

Investors Bancorp Inc  
Form S-4/A  
April 02, 2009

**Table of Contents**

**As filed with the Securities and Exchange Commission on April 2, 2009**

**Registration No. 333-157444**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**PRE-EFFECTIVE AMENDMENT NO. 2  
TO THE  
FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
INVESTORS BANCORP, INC.  
(Exact name of registrant as specified in its charter)**

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**6022**

(Primary Standard Industrial  
Classification Code Number)

**22-3493930**

(I.R.S. Employer  
Identification Number)

**101 JFK Parkway  
Short Hills, New Jersey 07078  
(973) 924-5100**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of  
Registrant's Principal Executive Offices)

**Kevin Cummings  
101 JFK Parkway  
Short Hills, New Jersey 07078  
(973) 924-5100**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of  
Agent for Service)

Copies to:

**Marc Levy, Esq.  
John J. Gorman, Esq.  
Luse Gorman Pomerenk & Schick, P.C.  
5335 Wisconsin Avenue, N.W., Suite 400  
Washington, D.C. 20015  
Phone: (202) 274-2000**

**James S. Fleischer, Esq.  
Silver, Freedman & Taff, LLP  
3299 K Street, NW Suite 100  
Washington, D.C. 20007  
Phone: (202) 295-4507**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per share</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee</b>
Common Stock, \$0.01 par value per share	7,007,325 shares (1)	(2)	\$59,728,306(2)	\$ 2,348(3)

(1) Represents the maximum number of shares of Investors Bancorp common stock that may be issued in connection with the proposed merger to which this Registration Statement relates.

(2) Pursuant to Rule 457(f), the registration fee was computed on the basis of \$9.25, the market value of the common stock of

American Bancorp of New Jersey, Inc. to be exchanged or cancelled in the merger, computed in accordance with Rule 457(c) on the basis of the average of the high and low price per share of such common stock quoted on the Nasdaq Global Market on February 17, 2009, and 10,859,692 shares of common stock of American Bancorp of New Jersey, Inc. that may be received by the Registrant and/or cancelled upon consummation of the merger.

- (3) Registration fee of \$2,348 previously paid on February 20, 2009.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**Table of Contents**

[AMERICAN BANCORP OF NEW JERSEY, INC. LOGO]

**To the Stockholders of American Bancorp of New Jersey, Inc.:**

**A Merger Proposal Your Vote Is Very Important**

On December 14, 2008, as amended on March 9, 2009, the board of directors of American Bancorp of New Jersey, Inc. unanimously approved a merger agreement between American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc. pursuant to which American Bancorp of New Jersey, Inc. will be merged with and into Investors Bancorp, Inc. American Bancorp of New Jersey, Inc. is sending you this document to ask you to vote on the adoption of the merger agreement with Investors Bancorp, Inc.

If the merger agreement is adopted and the merger is subsequently completed, each outstanding share of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive either:

\$12.50 in cash; or

0.9218 shares of Investors Bancorp, Inc. common stock for each share of American Bancorp of New Jersey, Inc. common stock.

Stockholders may elect to receive all cash, all Investors Bancorp, Inc. common stock, or a combination of both for their American Bancorp of New Jersey, Inc. common stock. You will have the opportunity to elect the form of consideration to be received for your shares, subject to allocation procedures set forth in the merger agreement which are intended to ensure that 65% of the outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive shares of Investors Bancorp, Inc. common stock and the remaining 35% of the outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive cash. Therefore, your ability to receive all stock, all cash or the allocation of both that you elect may depend on the elections of other American Bancorp of New Jersey, Inc. stockholders. Investors Bancorp, Inc. common stock trades on the Nasdaq Global Select Market under the symbol ISBC and American Bancorp of New Jersey, Inc. trades on the Nasdaq Global Market under the symbol ABNJ.

In the event that by May 31, 2009, Investors Bancorp, Inc. has not received the required regulatory approvals to issue shares of Investors Bancorp, Inc. common stock in the Merger, Investors Bancorp, Inc. may elect to proceed with the Merger on an all cash basis and merge a newly created merger subsidiary with and into American Bancorp of New Jersey.

