearny Ave
Kearny, NJ 07032-2806

Office of the Comptroller of the Currency

340 Madison Avenue
4th Floor
New York, NY 10017-2613

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

OVERALL CRA RATING 2

DEFINITIONS AND COMMON ABBREVIATIONS 3

DESCRIPTION OF INSTITUTION 7

SCOPE OF THE EVALUATION..... 8

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 10

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS..... 11

 LENDING TEST 11

 INVESTMENT TEST..... 24

 SERVICE TEST..... 24

APPENDIX A: SCOPE OF EXAMINATION..... 1

APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS 1

APPENDIX C: TABLES OF PERFORMANCE DATA 1

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of **Kearny Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Kearny Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Lending levels reflect good responsiveness to assessment area credit needs taking into consideration the significant level of competition.
- A substantial majority of loans are made in the assessment area.
- The bank made a relatively high level of community development loans.
- The bank has a significant level of qualified investments and donations in the assessment area and has demonstrated good responsiveness to credit and community development needs.
- Changes in branch locations have improved the accessibility of the bank’s delivery systems in moderate-income geographies.
- The bank provides an adequate level of community development services.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the

bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined

in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in ‘loans to small farms’ as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Kearny Bank, established in 1884, is a federally chartered stock savings bank, wholly owned by Kearny Financial Corp. Headquartered in Fairfield, New Jersey, Kearny Bank is an interstate bank, operating 42 branches across nine counties in New Jersey and two counties in New York. The bank's footprint covers Bergen, Essex, Hudson, Middlesex, Morris, Monmouth, Ocean, Passaic, and Union counties in New Jersey and Kings and Richmond counties in New York. The bank gained its first two branches in New York with the acquisition of Atlas Bank on June 30, 2014. The bank closed one branch during the evaluation period, in Monmouth County, New Jersey.

Kearny Bank is a full service community bank principally engaged in the business of attracting deposits from the general public at its branch locations and using these deposits, together with other funds, to originate or purchase loans for its portfolio and invest in securities. The bank offers a standard range of personal and business banking services. Deposit products include personal and business checking accounts, savings accounts, and certificates of deposit. The bank also offers online and mobile banking. Loan products include residential mortgage loans, commercial real estate loans, SBA loans, commercial business loans and consumer loans. A substantial majority of its loans are secured by real state.

As of June 30, 2015, Kearny Bank had total assets of \$4.2 billion, with \$2.8 billion in total deposits and \$2.1 billion in total loans. Tier 1 capital was \$679 million. The loan portfolio consists of \$576 million (27%) in residential mortgage loans, \$1.4 billion (68%) in nonresidential mortgage loans, \$99.4 (5%) million in commercial loans, and \$4.3 million (<1%) in consumer loans.

There are no financial or legal impediments that would hinder Kearny Bank's ability to help meet the credit needs of its assessment area. The bank received a "Satisfactory" rating on its prior CRA Performance Evaluation, dated October 22, 2012.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses Kearny Bank's performance under the Lending, Investment, and Service Tests. We evaluated residential real estate lending subject to HMDA reporting, small loans to businesses subject to reporting under the CRA, and community development loans. We also reviewed community development investments, community development services, and retail banking services.

For the lending evaluation, we covered the period from January 1, 2012 to December 31, 2014. Kearny Bank's assessment area (AA), and consequently our lending analysis, was affected by the Office of Management and Budget (OMB) Metropolitan Area (MA) geographic boundary revisions that became effective for CRA purposes on January 1, 2014. We combined lending data for 2012 and 2013 and evaluated it against 2010 Census data and 2004 MA boundaries. Lending data for 2014 is analyzed separately and is evaluated against 2010 Census data and 2014 MA boundaries.

Although Kearny Bank adjusted its assessment area to include Richmond and Kings Counties in New York when it acquired Atlas Bank on June 30, 2014, our evaluation for the lending test does not include these counties, as there would not be enough lending data to perform a meaningful analysis. Community development loans and the investment and service tests cover the period from October 22, 2012, to August 17, 2015. As this evaluation period extended into 2015, we did include the bank's activities in Richmond and Kings Counties in New York.

Data Integrity

This evaluation is based on accurate data. In December 2014, the OCC conducted a data integrity review, testing the accuracy of the bank's HMDA and CRA data for the period of January 1, 2012 through September 30, 2014. Recorded data for HMDA and small loans to businesses was determined to be accurate and was used in this evaluation. In addition, all community development activities were reviewed during this evaluation to ensure they met the regulatory definition for community development.

Selection of Areas for Full-Scope Review

We completed full scope reviews for the three Metropolitan Divisions (MDs) included in Kearny Bank's AA in 2012 and 2013. The AA consisted of nine contiguous counties in NJ. The counties are Bergen, Hudson, and Passaic Counties located in the New York-White Plains-Wayne, NY-NJ MD (35644); Essex, Morris, and Union Counties located in the Newark-Union, NJ-PA MD (35084); and Middlesex, Monmouth, and Ocean Counties located in the Edison-New Brunswick, NJ MD (20764). The three MDs are all located within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA (35620).

In 2014, there was a change in geographic boundaries, which affected Kearny Bank's AA. The following counties, which were previously part of other MDs, became part of the New York-Jersey City-White Plains, NY-NJ MD (35614): Bergen, Hudson, Passaic, Middlesex, Monmouth, and Ocean. We completed a full scope review for this MD in 2014 and a full scope review for the Newark, NJ-PA MD (35084), which contained the remaining three counties: Essex, Morris, and Union. Both MDs are located within the New York-Newark-Jersey City, NY-NJ-PA MSA (35620).

These counties are contiguous and comprise one AA for Kearny Bank. The AA complies with the CRA guidelines and does not arbitrarily exclude low- or moderate-income (LMI) geographies.

Ratings

The bank's overall rating is based on the bank's only AA. For 2012 through 2013, the bank's performance in the Edison-New Brunswick, NJ MD (20764) received the most weight with 47 percent of the rated area loans, then the New York-White Plains-Wayne, NY-NJ MD (35644) with 34 percent, followed by Newark-Union, NJ-PA MD (35084) with 19 percent. For 2014, the bank's performance in the New York-Jersey City-White Plains, NY-NJ MD (35614) received the most weight with 81 percent of the rated area loans followed by Newark, NJ-PA MD (35084) with 19 percent. The Lending Test was more heavily weighted than the Investment Test or Service Test. For the Lending Test, home mortgage loans, particularly home mortgage refinance loans, were given more weight than small loans to businesses.

Other

Community credit needs in the MDs were determined by reviewing the results of three community contacts made by OCC representatives in the AA during the evaluation period. The community development organizations identified affordable housing, flexible lending programs to make homes affordable for LMI borrowers, and small business financing as current community needs.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Edison-New Brunswick, NJ MD (20764) and the Newark-Union, NJ-PA MD (35084) is good. In the New York-White Plains-Wayne, NY-NJ MD (35644), the New York-Jersey City-White Plains, NY-NJ MD (35614), and the Newark, NJ-PA MD (35084), the bank's performance is adequate.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect good responsiveness to assessment area credit needs taking into consideration the significant level of competition faced by Kearny Bank in each of the AAs.

2012-2013

Edison-New Brunswick, NJ MD (20764)

Lending levels in the Edison-New Brunswick, NJ MD reflect good responsiveness to the AA's credit needs. Kearny Bank has 22 branches and 33 percent of its deposits in this MD. As of June 30, 2013, Kearny Bank ranked 13th in deposits with 1.29 percent deposit market share in Middlesex, Monmouth, and Ocean Counties. Kearny Bank ranked 51st of 561 lenders in this MD based on 2013 market share data for all home mortgage lending with a market share of 0.34 percent. Kearny Bank ranked 97th of 410 lenders in the MD with 0.16 percent market share in home purchase lending, 8th of 172 lenders in the MD with 2.98 percent market share in home improvement lending, 54th of 482 lenders in the MD with 0.30 percent market share in home refinance lending. All market share data is based on the 2013 HMDA aggregate data.

In 2012 and 2013, 40.7 percent of all Kearny Bank's home mortgage originations and purchases and 76.8 percent of small loans to businesses were made in this MD. Loans reported under HMDA represented a majority of the bank's lending in this MD at 73 percent compared to small loans to businesses at 27 percent. Consequently, when forming conclusions, we placed greater emphasis on the bank's performance with respect to HMDA loans. Home purchase, home improvement, home mortgage refinance, and multifamily loans represented 41 percent, 47 percent, 44 percent, and 8 percent, respectively, of all loans originated within the bank's combined AA's.

New York-White Plains-Wayne, NY-NJ MD (35644)

Lending levels in the New York-White Plains-Wayne, NY-NJ MD reflect good responsiveness to the AA's credit needs. Kearny Bank has 12 branches and 55 percent of its deposits in this MD. As of June 30, 2013, Kearny Bank ranked 11th in deposits with 1.61 percent deposit market share in Bergen, Hudson, and Passaic Counties. Kearny Bank ranked 37th of 534 lenders in this MD based on 2013 market share data for all home mortgage lending with a market share of 0.48 percent. Kearny Bank ranked 65th of 390 lenders in the MD with 0.27 percent market share in home purchase lending, 8th of

159 lenders in the MD with 3.23 percent market share in home improvement lending, 31st of 466 lenders in the MD with 0.45 percent market share in home refinance lending. All market share data is based on the 2013 HMDA aggregate data.

In 2012 and 2013, 38.6 percent of all Kearny Bank's home mortgage originations and purchases and 13.4 percent of small loans to businesses were made in this MD. Loans reported under HMDA represented a majority of the bank's lending in this MD at 94 percent compared to small business loans to businesses at 6 percent. Consequently, when forming conclusions, we placed greater emphasis on the bank's performance with respect to HMDA loans. Home purchase, home improvement, home mortgage refinance, and multifamily loans represented 43 percent, 32 percent, 36 percent, and 68 percent, respectively, of all loans originated within the bank's combined AA's.

Newark-Union, NJ-PA MD (35084)

Lending levels in the Newark-Union, NJ-PA MD reflect good responsiveness to the AA's credit needs. Kearny Bank has 7 branches and 12 percent of its deposits in this MD. As of June 30, 2013, Kearny Bank ranked 22nd in deposits with 0.44 percent deposit market share in Essex, Morris, and Union Counties. Kearny Bank ranked 6th of 521 lenders in this MD based on 2013 market share data for all home mortgage lending with a market share of 0.24 percent. Kearny Bank ranked 95th of 396 lenders in the MD with 0.13 percent market share in home purchase lending, 11th of 138 lenders in the MD with 2.06 percent market share in home improvement lending, 68th of 445 lenders in the MD with 0.21 percent market share in home refinance lending. All market share data is based on the 2013 HMDA aggregate data.

In 2012 and 2013, 20.7 percent of all Kearny Bank's home mortgage originations and purchases and 9.8 percent of small loans to businesses were made in this MD. Loans reported under HMDA represented a majority of the bank's lending in this MD at 92 percent compared to small loans to businesses at 8 percent. Consequently, when forming conclusions, we placed greater emphasis on the bank's performance with respect to HMDA loans. Home purchase, home improvement, home mortgage refinance, and multifamily loans represented 16 percent, 21 percent, 21 percent, and 24 percent, respectively, of all loans originated within the bank's combined AA's.

2014

New York-Jersey City-White Plains, NY-NJ MD (35614)

As market share data for lending in 2014 was not available, we did not conclude on the bank's responsiveness to credit needs in this AA during 2014. Kearny Bank has 34 branches and 85 percent of its deposits in this MD.¹ As of June 30, 2014, Kearny Bank ranked 14th in deposits with 1.45 percent deposit market share in Bergen, Hudson, Middlesex, Monmouth, Passaic and Ocean Counties.

In 2014, 77.8 percent of all Kearny Bank's home mortgage originations and purchases and 87.7 percent of small loans to businesses were made in this MD. Loans reported under HMDA represented a majority of the bank's lending in this MD at 69 percent compared to small loans to businesses at 31 percent. Consequently, when forming conclusions, we placed greater emphasis on the bank's performance with respect to HMDA loans. Home purchase, home improvement, home mortgage refinance, and multifamily loans represented 78 percent, 82 percent, 78 percent, and 68 percent, respectively, of all loans originated within the bank's combined AAs.

¹ This does not include the bank's 2 branches in Richmond and Kings Counties in New York as these counties are not part of the lending test evaluation.

Newark, NJ-PA MD (35084)

As market share data for lending in 2014 was not available, we did not conclude on the bank's responsiveness to credit needs in this AA during 2014. Kearny Bank has 7 branches and 12 percent of its deposits in this MD. As of June 30, 2014, Kearny Bank ranked 25th in deposits with 0.41 percent deposit market share in Essex, Morris, and Union Counties.

In 2014, 22.2 percent of all Kearny Bank's home mortgage originations and purchases and 12.3 percent of small loans to businesses were made in this MD. Loans reported under HMDA represented a majority of the bank's lending in this MD at 82 percent compared to small loans to businesses at 18 percent. Consequently, when forming conclusions, we placed greater emphasis on the bank's performance with respect to HMDA loans. Home purchase, home improvement, home mortgage refinance, and multifamily loans represented 22 percent, 18 percent, 22 percent, and 32 percent, respectively, of all loans originated within the bank's combined AAs.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans reflects adequate penetration throughout the assessment areas. The overall geographic distribution of home mortgage loans is adequate and the overall geographic distribution of small loans to businesses is good.

2012-2013**Edison-New Brunswick, NJ MD (20764)**

The geographic distribution of loans by income level of the geography is good. The geographic distribution of home mortgage loans is good, and the geographic distribution of small loans to businesses is good.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The geographic distribution of home purchase loans is excellent. For 2012 through 2013, the percentage of home purchase loans in low- and in moderate-income geographies exceeds the percentages of the aggregate lending level in low- and moderate-income geographies.

Home Improvement Loans

The geographic distribution of home improvement loans is good. For 2012 through 2013, the percentage of home improvement loans in low- and in moderate-income geographies is near to the percentages of the aggregate lending level in low- and moderate-income geographies.

Home Refinance Loans

The geographic distribution of home refinance loans is good. For 2012 through 2013, the percentage of home refinance loans in low-income geographies is somewhat lower than the percentage of the aggregate lending level. The percentage of home refinance loans in moderate-income geographies exceeds the percentage of the aggregate lending level.

Multifamily Loans

The geographic distribution of multifamily loans is good. For 2012 through 2013, the percentage of multifamily loans in low-income geographies exceeds the percentage of the aggregate lending level. The percentage of multifamily loans in moderate-income geographies is somewhat lower than the percentage of the aggregate lending level.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good. For 2012 through 2013, the percentage of small loans to businesses in low-income geographies is somewhat lower than the percentage of the aggregate lending level. The percentage of small loans to businesses in moderate-income geographies is near to the percentage of the aggregate lending level.

New York-White Plains-Wayne, NY-NJ MD (35644)

The geographic distribution of loans by income level of the geography is adequate. The geographic distribution of home mortgage loans is adequate and the geographic distribution of small loans to businesses is adequate.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The geographic distribution of home purchase loans is adequate. Although the bank did not originate any home purchase loans in low-income geographies in 2012 through 2013, the percentage of the aggregate lending level in low-income geographies is less than 2 percent. Consequently, the bank's performance is somewhat lower than the aggregate lending level. The percentage of home purchase loans in moderate-income geographies is somewhat lower than the percentage of the aggregate lending level in moderate-income geographies.

Home Improvement Loans

The geographic distribution of home improvement loans is adequate. Although the bank did not originate any home improvement loans in low-income geographies in 2012 through 2013, the percentage of the aggregate lending level in low-income geographies is less than 1 percent. Consequently, the bank's performance is somewhat lower than the aggregate lending level. The percentage of home improvement loans in moderate-income geographies is somewhat lower than the percentage of the aggregate lending level in moderate-income geographies.

Home Refinance Loans

The geographic distribution of home refinance loans is adequate. For 2012 through 2013, the percentage of home refinance loans in low-income geographies is somewhat lower than the percentage of the aggregate lending level. The percentage of home refinance loans in moderate-income geographies is somewhat lower than the percentage of the aggregate lending level in moderate-income geographies.