American Bancorp of New Jersey, Inc. has scheduled an annual meeting so its stockholders can vote on the merger agreement, as well as vote on the election of one director and ratify the appointment of American Bancorp of New Jersey, Inc. s independent auditors for the year ending September 30, 2009. American Bancorp of New Jersey, Inc. board of directors unanimously recommends that its stockholders vote **FOR** the merger agreement, vote **FOR** American Bancorp of New Jersey, Inc. s nominee to the American Bancorp of New Jersey, Inc. board of directors and vote **FOR** the ratification of Crowe Horwath LLP as its independent auditors for the year ending September 30, 2009.

This document serves two purposes. It is the proxy statement being used by the American Bancorp of New Jersey, Inc. board of directors to solicit proxies for use at its annual meeting. It is also the prospectus of Investors Bancorp, Inc. regarding Investor Bancorp, Inc. common stock to be issued if the merger is completed. This document describes the merger in detail and includes a copy of the merger agreement as *Appendix A*.

The merger cannot be completed unless a majority of the issued and outstanding shares of common stock of American Bancorp of New Jersey, Inc. vote to adopt the merger agreement. Whether or not you plan to attend the annual meeting of stockholders, please take the time to vote by completing the enclosed proxy card and mailing it in the enclosed envelope. **If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR adoption of the merger agreement. If you fail to vote, or you do not instruct your broker how to vote any shares held for you in street name, it will have the same effect as voting AGAINST the merger agreement.**

This proxy statement-prospectus gives you detailed information about the annual meeting of stockholders to be held on \_\_\_\_\_, 2009, the merger and other related matters. You should carefully read this entire document, including the appendices. **In particular, you should carefully consider the discussion in the section entitled Risk Factors on page \_\_\_\_.**



**Table of Contents**

On behalf of the board of directors, I thank you for your prompt attention to this important matter.

Joseph Kliminski  
Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this document is accurate or complete. Any representation to the contrary is a criminal offense.**

**The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

This document is dated \_\_\_\_\_, and is first being mailed on or about \_\_\_\_\_.

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**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

Both Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. file annual, quarterly and annual reports, proxy statements and other information with the Securities and Exchange Commission. You may obtain copies of these documents by mail from the public reference room of the Securities and Exchange Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference room. In addition, Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. file reports and other information with the Securities and Exchange Commission electronically, and the Securities and Exchange Commission maintains a web site located at <http://www.sec.gov> containing this information.

This document incorporates important business and financial information about Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. from documents that are not included in or delivered with this proxy statement-prospectus. These documents are available without charge to you upon written or oral request at the applicable company's address and telephone number listed below:

Investors Bancorp, Inc.  
101 JFK Parkway  
Short Hills, New Jersey 07078  
Attention: Patricia E. Brown,  
Corporate Secretary  
(973) 924-5100

American Bancorp of New Jersey, Inc.  
365 Broad Street  
Bloomfield, New Jersey 07003-2798  
Attention: Richard M. Bzdek,  
Corporate Secretary  
(973) 748-3600

**To obtain timely delivery, you must request the information no later than \_\_\_\_\_, 2009.**

Investors Bancorp, Inc. has filed a registration statement on Form S-4 to register with the Securities and Exchange Commission up to \_\_\_\_\_ shares of Investors Bancorp, Inc. common stock. This document is a part of that registration statement. As permitted by Securities and Exchange Commission rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits at the addresses set forth above. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. have previously filed with the Securities and Exchange Commission. They contain important information about the companies and their financial condition. See Incorporation of Certain Documents by Reference on page \_\_\_\_.

Investors Bancorp, Inc. common stock is traded on the Nasdaq Global Select Market under the symbol ISBC and American Bancorp of New Jersey, Inc. common stock is traded on the Nasdaq Global Market under the symbol ABNJ.