Multifamily Loans

The geographic distribution of multifamily loans is excellent. For 2012 through 2013, the percentage of multifamily loans in both low- and moderate-income geographies exceeds the percentage of aggregate lending levels in these geographies.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is adequate. The percentage of small loans to businesses in low-income geographies exceeds the percentage of the aggregate lending level. The percentage of small loans to businesses in moderate-income geographies is lower than the percentage of the aggregate lending level.

Newark-Union, NJ-PA MD (35084)

The geographic distribution of loans by income level of the geography is poor. The geographic distribution of home mortgage loans is poor and the geographic distribution of small loans to businesses is good.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The geographic distribution of home purchase loans is adequate. For 2012 through 2013, the percentage of home purchase loans in low-income geographies exceeds the percentage of the aggregate lending level. The bank did not originate any home purchase loans in moderate-income geographies, performing lower than the aggregate lending level.

Home Improvement Loans

The geographic distribution of home improvement loans is poor. For 2012 through 2013, the percentage of home improvement loans in low-income geographies is somewhat lower than the percentage of the aggregate lending level. The percentage of home improvement loans in moderate-income geographies is lower than the percentage of the aggregate lending level.

Home Refinance Loans

The geographic distribution of home refinance loans is poor. The bank did not originate any home refinance loans in low-income geographies in 2012 through 2013. Its performance was somewhat lower than the percentage of the aggregate lending level. For 2012 through 2013, the percentage of home refinance loans in moderate-income geographies is lower than the percentage of the aggregate lending.

Multifamily Loans

The geographic distribution of multifamily loans is good. For 2012 through 2013, the percentage of multifamily loans in low-income geographies exceeds the percentage of the aggregate lending level. The percentage of multifamily loans in moderate-income geographies is somewhat lower than the percentage of the aggregate lending level.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low-income geographies is somewhat lower than the percentage of the aggregate lending level. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of the aggregate lending level.

2014**New York-Jersey City-White Plains, NY-NJ MD (35614)**

The geographic distribution of loans by income level of the geography is adequate. The geographic distribution of home mortgage loans is adequate, and the geographic distribution of small loans to businesses is adequate.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The geographic distribution of home purchase loans is adequate. Although the bank did not originate any home purchase loans in low-income geographies during 2014, the percentage of owner-occupied housing units is 1.08 percent. Consequently, the bank's performance is somewhat lower than the percentage of owner-occupied units. The percentage of home purchase loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied units. Aggregate lending data was not available for 2014.

Home Improvement Loans

The geographic distribution of home improvement loans is adequate. Although the bank did not originate any home improvement loans in low-income geographies during 2014, the percentage of owner-occupied housing units is 1.08 percent. Consequently, the bank's performance is somewhat lower than the percentage of owner-occupied units. The percentage of home improvement loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied units. Aggregate lending data was not available for 2014.

Home Refinance Loans

The geographic distribution of home refinance loans is adequate. Although the bank did not originate any home refinance loans in low-income geographies during 2014, the percentage of owner-occupied housing units is 1.08 percent. Consequently, the bank's performance is somewhat lower than the percentage of owner-occupied units. The percentage of home refinance loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied units. Aggregate lending data was not available for 2014.

Multifamily Loans

The geographic distribution of multifamily loans is excellent. For 2014, the percentage of multifamily loans in low- and in moderate-income geographies exceeds the percentage of multifamily housing units. Aggregate lending data was not available for 2014.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is adequate. Although the bank did not originate any small loans to businesses in low-income geographies, the percentage of businesses in low-income geographies is 3.14 percent. Consequently, the bank's performance is somewhat lower than the percentage of businesses. The percentage of small loans to businesses in moderate-income geographies is somewhat lower than the percentage of businesses in moderate-income geographies. Aggregate lending data was not available for 2014.

Newark, NJ-PA MD (35084)

The geographic distribution of loans by income level of the geography is adequate. The geographic distribution of home mortgage loans is poor and the geographic distribution of small loans to businesses is good.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The geographic distribution of home purchase loans is poor. In 2014, the bank did not originate any home purchase loans in low- or moderate-income geographies. This is somewhat lower than the percentage of owner-occupied housing units in low-income geographies and lower than the percentage of owner-occupied units in moderate-income geographies. Aggregate lending data was not available for 2014.

Home Improvement Loans

The geographic distribution of home improvement loans is poor. In 2014, the bank did not originate any home improvement loans in low- or moderate-income geographies. This is somewhat lower than the percentage of owner-occupied housing units in low-income geographies and lower than the percentage of owner-occupied units in moderate-income geographies. Aggregate lending data was not available for 2014.

Home Refinance Loans

The geographic distribution of home refinance loans is poor. In 2014, the bank did not originate any home refinance loans in low- or moderate-income geographies. This is somewhat lower than the percentage of owner-occupied housing units in low-income geographies and lower than the percentage of owner-occupied units in moderate-income geographies. Aggregate lending data was not available for 2014.

Multifamily Loans

The geographic distribution of multifamily loans is excellent. For 2014, the percentage of multifamily loans in low- and in moderate-income geographies exceeds the percentage of multifamily housing units. Aggregate lending data was not available for 2014.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good. For 2014, the percentage of small loans to businesses in low-income geographies exceeds the percentage of businesses in low-income geographies. The percentage of small loans to businesses in moderate-income geographies is somewhat lower than the percentage of businesses in moderate-income geographies. Aggregate lending data was not available for 2014.

Lending Gap Analysis

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in lending patterns.

Inside/Outside Ratio

The inside/outside ratio analysis is performed at the bank level rather than the state or AA level. For the period January 1, 2012 through December 31, 2014, Kearny Bank originated and purchased a substantial majority of its loans within its AAs, with 96 percent by number and 86 percent by dollar amount. For home mortgage loans, the bank originated and purchased 95 percent by number and 84 percent by dollar amount inside its AAs. For loans to small businesses, the bank originated 97 percent by number and 94 percent by dollar amount inside its AAs.

Distribution of Loans by Income Level of the Borrower

The overall distribution of loans to borrowers of different income levels and businesses of different sizes reflects adequate distribution. The overall distribution of home mortgage loans to borrowers of different income levels is adequate. The overall distribution of loans to businesses of different sizes is good.

2012-2013

Edison-New Brunswick, NJ MD (20764)

The distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects good distribution. The borrower distribution of home mortgage loans is good and the distribution of loans to businesses of different sizes is good.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The borrower distribution of home purchase loans is good. The bank's percentage of loans to low-income borrowers is somewhat lower than the percentage of the aggregate lending level and the bank's percentage of loans to moderate-income borrowers is near to the percentage of the aggregate lending level.

Home Improvement Loans

The borrower distribution of home improvement loans is good. The bank's percentage of loans to low-income borrowers is somewhat lower than the percentage of the aggregate lending level and the bank's percentage of loans to moderate-income borrowers is near to the percentage of the aggregate lending level.

Home Refinance Loans

The borrower distribution of home refinance loans is good. The bank's percentage of loans to low-income borrowers is near to the percentage of the aggregate lending level and the bank's percentage of loans to moderate-income borrowers is near to the percentage of the aggregate lending level.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans to businesses of different sizes is good. The bank's percentage of small loans to businesses with revenues of \$1 million or less, at 41 percent, is near to the percentage of the aggregate lending level of 49 percent.

New York-White Plains-Wayne, NY-NJ MD (35644)

The distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects adequate penetration. The borrower distribution of home mortgage loans is adequate and the distribution of loans to businesses of different sizes is excellent.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The borrower distribution of home purchase loans is adequate. The bank did not originate any loans to low-income borrowers. The bank's percentage of loans to low-income borrowers is somewhat lower than the aggregate lending level and the percentage of loans to moderate-income borrowers is near to the percentage of the aggregate lending level. Lending opportunities to low- and moderate-income borrowers are limited given the median home price in the AA is \$437 thousand. The median family income for the AA indicates that a low-income family earns less than \$33 thousand a year and a moderate-income family earns less than \$53 thousand a year, making homeownership very difficult for most low- and moderate-income borrowers.