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Table of Contents

**AMERICAN BANCORP OF NEW JERSEY, INC.  
365 BROAD STREET  
BLOOMFIELD, NEW JERSEY 07003-2798  
NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON \_\_\_\_\_, 2009**

NOTICE IS HEREBY GIVEN that the annual meeting of the stockholders of American Bancorp of New Jersey, Inc. will be held at its corporate headquarters, located at 365 Broad Street, Bloomfield, New Jersey, at \_\_\_p.m. New York time, on \_\_\_\_\_, 2009, for the following purposes:

1. To adopt the Agreement and Plan of Merger by and between Investors Bancorp, Inc., and American Bancorp of New Jersey, Inc., dated as of December 14, 2008, as amended, and the transactions contemplated by the merger agreement, as discussed in the attached proxy statement-prospectus;
2. To elect one director of American Bancorp of New Jersey, Inc. for a four-year term;
3. To ratify the appointment of Crowe Horwath LLP, as American Bancorp of New Jersey, Inc. s independent auditors for the fiscal year ending September 30, 2009; and
4. To transact any other business that properly comes before the annual meeting of stockholders, or any adjournments or postponements of the annual meeting, including, without limitation, a motion to adjourn the annual meeting to another time or place for the purpose of soliciting additional proxies in order to approve the merger agreement and the merger.

The proposed merger is described in more detail in this proxy statement-prospectus, which you should read carefully in its entirety before voting. A copy of the merger agreement is attached as Appendix A to this document. Only American Bancorp of New Jersey, Inc. stockholders of record as of the close of business on \_\_\_\_\_, are entitled to notice of and to vote at the annual meeting of stockholders or any adjournments of the annual meeting.

**Your vote is very important. To ensure your representation at the annual meeting of stockholders, please complete, execute and promptly mail your proxy card in the return envelope enclosed.** This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Your proxy may be revoked at any time before it is voted.

BY ORDER OF THE BOARD OF  
DIRECTORS

Joseph Kliminski  
Chief Executive Officer

Bloomfield, New Jersey  
\_\_\_\_\_, 2009

**AMERICAN BANCORP OF NEW JERSEY, INC. S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE MERGER AGREEMENT, ITS DIRECTOR NOMINEE AND ITS INDEPENDENT AUDITORS.**

**PLEASE MARK, SIGN, DATE AND RETURN YOUR PROXY CARD PROMPTLY, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING OF STOCKHOLDERS.**

**DO NOT SEND STOCK CERTIFICATES WITH THE PROXY CARD. UNDER SEPARATE COVER, WHICH IS BEING SENT ON OR ABOUT THE DATE THIS PROXY**

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**Table of Contents**

**STATEMENT-PROSPECTUS IS BEING MAILED, YOU WILL RECEIVE AN ELECTION FORM WITH INSTRUCTIONS FOR DELIVERING YOUR STOCK CERTIFICATES.**

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**Table of Contents**

**TABLE OF CONTENTS**

	Page
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	I
<u>QUESTIONS AND ANSWERS ABOUT VOTING AT THE ANNUAL MEETING OF STOCKHOLDERS</u>	1
<u>ANNUAL MEETING SUMMARY</u>	5
<u>MERGER SUMMARY</u>	7
<u>SELECTED HISTORICAL FINANCIAL DATA FOR INVESTORS BANCORP, INC. AND AMERICAN BANCORP OF NEW JERSEY, INC.</u>	14
<u>COMPARATIVE PRO FORMA PER SHARE DATA</u>	19
<u>RISK FACTORS</u>	21
<u>AMERICAN BANCORP OF NEW JERSEY, INC. ANNUAL MEETING OF STOCKHOLDERS</u>	29
<u>PROPOSAL I: THE PROPOSED MERGER</u>	31
<u>General</u>	31
<u>The Parties</u>	31
<u>Investors Savings Bank</u>	32
<u>Merger Consideration; Cash or Stock Election</u>	34
<u>Election Procedures; Surrender of Stock Certificates</u>	37
<u>Treatment of American Bancorp of New Jersey, Inc. Stock Options and Restricted Stock</u>	39
<u>Reasons and Background for the Merger</u>	39
<u>Recommendation of the American Bancorp of New Jersey, Inc. Board of Directors and Reasons for the Merger</u>	44
<u>Opinion of Financial Advisor</u>	46
<u>Employee Matters</u>	51
<u>Management and Operations of American Bank of New Jersey After the Merger</u>	54
<u>Effective Date of Merger</u>	54
<u>Conduct of Business Pending the Merger</u>	55
<u>Representations and Warranties</u>	55
<u>Conditions to the Merger</u>	56
<u>Regulatory Approvals Required for the Merger</u>	57
<u>No Solicitation</u>	59
<u>Termination; Amendment; Waiver</u>	60
<u>Fees and Expenses</u>	62
<u>Resale of Investors Bancorp, Inc. common stock</u>	66
<u>Accounting Treatment</u>	66
<u>Comparison of the Rights of Shareholders</u>	68
<u>Description of Capital Stock of Investors Bancorp, Inc.</u>	76
<u>Common Stock</u>	76
<u>Certain Provisions of the Investors Bancorp, Inc. Certificate of Incorporation and Bylaws</u>	77
<u>PROPOSAL II: AMERICAN BANCORP OF NEW JERSEY, INC. ELECTION OF DIRECTORS</u>	80
<u>Board of Directors Meetings, Board Committees and Corporate Governance Matters</u>	82
<u>Director Independence</u>	83
<u>Committees and Charters</u>	83
<u>Report of the Audit Committee of the Board of Directors</u>	87
<u>Relationship with Independent Auditors</u>	89
<u>Director Compensation</u>	89
<u>Executive Compensation</u>	91
<u>Employment Agreements</u>	106

<u>Potential Payments Upon Termination of Employment</u>	109
<u>Compensation Committee Report</u>	114
<u>Certain Relationships and Related Transactions</u>	114

---

**Table of Contents**

	Page
<u>Stock Trading and Dividend Information</u>	115
<u>Beneficial Ownership of American Bancorp of New Jersey, Inc. Common Stock</u>	117
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	118
<u>PROPOSAL III: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITORS</u>	119
<u>PROPOSAL IV: ADJOURNMENT OF THE ANNUAL MEETING</u>	120
<u>OTHER MATTERS</u>	120
<u>EXPERTS</u>	120
<u>LEGAL OPINIONS</u>	120
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	121
<u>FORWARD-LOOKING STATEMENTS</u>	122
APPENDICES	
A. Agreement and Plan of Merger by and between Investors Bancorp, Inc., and American Bancorp of New Jersey, Inc., dated December 14, 2008 and First Amendment to Merger Agreement, dated as of March 9, 2009	A-1
B. Opinion of Keefe, Bruyette & Woods, Inc.	B-1
<u>EX-23.1: CONSENT OF KPMG LLP</u>	
<u>EX-23.2: CONSENT OF CROWE HORWATH LLP</u>	
<u>EX-23.3: CONSENT OF KEEFE BRUYETTE &amp; WOODS, INC.</u>	

---

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT VOTING AT THE  
ANNUAL MEETING OF STOCKHOLDERS**

**Q: WHAT DO I NEED TO DO NOW?**

A: After you have carefully read this document, indicate on your proxy card how you want your shares to be voted. Then sign and mail your proxy card in the enclosed prepaid return envelope as soon as possible. This will enable your shares to be represented and voted at the annual meeting.

**Q: WHY IS MY VOTE IMPORTANT?**

A: The merger agreement must be adopted by a majority of the issued and outstanding shares of American Bancorp of New Jersey, Inc. common stock. A failure to vote will have the same effect as a vote against the merger agreement. Directors are elected by a plurality of the votes cast, in person or by proxy, at the annual meeting by holders of American Bancorp of New Jersey, Inc. common stock. Ratification of the appointment of Crowe Horwath LLP, as our independent auditors for the fiscal year ending September 30, 2009, requires the affirmative vote of the majority of shares cast, in person or by proxy, at the annual meeting by holders of American Bancorp of New Jersey, Inc. common stock.