Home Improvement Loans

The borrower distribution of home improvement loans is adequate. The bank did not originate any loans to low-income borrowers. The bank's percentage of loans to low-income borrowers is lower than the

percentage of the aggregate lending level, and the bank's percentage of loans to moderate-income borrowers exceeds the percentage of the aggregate lending level.

Home Refinance Loans

The borrower distribution of home refinance loans is good. The bank's percentage of loans to low-income borrowers is somewhat lower than the percentage of the aggregate lending level, and the bank's percentage of loans to moderate-income borrowers exceeds the percentage of the aggregate lending level.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans to businesses of different sizes is excellent. The bank's percentage of small loans to businesses with revenues of \$1 million or less, at 85%, exceeds the percentage of the aggregate lending level of 46%.

Newark-Union, NJ-PA MD (35084)

The distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects good penetration. The borrower distribution of home mortgage loans is good and the distribution of loans to businesses of different sizes is good.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The borrower distribution of home purchase loans is good. For 2012 through 2013, the bank's percentage of loans to both low- and moderate-income borrowers exceeds the percentages of the aggregate lending level.

Home Improvement Loans

The borrower distribution of home improvement loans is adequate. The bank's percentage of loans to both low- and moderate-income borrowers is somewhat lower than the percentages of the aggregate lending level.

Home Refinance Loans

The borrower distribution of home refinance loans is good. The bank's percentage of loans to low-income borrowers is somewhat lower than the percentage of the aggregate lending level, and the bank's percentage of loans to moderate-income borrowers exceeds the percentage of the aggregate lending level.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans to businesses of different sizes is good. The bank's percentage of small loans to businesses with revenues of \$1 million or less, at 71 percent, exceeds the percentage of the aggregate lending level of 47 percent.

2014

New York-Jersey City-White Plains, NY-NJ MD (35614)

The distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects adequate penetration. The borrower distribution of home mortgage loans is adequate and the distribution of loans to businesses of different sizes is poor.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The borrower distribution of home purchase loans is adequate. The bank did not originate any loans to low-income borrowers. Consequently, the percentage of home purchase loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. Lending opportunities to low- and moderate-income borrowers are limited in this AA given the median home price in the AA is \$410 thousand. The median family income for the AA indicates that a low-income family earns less than \$34 thousand a year and a moderate-income family earns less than \$55 thousand a year, making homeownership very difficult for most low- and moderate-income borrowers. Aggregate lending data was not available for 2014.

Home Improvement Loans

The borrower distribution of home improvement loans is adequate. The percentage of home improvement loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. Aggregate lending data was not available for 2014.

Home Refinance Loans

The borrower distribution of home refinance loans is adequate. The bank did not originate any loans to low-income borrowers. Consequently, the percentage of home refinance loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers is somewhat lower than the percentage of moderate-income families in the AA. Lending opportunities to low- and moderate-income borrowers are limited in this AA given the median home price in the AA is \$410 thousand. The median family income for the AA indicates that a low-income family earns less than \$34 thousand a year and a moderate-income family earns less than \$55 thousand a year, making homeownership very difficult for most low- and moderate-income borrowers. Aggregate lending data was not available for 2014.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans to businesses of different sizes is poor. The bank's percentage of small loans to businesses with revenues of \$1 million or less is lower than the percentage of small businesses in the AA. Aggregate lending data was not yet available for 2014.

Newark, NJ-PA MD (35084)

The distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects adequate penetration. The borrower distribution of home mortgage loans is adequate and the distribution of loans to businesses of different sizes is poor.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The borrower distribution of home purchase loans is adequate. In 2014, the bank did not originate any loans to low-income borrowers. Consequently, the percentage of home purchase loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Lending opportunities to low- and moderate-income borrowers are limited in this AA given the median home price in the AA is \$414 thousand. The median family income for the AA indicates that a low-income family earns less than \$48 thousand a year and a moderate-income family earns less than \$77 thousand a year, making homeownership difficult for most low- and moderate-income borrowers. Aggregate lending data was not available for 2014.

Home Improvement Loans

The borrower distribution of home improvement loans is good. In 2014, the percentage of home improvement loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Aggregate lending data was not available for 2014.

Home Refinance Loans

The borrower distribution of home refinance loans is poor. In 2014, the percentage of home refinance loans made to low-income borrowers is lower than the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers is lower than the percentage of moderate-income families in the AA. Lending opportunities to low- and moderate-income borrowers are limited in this AA given the median home price in the AA is \$414 thousand. The median family income for the AA indicates that a low-income family earns less than \$48 thousand a year and a moderate-income family earns less than \$77 thousand a year, making homeownership difficult for most low- and moderate-income borrowers. Aggregate lending data was not available for 2014.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans to businesses of different sizes is poor. In 2014, the bank's percentage of small loans to businesses with revenues of \$1 million or less is lower than the percentage of small businesses in the AA. Aggregate lending data was not available for 2014.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. No CD loans appear on Table 1 because all of Kearny Bank's CD loans are multifamily loans, which are included in Table 5.

Kearny Bank made a relatively high level of community development loans during the evaluation period. These loans had a positive impact on the Lending Test rating. During the evaluation period, the bank originated 89 multifamily CD loans totaling \$129.4 million, or 19 percent of Tier 1 capital at June 30, 2015. For the period of October 22, 2012 through December 31, 2013, Kearny Bank originated:

- 6 multifamily CD loans, totaling \$9.7 million, in the Edison-New Brunswick, NJ MD
- 39 multifamily CD loans, totaling \$61.1 million, in the New York-White Plains-Wayne, NY-NJ MD
- 10 multifamily CD loans, totaling \$18.2 million, in the Newark-Union, NJ-PA MD

For the period of January 1, 2014 through August 17, 2015, Kearny Bank originated:

- 9 multifamily CD loans, totaling \$15.1 million, in the Newark, NJ-PA MD
- 25 multifamily CD loans, totaling \$25.3 million, in the New York-Jersey City-White Plains, NY-NJ MD

These CD loans were made to renovate, revitalize, stabilize, and make improvements to properties located in low- and moderate-income geographies or benefiting low- and moderate-income individuals. Examples of these CD loans include:

- A refinance of a 48 unit multifamily property in Jersey City, NJ
- A refinance of a 59 unit multifamily property in East Orange, NJ
- A refinance of a 32 unit multifamily property in Irvington, NJ
- A purchase of a 51 unit multifamily property in Elizabeth, NJ
- A purchase of a 38 unit multifamily property in Brooklyn, NY
- A refinance of a 64 unit multifamily property in Long Branch, NJ

Product Innovation and Flexibility

The bank's use of flexible loan programs, which addressed affordable housing needs, had a positive impact on its Lending Test performance. Kearny Bank offers a First-Time Home Buyers Program that allows a loan to value ratio up to 95% and an interest rate discounted to 1/8 of 1 percent below the effective Loan Offering Schedule. For the period of January 1, 2012 through June 30, 2015, Kearny Bank originated 84 loans, totaling \$25.1 million, under this program.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Edison-New Brunswick, NJ MD (20764), the New York-White Plains-Wayne, NY-NJ MD (35644), the Newark-Union, NJ-PA MD (35084), the New York-Jersey City-White Plains, NY-NJ MD (35614), and the Newark, NJ-PA MD is good.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Kearny Bank has a significant level of qualified investments and donations in the bank's AA and has demonstrated good responsiveness to credit and community development needs. During the evaluation period, Kearny Bank made investments and donations in its AA totaling \$76.4 million, or 11 percent of Tier 1 capital at June 30, 2015. The investments and donations were traditional in nature.

During the evaluation period, Kearny Bank invested \$76.2 million in pools of Fannie Mae and Freddie Mac mortgage-backed securities (MBS). All underlying mortgages are for properties located within the bank's AA, with low- and moderate-income borrowers. In addition, the bank has \$60.8 million in qualifying MBS investments still outstanding from prior evaluation periods.