**Q: IF MY BROKER HOLDS MY SHARES IN STREET NAME WILL MY BROKER AUTOMATICALLY VOTE MY SHARES FOR ME?**

A: No. Your broker will not be able to vote your shares on the merger proposal without instructions from you. You should instruct your broker to vote your shares, following the directions your broker provides. Your broker can vote your shares on all other proposals without your instructions.

**Q: WHAT IF I FAIL TO INSTRUCT MY BROKER TO VOTE MY SHARES?**

A: If you fail to instruct your broker to vote your shares, the broker will submit an unvoted proxy (a broker non-vote) as to your shares. Broker non-votes will count toward a quorum at the annual meeting. However, broker non-votes will not count as a vote with respect to the merger agreement, and therefore will have the same effect as a vote against the merger agreement.

**Q: CAN I ATTEND THE ANNUAL MEETING AND VOTE MY SHARES IN PERSON?**

A: Yes. All stockholders are invited to attend the annual meeting. Stockholders of record can vote in person at the annual meeting by executing a proxy ballot. If a broker holds your shares in street name, then you are not the stockholder of record and you must ask your broker how you can vote your shares at the annual meeting.

**Q: CAN I CHANGE MY VOTE?**

A: Yes. If you have not voted through your broker, you can change your vote after you have sent in your proxy card by:

providing written notice to the Secretary of American Bancorp of New Jersey, Inc.;

submitting a new proxy card. Any earlier proxies will be revoked automatically; or

attending the annual meeting and voting in person. Any earlier proxy will be revoked. However, simply attending the annual meeting without voting will not revoke your proxy.

**Table of Contents**

If you have instructed a broker to vote your shares, you must follow your broker's directions to change your vote.

**Q: HOW DO I REGISTER MY ELECTION TO RECEIVE CASH, INVESTORS BANCORP, INC. COMMON STOCK OR A COMBINATION OF BOTH?**

**A:** Each American Bancorp of New Jersey, Inc. stockholder should complete and return an election form, along with your American Bancorp of New Jersey, Inc. stock certificate(s), according to the instructions printed on the form. The election deadline will be 5:00 p.m., New York time on \_\_\_\_\_. The election form will be mailed under separate cover on or about **[Mailing Date]** to holders of American Bancorp of New Jersey, Inc. common stock on **[Election Form Record Date]**. If you own shares of American Bancorp of New Jersey, Inc. common stock in street name through a bank, broker or other financial institution and you wish to make an election, you should seek instructions from the financial institution holding your shares concerning how to make your election. If you do not send in the election form with your stock certificate(s) by the \_\_\_\_\_ deadline, you will be treated as though you had not made an election. Once you sign and return your election form, you will no longer be able to trade or sell your shares of American Bancorp of New Jersey, Inc. common stock.

**Q: SHOULD I SEND IN MY STOCK CERTIFICATES NOW?**

**A:** **Please DO NOT** send your stock certificates with your proxy card. An election form will be sent to you under separate cover. If you desire to make an election you should send your American Bancorp of New Jersey, Inc. common stock certificates to the exchange agent with your completed, signed election form prior to the election deadline of 5:00 p.m. New York time on \_\_\_\_\_.

**Q: WHEN DO YOU EXPECT THE MERGER TO BE COMPLETED?**

**A:** Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. currently expect to complete the merger in the second quarter of 2009, assuming all of the conditions to completion of the merger have been satisfied.

**Q: WHAT WILL STOCKHOLDERS OF AMERICAN BANCORP OF NEW JERSEY, INC. RECEIVE IN THE MERGER?**

**A:** If the merger agreement is adopted and the merger is subsequently completed, each outstanding share of American Bancorp of New Jersey, Inc. common stock (other than any dissenting shares) will be converted into the right to receive either:

\$12.50 in cash, assuming payment solely of cash in exchange for American Bancorp of New Jersey, Inc. common stock; or

0.9218 shares of Investors Bancorp, Inc. common stock for each share of American Bancorp of New Jersey, Inc. common stock, assuming payment solely of Investors Bancorp, Inc. common stock in exchange for American Bancorp of New Jersey, Inc. common stock.

Stockholders may elect to receive all cash, all Investors Bancorp, Inc. common stock, or a combination of both for their American Bancorp of New Jersey, Inc. common stock. You will have the opportunity to elect the form of consideration to be received for your shares, subject to allocation procedures set forth in the merger agreement which are intended to ensure that 65% of the outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive shares of Investors Bancorp, Inc. common stock and the remaining 35% of the outstanding shares of

**Table of Contents**

American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive cash. Therefore, your ability to receive all stock, all cash or the allocation of both that you elect may depend on the elections of other American Bancorp of New Jersey, Inc. stockholders. In the event that by May 31, 2009, Investors Bancorp, Inc. has not received the required regulatory approvals to issue shares of Investors Bancorp, Inc. common stock in the Merger, Investors Bancorp, Inc. may elect to proceed with the Merger on an all cash basis and merge a newly created merger subsidiary with and into American Bancorp.

**Q: CAN THE VALUE OF THE CONSIDERATION TO BE RECEIVED BY STOCKHOLDERS OF AMERICAN BANCORP OF NEW JERSEY, INC. CHANGE?**

A: Yes. The stock portion of the merger consideration is subject to a fixed exchange ratio, the value of which will depend upon the value of the common stock of Investors Bancorp, Inc. as of the closing of the transaction. The value of Investors Bancorp, Inc. common stock has fluctuated significantly over the last several months, as have the stocks of many financial services companies.

The following table shows trading information for American Bancorp of New Jersey, Inc. common stock and Investors Bancorp, Inc. common stock as of market close on December 12, 2008, March 13, 2009 and \_\_\_\_\_, 2009. December 12, 2008 was the last trading date before the parties announced the merger and March 13, 2009 was the last trading date before the parties announced the first amendment to the merger agreement. [date TBA] is a recent date before this proxy statement-prospectus was finalized.

<b>Date</b>	<b>Investors Bancorp, Inc. Common Stock</b>	<b>American Bancorp of New Jersey, Inc. Common Stock</b>	<b>Equivalent Value, Including the Cash Consideration, for Each American Bancorp of New Jersey, Inc. Share</b>
December 12, 2008	\$ 13.56	\$ 8.75	\$ 12.50
March 13, 2009	\$ 7.81	\$ 8.72	\$ 9.05
_____, 2009	\$	\$	\$

Investors Bancorp, Inc. s common stock has decreased significantly in value since December 12, 2008. During the period of December 12, 2008 through March \_\_\_, 2009, the value of Investors Bancorp, Inc. common stock has ranged from a low of \$\_\_\_to a high of \$\_\_\_. Therefore, given the fixed exchange ratio of 0.9218, stockholders of American Bancorp of New Jersey, Inc. would have received from \$\_\_\_to \$\_\_\_in Investors Bancorp, Inc. common stock. We note that the value of the total cash and stock consideration ultimately received by stockholders of American Bancorp of New Jersey, Inc. could be less than the book value of American Bancorp of New Jersey, Inc. and may be less than the trading value of American Bancorp of New Jersey Inc. common stock.

**Q: WHY WAS THE MERGER AGREEMENT AMENDED IN MARCH 2009?**

A: Given the significant volatility in the stock market, particularly as it relates to financial services companies, the parties agreed to increase the aggregate amount of cash consideration that will be paid to the stockholders of American Bancorp of New Jersey, Inc. from 30% to 35% of the total merger consideration. In addition, and in conjunction with the above, the provision enabling American Bancorp of New Jersey, Inc. to terminate the merger agreement in the event the price of Investors Bancorp, Inc. s stock declines and declines by more than the decline in a peer group index, as well as the formula that Investors Bancorp, Inc. can use to increase the merger consideration under certain circumstances were also revised. Under the amended merger agreement, American Bancorp of New Jersey, Inc. may



**Table of Contents**

terminate the merger agreement if Investors Bancorp, Inc. stock price declines by more than 30% from \$13.56 and this decline is more than 30% greater than the decline in the SNL Thrift Index.