The bank also made donations to community service organizations within the AA, totaling \$224 thousand. These donations supported programs designed to provide affordable housing, food, healthcare services, and educational services to LMI individuals and families.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Edison-New Brunswick, NJ MD (20764), the New York-White Plains-Wayne, NY-NJ MD (35644), the Newark-Union, NJ-PA MD (35084), and the Newark, NJ-PA MD (35084) is adequate. The bank's performance in the New York-Jersey City-White Plains, NY-NJ MD (35614) is good.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. As of August 2015, the bank has 42 branches, 40 of which are located in New Jersey and two of which are located in New York. The bank's branches are distributed among nine counties in New Jersey and two counties in New York. The distribution of branches among low-, moderate-, middle-, and upper-income geographies is adequate.

For the Edison-New Brunswick, NJ MD (20764), the percentage of the bank's branches located in low-income geographies is lower than the percentage of the population within low-income geographies and the percentage of the bank's branches located in moderate-income geographies is somewhat lower than to the percentage of the population within moderate-income geographies. Although there are no branches in low-income geographies, less than 8 percent of the population lives in low-income geographies.

For the Newark-Union, NJ-PA MD (35084), the percentage of the bank's branches located in low-income geographies is near to the percentage of the population within low-income geographies and the percentage of the bank's branches located in moderate-income geographies is lower than the percentage of the population within moderate-income geographies.

For the New York-White Plains-Wayne, NY-NJ MD (35644), the percentage of the bank's branches located in low-income geographies is lower than the percentage of the population within low-income geographies and the percentage of the bank's branches located in moderate-income geographies is somewhat lower than the percentage of the population within moderate-income geographies. Although there are no branches in low-income geographies, less than 6 percent of the population lives in low-income geographies.

The 2014 OMB changes to geographic boundaries did not affect the geographic distribution of branches in the Newark, NJ-PA MD (35084). The percentage of the bank's branches located in low-income geographies is near to the percentage of the population within low-income geographies and the percentage of the bank's branches located in moderate-income geographies is lower than the percentage of the population within moderate-income geographies.

For the New York-Jersey City-White Plains, NY-NJ MD (35614), the percentage of the bank's branches located in low-income geographies is lower than the percentage of the population within low-income geographies and the percentage of the bank's branches located in moderate-income geographies is somewhat lower than the percentage of the population within moderate-income geographies. Although there are no branches in low-income geographies, only 10 percent of the population lives in low-income geographies.

Changes in branch locations have improved the accessibility of the bank's delivery systems in moderate-income geographies. On June 30, 2014, as a result of its acquisition of Atlas Bank, Kearny Bank acquired two branches in New York. The Kings County branch is located in a moderate-income geography, and the Richmond County branch is located in a middle-income geography. Additionally, On June 30, 2014, the bank closed a branch located in an upper-income geography in Monmouth County, New Jersey.

Services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and individuals. All branches function as full service retail centers, offering various deposit and lending products. Branch hours of operation are not materially different. All branches have a late night during one day of the week, and five branches have Sunday hours. Hours are determined based on the result of customer transactional studies.

The accessibility and use of alternative systems for delivering retail banking services is good. Alternative systems consist of 24/7 available Automated Teller Machines (ATMs) located at all but one of the bank's branches (the excluded branch is located in a middle-income geography), and banking by

mail, telephone, computer, and mobile phone services. Loan officers are available to take applications after hours at a consumer's residence. Additionally, 21 bilingual employees serve at various branches and can provide translation services when necessary.

Community Development Services

Kearny Bank provides an adequate level of community development services.

New York-Jersey City-White Plains, NY-NJ MD (35614)

- Two officers of the bank serve on the Board of Directors of a non-profit organization that provides financial literacy lessons to low- and moderate-income children in grades K-12. Bank Officers contribute their financial expertise by reviewing the organization's annual budget, monthly and quarterly financial reports, tax return, investment portfolio, and long-term strategic plan.
- A Regional President serves as a Board of Trustee for a non-profit organization that provides family-setting housing to low- and moderate-income individuals.
- A Branch Manager serves on the Board of Directors for a non-profit organization that provides LMI individuals with social services.
- A Branch Manager and bank Director serve on the Board of Directors of a non-profit organization that provides housing to low- and moderate-income individuals. Bank Officers contribute their financial expertise by performing bookkeeping functions such as paying bills and maintaining check registers.
- Twenty-two employees provided identity theft protection lessons to low- and moderate-income seniors and battered women.
- Four employees provided Small Business Administration application information seminars to small business owners in the community.
- Four employees provided low- and moderate-income residents with first-time homebuyers information sessions.

Newark-Union, NJ-PA MD (35084)

- A Board of Director served as Chairperson of the Board of Trustees of a hospital that provides medical care to low- and moderate-income individuals.
- Twenty-two employees provided identity theft protection lessons to low- and moderate-income seniors and battered women.

Edison-New Brunswick, NJ MD (20764)

- Twenty employees provided financial literacy lessons to low- and moderate-income children.
- Ten employees provided low- and moderate-income children in grades K-12 with financial career overview information sessions.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/12 to 12/31/14 Investment and Service Tests and CD Loans: 10/22/12 to 08/17/15	
Financial Institution	Products Reviewed	
Kearny Bank Fairfield, New Jersey	Home Mortgages, Small Loans to Businesses and CD Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Edison-New Brunswick, NJ MD (20764)	Full-Scope	N/A
New York-White Plains-Wayne, NY-NJ MD (35644)	Full-Scope	
Newark-Union, NJ-PA MD (35084)	Full-Scope	
New York-Jersey City-White Plains, NY-NJ MD (35614)	Full-Scope	
Newark, NJ-PA MD (35084)	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Edison-New Brunswick, NJ MD (20764)

Demographic Information for Full-Scope Area: Kearny Bank AA 20764 2012 and 2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	443	7.90	18.74	51.92	20.77	0.68
Population by Geography	2,016,805	7.94	18.96	51.66	21.43	0.01
Owner-Occupied Housing by Geography	545,512	4.85	17.88	53.72	23.55	0.00
Businesses by Geography	158,985	5.59	16.15	52.02	26.19	0.04
Farms by Geography	3,359	2.26	11.40	54.81	31.53	0.00
Family Distribution by Income Level	512,941	21.59	18.50	22.30	37.61	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	205,666	12.41	27.53	48.62	11.44	0.00
Median Family Income	= \$91,959					
HUD Adjusted Median Family Income for 2013	= \$96,600					
Households Below the Poverty Level	= 7%					
				Median Housing Value	= \$384,643	
				Unemployment Rate	= 6.1% (BLS-Dec 2013)	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 U.S. Census, 2013 HUD updated MFI, and Bureau of Labor Statistics.

Kearny Bank has defined this assessment area (AA) to include the whole counties of Middlesex, Monmouth, and Ocean. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2013 HUD adjusted median family income for this AA was \$96,600. Within this AA, 21.6 percent of the families were low-income, earning a median income of \$48,203 or less; 18.5 percent were moderate-income, earning a median income of no more than \$77,183; 7 percent of all households had incomes below poverty level.

Kearny Bank has \$774 million in deposits within this AA, representing 33 percent of the bank’s total deposits. The number of offices within this AA is 22, or 54 percent of the bank’s total offices. No offices are in low-income census tracts and three of the offices are in moderate-income census tracts. This AA is in a highly competitive banking environment, served by several national and large regional banks. As of June 30, 2013, Kearny Bank ranked 13th out of 58 institutions in this AA with a 1.3 percent deposit market share. The bank’s major competitors include Wells Fargo Bank with a 15.0 percent market share, PNC Bank with a 12.6 percent market share, and TD Bank with a 10.9 percent market share.

In this AA, the median housing value was \$384,643. Of the approximately 546 thousand owner-occupied housing units within the AA, 4.9 percent are located in low- income census tracts and 17.9 percent are located in moderate-income census tracts; 43.7% of all rental units are located in low- and

moderate-income census tracts; 27.5 percent of the AA's single family (1-4 units) homes and 36.6 percent of all multifamily housing are located in low- and moderate-income census tracts. Throughout the AA, 11 percent of all households have rental costs that exceed 30 percent of income.

The top employers in Middlesex County are Rutgers State University and RWJ University Hospital. The top employers in Monmouth County are Meridian Health and Saker ShopRites, Inc. The top employers in Ocean County are NAVAIR at Joint Base McGuire-Dix-Lakehurst and Six Flags Theme Park.

As of December 2013, the Bureau of Labor Statistics (BLS) reported the unemployment rate for Middlesex County as 6.0 percent, for Monmouth County as 6.1 percent, and Ocean County as 7.7 percent. For the same time, the BLS reported the unemployment rate for New Jersey as 6.7 percent and the national unemployment rate also at 6.7 percent.²

² The national unemployment rate is seasonally adjusted. The unemployment rate for the counties and the state are not seasonally adjusted.

New York-White Plains-Wayne, NY-NJ MD (35644)

Demographic Information for Full-Scope Area: Kearny Bank AA 35644 2012 and 2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	445	6.97	17.98	25.17	49.44	0.45
Population by Geography	2,040,608	5.71	16.99	25.43	51.85	0.02
Owner-Occupied Housing by Geography	396,090	1.46	7.93	21.30	69.31	0.00
Businesses by Geography	169,950	3.90	10.68	24.21	61.11	0.10
Farms by Geography	2,291	1.31	4.85	17.46	76.39	0.00
Family Distribution by Income Level	495,484	18.62	13.33	16.22	51.83	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	158,309	11.69	29.62	29.75	28.93	0.00
Median Family Income	= \$64,171					
HUD Adjusted Median Family Income for 2013	= \$66,000					
Households Below the Poverty Level	= 11%					
				Median Housing Value	= \$437,279	
				Unemployment Rate	= 7.1% (BLS-Dec 2013)	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 U.S. Census, 2013 HUD updated MFI, and Bureau of Labor Statistics.

Kearny Bank has defined this assessment area (AA) to include the whole counties of Bergen, Hudson, and Passaic. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2013 HUD adjusted median family income for this AA was \$66,000. Within this AA, 11.7 percent of the families were low-income, earning a median income of \$32,934 or less; 29.6 percent were moderate-income, earning a median income of no more than \$52,734; 11 percent of all households had incomes below poverty level.

Kearny Bank has \$1.3 billion in deposits within this AA, representing 55 percent of the bank’s total deposits. The number of offices within this AA is 12, or 29 percent of the bank’s total offices. No offices are in low-income census tracts and one of the offices is in a moderate-income census tract. This AA is in a highly competitive banking environment, served by several national and large regional banks. As of June 30, 2013, Kearny Bank ranked 11th out of 65 institutions in this AA with a 1.6 percent deposit market share. The bank’s major competitors include Bank of America with a 30.0 percent market share, TD Bank with a 9.8 percent market share, and Hudson City Savings Bank with a 9.3 percent market share.

In this AA, the median housing value was \$437,279. Of the approximately 396 thousand owner-occupied housing units within the AA, 1.5 percent are located in low- income census tracts and 7.9 percent are located in moderate-income census tracts; 34.9 percent of all rental units are located in low- and moderate-income census tracts; 18.1 percent of the AA’s single family (1-4 units) homes and 31.3 percent of all multifamily housing are located in low- and moderate-income census tracts. Throughout the AA, 21 percent of all households have rental costs that exceed 30 percent of income.

The top employer in Bergen County is Hackensack University Medical Center. The top employer in Hudson County is Bank of America. The top employer in Passaic County is St. Joseph's Hospital.

As of December 2013, the Bureau of Labor Statistics (BLS) reported the unemployment rate for Bergen County as 5.3 percent, for Hudson County as 6.6 percent, and Passaic County as 8.1 percent. For the same time, the BLS reported the unemployment rate for New Jersey as 6.7 percent and the national unemployment rate also at 6.7 percent.³

³ The national unemployment rate is seasonally adjusted. The unemployment rate for the counties and the state are not seasonally adjusted.

Newark-Union, NJ-PA MD (35084)

Demographic Information for Full-Scope Area: Kearny Bank AA 35084 2012 and 2013						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	418	19.14	26.08	21.05	33.25	0.48
Population by Geography	1,812,744	15.00	24.04	22.36	38.34	0.26
Owner-Occupied Housing by Geography	381,440	4.72	14.79	26.51	53.98	0.00
Businesses by Geography	155,913	11.20	17.75	22.75	47.97	0.33
Farms by Geography	2,452	3.34	8.08	25.53	63.05	0.00
Family Distribution by Income Level	442,965	24.36	16.64	18.62	40.38	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	181,610	25.51	35.10	20.63	18.75	0.01
Median Family Income	= \$87,598					
HUD Adjusted Median Family Income for 2013	= \$90,100					
Households Below the Poverty Level	= 10%					
				Median Housing Value	= \$413,605	
				Unemployment Rate	= 6.4% (BLS-Dec 2013)	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, 2013 HUD updated MFI, and Bureau of Labor Statistics.

Kearny Bank has defined this assessment area (AA) to include the whole counties of Essex, Morris, and Union. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2013 HUD adjusted median family income for this AA was \$90,100. Within this AA, 24.4 percent of the families were low-income, earning a median income of \$44,960 or less; 16.6 percent were moderate-income, earning a median income of no more than \$71,990; 10 percent of all households had incomes below poverty level.

Kearny Bank has \$297 million in deposits within this AA, representing 12 percent of the bank's total deposits. The number of offices within this AA is 7, or 17 percent of the bank's total offices. One office is in a low-income census tract and no offices are in moderate-income census tracts. This AA is in a highly competitive banking environment, served by several national and large regional banks. As of June 30, 2013, Kearny Bank ranked 22nd out of 55 institutions in this AA with a .44 percent deposit market share. The bank's major competitors include Wells Fargo Bank with a 17.2 percent market share, New York Community Bank with a 9.6 percent market share, and TD Bank with an 8.9 percent market share.

In this AA, the median housing value was \$413,605. Of the approximately 381 thousand owner-occupied housing units within the AA, 4.7 percent are located in low-income census tracts and 14.8 percent are located in moderate-income census tracts; 66.1 percent of all rental units are located in low- and moderate-income census tracts; 34.4 percent of the AA's single family (1-4 units) homes and 60.8 percent of all multifamily housing are located in low- and moderate-income census tracts. Throughout the AA, 18 percent of all households have rental costs that exceed 30 percent of income.

The top employers in Essex County are Prudential Financial, United Airlines, and Rutgers University-Newark. The top employer in Morris County is Novartis. The top employer in Union County is Merck.

As of December 2013, the Bureau of Labor Statistics (BLS) reported the unemployment rate for Essex County as 8.0 percent, for Morris County as 4.8 percent, and Union County as 6.9 percent. For the same time, the BLS reported the unemployment rate for New Jersey as 6.7 percent and the national unemployment rate also at 6.7 percent.⁴

⁴ The national unemployment rate is seasonally adjusted. The unemployment rate for the counties and the state are not seasonally adjusted

New York-Jersey City-White Plains, NY-NJ MD (35614)

Demographic Information for Full-Scope Area: Kearny Bank AA 35614 2014						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	888	5.07	15.54	24.77	54.05	0.56
Population by Geography	4,057,413	4.32	15.50	24.18	55.98	0.02
Owner-Occupied Housing by Geography	941,602	1.08	9.16	22.64	67.12	0.00
Businesses by Geography	328,935	3.14	11.92	21.81	63.06	0.07
Farms by Geography	5,650	0.90	5.33	18.23	75.54	0.00
Family Distribution by Income Level	1,008,425	16.81	13.81	17.24	52.14	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	308,753	8.77	27.23	28.96	35.04	0.00
Median Family Income	= \$68,006					
HUD Adjusted Median Family Income for 2014	= \$68,900					
Households Below the Poverty Level	= 9%					
				Median Housing Value	= \$410,414	
				Unemployment Rate	= 5.8% (BLS-Dec 2014)	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, 2014 HUD updated MFI and Bureau of Labor Statistics.

In 2014, there was a change in MSA boundaries, which affected Kearny Bank's assessment area. The following counties, which were previously part of other MDs, became part of the New York-Jersey City-White Plains, NY-NJ 35614 MD: Bergen, Hudson, Passaic, Middlesex, Monmouth, and Ocean. These counties comprise one AA for Kearny Bank. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2014 HUD adjusted median family income for this AA was \$68,900. Within this AA, 16.8 percent of the families were low-income, earning a median income of \$34,381 or less; 13.8 percent were moderate-income, earning a median income of no more than \$55,051; 9 percent of all households had incomes below poverty level.