**Q: WHOM SHOULD I CALL WITH QUESTIONS?**

**A:** You should direct any questions regarding the annual meeting of stockholders or the merger to Eric B. Heyer, SVP and Chief financial Officer of American Bancorp of New Jersey, Inc., at (973) 748-3600 or American Bancorp of New Jersey, Inc.'s proxy solicitor, \_\_\_\_, at (\_\_\_\_) \_\_\_\_\_. The final allocation of cash and shares of Investors Bancorp, Inc. common stock will not be known until immediately prior to the conclusion of the merger, which is expected to be in the second quarter of 2009.

**Table of Contents**

**ANNUAL MEETING SUMMARY**

This is a summary of certain information regarding the proposed merger and the stockholder meetings to vote on the merger agreement contained in this document. It does not contain all of the information that may be important to you. We urge you to carefully read the entire document, including the Appendices, before deciding how to vote.

**What This Document Is About**

The boards of directors of American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc. have approved the merger agreement, as amended, between American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc. pursuant to which American Bancorp of New Jersey, Inc. will merge with and into Investors Bancorp, Inc. The merger cannot be completed unless the stockholders of American Bancorp of New Jersey, Inc. adopt the merger agreement, as amended. References to the merger agreement in this Proxy Statement refer to the merger agreement as amended. American Bancorp of New Jersey, Inc.'s stockholders will vote on the merger agreement at the American Bancorp of New Jersey, Inc.'s annual meeting, at which they will also vote on the election of one director and the ratification of Crowe Horwath LLP as independent auditors for the year ending September 30, 2009. This document is the Proxy Statement used by American Bancorp of New Jersey, Inc. to solicit proxies for its annual meeting. It is also the Prospectus of Investors Bancorp, Inc. regarding the Investors Bancorp, Inc. common stock to be issued to American Bancorp of New Jersey, Inc. stockholders if the merger is completed.

**The American Bancorp of New Jersey, Inc. Annual Meeting**

Date, Time and Place	American Bancorp of New Jersey, Inc. will hold its annual meeting of stockholders on _____, 2009, ___ a.m., at _____, New Jersey.
Record Date	_____, 2009.
Shares Entitled to Vote	_____ shares of American Bancorp of New Jersey, Inc. common stock were outstanding on the Record Date and entitled to vote at the American Bancorp of New Jersey, Inc. annual meeting.
Purpose of the Annual Meeting	To consider and vote on the merger agreement, the election of one director and the ratification of Crowe Horwath LLP as American Bancorp of New Jersey, Inc.'s independent auditors for the year ending September 30, 2009.
Vote Required	A majority of the outstanding shares of American Bancorp of New Jersey, Inc. common stock entitled to vote must be cast in favor of adoption of the merger agreement. Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees being proposed is withheld. The ratification of Crowe Horwath LLP as independent

Table of Contents

auditors is determined by a majority of the votes cast, without regard to broker non-votes or proxies marked ABSTAIN.

As of the record date, the directors and executive officers of American Bancorp of New Jersey, Inc. and their affiliates beneficially owned \_\_\_\_\_ shares, or approximately \_\_\_% of the outstanding shares, of American Bancorp of New Jersey, Inc. common stock, and all such persons have indicated their intention to vote their shares in favor of the adoption of the merger agreement with Investors Bancorp, Inc. In addition, at the time the merger agreement with Investors Bancorp, Inc. was signed, each director and executive officer of American Bancorp of New Jersey, Inc. entered into a separate letter agreement with Investors Bancorp, Inc., pursuant to which, among other things, they agreed to vote or cause to be voted all shares over which they maintain sole or shared voting power in favor of adoption of the merger agreement.