Kearny Bank has \$2.1 billion in deposits within this AA, representing 85 percent of the bank's total deposits. The number of offices within this AA is 34, or 81 percent of the bank's total offices. No office is in a low-income census tract and four offices are in moderate-income census tracts. This AA is in a highly competitive banking environment, served by several national and large regional banks. As of June 30, 2014, Kearny Bank ranked 14th out of 96 institutions in this AA with a 1.5 percent deposit market share. The bank's major competitors include Bank of America with a 20.9 percent market share, TD Bank with a 10.3 percent market share, and Wells Fargo Bank with a 9.3 percent market share.

In this AA, the median housing value was \$410,414. Of the approximately 942 thousand owner-occupied housing units within the AA, 1.1 percent are located in low-income census tracts and 9.2 percent are located in moderate-income census tracts; 34.2 percent of all rental units are located in low- and moderate-income census tracts; 16.1 percent of the AA's single family (1-4 units) homes and 29.7

percent of all multifamily housing are located in low- and moderate-income census tracts. Throughout the AA, 16 percent of all households have rental costs that exceed 30 percent of income.

The top employer in Bergen County is Hackensack University Medical Center. The top employer in Hudson County is Bank of America. The top employer in Passaic County is St. Joseph's Hospital. The top employers in Middlesex County are Rutgers State University and RWJ University Hospital. The top employers in Monmouth County are Meridian Health and Saker ShopRites, Inc. The top employers in Ocean County are NAVAIR at Joint Base McGuire-Dix-Lakehurst and Six Flags Theme Park.

As of December 2014, the Bureau of Labor Statistics (BLS) reported the unemployment rate for Bergen County as 4.5 percent, for Hudson County as 5.6 percent, for Passaic County as 7.0 percent, for Middlesex County as 5.1 percent, for Monmouth County as 5.2 percent, and Ocean County as 6.4 percent. For the same time, the BLS reported the unemployment rate for New Jersey as 5.8 percent and the national unemployment rate as 5.6 percent.⁵

⁵ The national unemployment rate is seasonally adjusted. The unemployment rates for the counties and the state are not seasonally adjusted.

Newark, NJ-PA MD (35084)

Demographic Information for Full-Scope Area: Kearny Bank AA 35084 2014						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	418	21.77	24.40	22.49	30.86	0.48
Population by Geography	1,812,744	17.03	23.19	23.87	35.65	0.26
Owner-Occupied Housing by Geography	381,440	5.48	15.19	29.29	50.05	0.00
Businesses by Geography	155,913	12.92	16.94	24.92	44.90	0.33
Farms by Geography	2,452	3.67	8.44	28.55	59.34	0.00
Family Distribution by Income Level	442,965	25.26	16.98	18.72	39.03	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	187,149	28.23	33.11	21.43	17.22	0.01
Median Family Income	= \$90,123					
HUD Adjusted Median Family Income for 2014	= \$96,300					
Households Below the Poverty Level	= 10%					
				Median Housing Value	= \$413,605	
				Unemployment Rate	= 5.5% (BLS-Dec 2014)	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 U.S. Census, 2014 HUD updated MFI and Bureau of Labor Statistics.

Kearny Bank has defined this assessment area (AA) to include the whole counties of Essex, Morris, and Union. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The 2014 HUD adjusted median family income for this AA was \$96,300. Within this AA, 25.3 percent of the families were low-income, earning a median income of \$48,054 or less; 17.0 percent were moderate-income, earning a median income of no more than \$76,944; 10 percent of all households had incomes below poverty level.

Kearny Bank has \$287 million in deposits within this AA, representing 12 percent of the bank’s total deposits. The number of offices within this AA is 7, or 17 percent of the bank’s total offices. One office is in a low-income census tract and no offices are in moderate-income census tracts. This AA is in a highly competitive banking environment, served by several national and large regional banks. As of June 30, 2014, Kearny Bank ranked 25th out of 52 institutions in this AA with a .41 percent deposit market share. The bank’s major competitors include Wells Fargo Bank with a 19.2 percent market share, New York Community Bank with a 10.4 percent market share, and TD Bank with an 8.7 percent market share.

In this AA, the median housing value was \$413,605. Of the approximately 381 thousand owner-occupied housing units within the AA, 5.5percent are located in low- income census tracts and 15.2percent are located in moderate-income census tracts; 67.7percent of all rental units are located in low- and moderate-income census tracts; 35.6 percent of the AA’s single family (1-4 units) homes and 61.7 percent of all multifamily housing are located in low- and moderate-income census tracts. Throughout the AA, 18 percent of all households have rental costs that exceed 30percent of income.

The top employers in Essex County are Prudential Financial, United Airlines, and Rutgers University-Newark. The top employer in Morris County is Novartis. The top employer in Union County is Merck.

As of December 2014, the Bureau of Labor Statistics (BLS) reported the unemployment rate for Essex County as 6.9 percent, for Morris County as 4.2 percent, and Union County as 6.0 percent. For the same time, the BLS reported the unemployment rate for New Jersey as 5.8 percent and the national unemployment rate as 5.6 percent.⁶

⁶ The national unemployment rate is seasonally adjusted. The unemployment rates for the counties and the state are not seasonally adjusted.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For

borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: KEARNY BANK AA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area (2013):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans		Total Reported Loans		% of Rated Area Deposits in MA/AA
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Kearny AA 20764 2012 and 2013	46.60	516	101,881	189	41,903	0	0	0	0	705	143,784	33.00
Kearny AA 35084 2012 and 2013	18.90	262	107,966	24	9,828	0	0	0	0	286	117,794	12.00
Kearny AA 35644 2012 and 2013	34.50	489	231,130	33	12,488	0	0	0	0	522	243,618	55.00
Full Review:												
Kearny AA 35084 2014	19.43	78	36,238	17	6,924	0	0	0	0	95	43,162	15.00
Kearny AA 35614 2014	80.57	273	91,564	121	29,069	0	0	0	0	394	120,633	85.00

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: KEARNY BANK AA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Kearny AA 20764 2012 and 2013	62	41.06	4.85	8.06	17.88	24.19	53.72	41.94	23.55	25.81	4.12	17.71	51.70	26.47
Kearny AA 35084 2012 and 2013	24	15.89	4.72	12.50	14.79	0.00	26.51	8.33	53.98	79.17	4.66	12.45	24.89	58.00
Kearny AA 35644 2012 and 2013	65	43.05	1.46	0.00	7.93	3.08	21.30	15.38	69.31	81.54	1.54	7.40	17.98	73.08
Full Review:														
Kearny AA 35084 2014	26	22.22	5.48	0.00	15.19	0.00	29.29	34.62	50.05	65.38	0.00	0.00	0.00	0.00
Kearny AA 35614 2014	91	77.78	1.08	0.00	9.16	5.49	22.64	15.38	67.12	79.12	0.00	0.00	0.00	0.00

* Based on 2013 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT												Geography: KEARNY BANK AA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014			
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp					
Full Review:																			
Kearny AA 20764 2012 and 2013	151	46.75	4.85	2.65	17.88	12.58	53.72	64.90	23.55	19.87	3.57	15.96	53.15	27.32					
Kearny AA 35084 2012 and 2013	69	21.36	4.72	1.45	14.79	2.90	26.51	18.84	53.98	76.81	3.20	9.95	21.99	64.86					
Kearny AA 35644 2012 and 2013	103	31.89	1.46	0.00	7.93	1.94	21.30	14.56	69.31	83.50	0.58	6.44	16.59	76.39					
Full Review:																			
Kearny AA 35084 2014	18	18.37	5.48	0.00	15.19	0.00	29.29	22.22	50.05	77.78	0.00	0.00	0.00	0.00					
Kearny AA 35614 2014	80	81.63	1.08	0.00	9.16	1.25	22.64	28.75	67.12	70.00	0.00	0.00	0.00	0.00					

* Based on 2013 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE											Geography: KEARNY BANK AA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*							
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp				
Full Review:																		
Kearny AA 20764 2012 and 2013	294	43.49	4.85	2.04	17.88	13.95	53.72	60.20	23.55	23.81	3.08	13.69	54.16	29.07				
Kearny AA 35084 2012 and 2013	141	20.86	4.72	0.00	14.79	2.84	26.51	20.57	53.98	76.60	2.84	9.47	23.85	63.84				
Kearny AA 35644 2012 and 2013	241	35.65	1.46	0.41	7.93	3.32	21.30	18.67	69.31	77.59	1.22	6.16	16.81	75.81				
Full Review:																		
Kearny AA 35084 2014	22	22.22	5.48	0.00	15.19	0.00	29.29	9.09	50.05	90.91	0.00	0.00	0.00	0.00				
Kearny AA 35614 2014	77	77.78	1.08	0.00	9.16	5.19	22.64	23.38	67.12	71.43	0.00	0.00	0.00	0.00				

* Based on 2013 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: KEARNY BANK AA								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units**	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp	
Full Review:															
Kearny AA 20764 2012 and 2013	9	7.69	12.28	55.56	24.30	11.11	51.27	11.11	12.15	22.22	22.93	26.75	41.40	8.92	
Kearny AA 35084 2012 and 2013	28	23.93	29.84	46.43	30.91	28.57	22.02	21.43	17.23	3.57	36.22	42.14	13.21	8.43	
Kearny AA 35644 2012 and 2013	80	68.38	9.15	23.75	22.12	38.75	24.44	20.00	44.29	17.50	12.72	37.72	27.46	22.11	
Full Review:															
Kearny AA 35084 2014	12	32.43	32.87	58.33	28.84	33.33	21.99	0.00	16.30	8.33	0.00	0.00	0.00	0.00	
Kearny AA 35614 2014	25	67.57	8.30	28.00	21.45	28.00	26.41	20.00	43.84	24.00	0.00	0.00	0.00	0.00	

* Based on 2013 Peer Mortgage Data -- US and PR

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2010 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES														Geography: KEARNY BANK AA		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014			
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income								
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp					
Full Review:																			
Kearny AA 20764 2012 and 2013	189	76.83	5.59	5.29	16.15	18.52	52.02	51.85	26.19	24.34	10.45	19.23	44.08	26.24					
Kearny AA 35084 2012 and 2013	24	9.76	11.20	4.17	17.75	33.33	22.75	29.17	47.97	33.33	7.46	13.51	22.82	56.21					
Kearny AA 35644 2012 and 2013	33	13.41	3.90	3.03	10.68	3.03	24.21	36.36	61.11	57.28	2.54	8.76	24.14	64.56					
Full Review:																			
Kearny AA 35084 2014	17	12.32	12.92	23.53	16.94	5.88	24.92	11.76	44.90	58.82	00.0	00.0	00.0	00.0					
Kearny AA 35614 2014	121	87.68	3.14	0.00	11.92	8.26	21.81	26.45	63.06	65.29	0.00	0.00	0.00	0.00					

* Based on 2013 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2013).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: KEARNY BANK AA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data			
	#	% of Total**	% Families***	% BANK Loans****	% Families ⁷	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Kearny AA 20764 2012 and 2013	62	41.06	21.59	4.84	18.50	24.19	22.30	35.48	37.61	35.48	9.47	25.80	25.59	39.13
Kearny AA 35084 2012 and 2013	24	15.89	24.36	5.00	16.64	25.00	18.62	10.00	40.38	60.00	3.95	18.80	23.79	53.46
Kearny AA 35644 2012 and 2013	65	43.05	18.62	0.00	13.33	4.62	16.22	15.38	51.83	80.00	0.43	5.52	20.27	73.79
Full Review:														
Kearny AA 35084 2014	26	22.22	25.26	0.00	16.98	15.38	18.72	34.62	39.03	50.00	0.00	0.00	0.00	0.00
Kearny AA 35614 2014	91	77.78	16.81	0.00	13.81	5.56	17.24	17.78	52.14	76.67	0.00	0.00	0.00	0.00

* Based on 2013 Peer Mortgage Data -- US and PR

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by BANK.

⁷ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: KEARNY BANK AA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data			
	#	% of Total**	% Families**	% BANK Loans****	% Families ⁸	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Kearny AA 20764 2012 and 2013	151	46.75	21.59	6.84	18.50	18.80	22.30	26.50	37.61	47.86	11.86	21.42	25.02	41.70
Kearny AA 35084 2012 and 2013	69	21.36	24.36	0.00	16.64	9.26	18.62	27.78	40.38	62.96	5.84	13.86	20.39	59.91
Kearny AA 35644 2012 and 2013	103	31.89	18.62	0.00	13.33	7.41	16.22	17.28	51.83	75.31	2.13	6.51	17.77	73.58
Full Review:														
Kearny AA 35084 2014	18	18.37	25.26	5.88	16.98	17.65	18.72	11.76	39.03	64.71	0.00	0.00	0.00	0.00
Kearny AA 35614 2014	80	81.63	16.81	1.28	13.81	10.26	17.24	17.95	52.14	70.51	0.00	0.00	0.00	0.00

* Based on 2013 Peer Mortgage Data -- US and PR

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 22.0% of loans originated and purchased by BANK.

⁸ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: KEARNY BANK AA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				Aggregate Lending Data			
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families ₉	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****				
Full Review:														
Kearny AA 20764 2012 and 2013	294	43.49	21.59	7.37	18.50	15.44	22.30	27.37	37.61	49.82	9.02	18.96	26.71	45.31
Kearny AA 35084 2012 and 2013	141	20.86	24.36	1.47	16.64	12.50	18.62	18.38	40.38	67.65	4.63	12.34	22.11	60.92
Kearny AA 35644 2012 and 2013	241	35.65	18.62	0.88	13.33	7.46	16.22	13.60	51.83	78.07	2.40	5.23	14.35	78.02
Full Review:														
Kearny AA 35084 2014	22	22.22	25.26	4.55	16.98	4.55	18.72	13.64	39.03	77.27	0.00	0.00	0.00	0.00
Kearny AA 35614 2014	77	77.78	16.81	0.00	13.81	6.67	17.24	9.33	52.14	84.00	0.00	0.00	0.00	0.00

* Based on 2013 Peer Mortgage Data -- US and PR

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

*** Percentage of Families is based on the 2010 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 4.0% of loans originated and purchased by BANK.

⁹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: KEARNY BANK AA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data	
	#	% of Total**	% of Businesses ***	% BANK Loans ****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Kearny AA 20764 2012 and 2013	189	76.83	73.71	41.27	48.15	22.22	29.63	51,639	25,139
Kearny AA 35084 2012 and 2013	24	9.76	72.15	70.83	12.50	16.67	70.83	36,942	17,296
Kearny AA 35644 2012 and 2013	33	13.41	71.76	84.85	27.27	18.18	54.55	45,459	21,110
Full Review:									
Kearny AA 35084 2014	17	12.32	72.15	29.41	11.76	17.65	70.59	0	0
Kearny AA 35614 2014	121	87.68	72.70	41.32	45.45	23.97	30.58	0	0

* Based on 2013 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.91% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: KEARNY BANK AA				Evaluation Period: OCTOBER 22, 2012 TO AUGUST 17, 2015			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
KEARNY BANK AA	128	60,825	59	76,448	187	137,273	100.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: KEARNY BANK AA Evaluation Period: JAN 1, 2012 TO DEC 31, 2014																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Kearny AA 20764 2012 and 2013	33.00	22	53.66	0.00	13.64	31.82	54.55	0	0	0	0	0	0	7.94	18.96	51.66	21.43
Kearny AA 35084 2012 and 2013	12.00	7	17.07	14.29	0.00	42.86	42.86	0	0	0	0	0	0	15.00	24.04	22.36	38.34
Kearny AA 35644 2012 and 2013	55.00	12	29.27	0.00	8.33	33.33	58.33	0	0	0	0	0	0	5.71	16.99	25.43	51.85
Full Review:																	
Kearny AA 35084 2014	12.00	7	16.67	14.29	0.00	42.86	42.86	0	0	0	0	0	0	15.00	24.04	22.36	38.34
Kearny AA 35614 2014 (NY)	88.00	35	83.33	0.00	14.29	34.29	51.43	2	1	0	1	1	- 1	10.26	25.48	33.52	30.69