The American Bancorp of New Jersey, Inc. Board Recommends You Vote in Favor of the Proposals

American Bancorp of New Jersey, Inc.'s directors have unanimously approved the merger agreement and unanimously recommend that American Bancorp of New Jersey, Inc. stockholders vote **FOR** adoption of the merger agreement, **FOR** the nominee listed in this Proxy Statement/Prospectus for the American Bancorp of New Jersey, Inc. board and **FOR** the ratification of Crowe Horwath LLP as independent auditors for the year ending September 30, 2009.

**Table of Contents**

**MERGER SUMMARY**

This summary highlights selected information included in this document and does not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents to which we refer you before you decide how to vote with respect to the merger agreement. In addition, we incorporate by reference important business and financial information about American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc. into this document. For a description of this information, see **Incorporation of Certain Documents by Reference** on page \_\_. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled **Where You Can Find More Information** on the inside front cover of this document. Each item in this summary includes a page reference directing you to a more complete description of that item.

This document, including information included or incorporated by reference in this document, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to: (i) statements of goals, intentions and expectations; (ii) statements regarding business plans, prospects, growth and operating strategies; (iii) statements regarding the asset quality of loan and investment portfolios; (iv) statements regarding estimates of risks and future costs and benefits; and (iv) other statements identified by words such as *expects, anticipates, intends, plans, believes, seeks, estimates*, words of similar meaning. These forward-looking statements are based on current beliefs and expectations of the management of Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements. See **Forward Looking Statements** on page \_\_.

**THE MERGER**

**The merger agreement is attached to this document as Appendix A. We encourage you to read this agreement carefully, as it is the legal document that governs the merger of American Bancorp of New Jersey, Inc. with and into Investors Bancorp, Inc.**

**Parties to the Merger**

**Investors Bancorp, Inc. (page 31)**

**Investors Savings Bank**

Investors Bancorp, Inc., headquartered in Short Hills, New Jersey, is the holding company for Investors Savings and operates 52 branches in New Jersey. As of December 31, 2008, Investors Bancorp, Inc. had consolidated assets of \$7.2 billion, deposits of \$4.2 billion and stockholders' equity of \$753.8 million.

At December 31, 2008, Investors Bancorp, MHC, Investors Bancorp, Inc.'s New Jersey chartered mutual holding company parent, held 64,844,373 shares of Investors Bancorp, Inc. common stock or 59.46% of the Investor Bancorp, Inc.'s outstanding common stock.

The principal executive office of Investors Bancorp, Inc. is located at 101 JFK Parkway, Short Hills, New Jersey 07078 and the telephone number is (973) 924-5100.

**Table of Contents**

**American Bancorp of New Jersey, Inc. (page \_\_\_)**

**American Bank of New Jersey**

American Bancorp of New Jersey, Inc. is the bank holding company of American Bank of New Jersey, headquartered in Bloomfield, New Jersey. American Bank of New Jersey operates five branch offices. As of December 31, 2008, American Bancorp of New Jersey, Inc. had assets of \$628.8 million, deposits of \$459.2 million and stockholders' equity of \$92.4 million. American Bancorp of New Jersey, Inc.'s principal executive office is located at 365 Broad Street, Bloomfield, New Jersey 07003-2798, and the telephone number is (973) 748-3600.

**What American Bancorp of New Jersey, Inc. Stockholders Will Receive In the Merger (page 34)**

If the merger agreement is adopted and the merger is subsequently completed, each outstanding share of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive:

\$12.50 in cash, assuming payment solely of cash in exchange for American Bancorp of New Jersey, Inc. common stock; or

0.9218 shares of Investors Bancorp, Inc. common stock for each share of American Bancorp of New Jersey, Inc. common stock, assuming payment solely of Investors Bancorp, Inc. common stock in exchange for American Bancorp of New Jersey, Inc. common stock.

Stockholders may elect to receive all cash, all Investors Bancorp, Inc. common stock, or a combination of both for their American Bancorp of New Jersey, Inc. common stock. You will have the opportunity to elect the form of consideration to be received for your shares, subject to allocation procedures set forth in the merger agreement which are intended to ensure that 65% of the outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive shares of Investors Bancorp, Inc. common stock and the remaining 35% of the outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive cash. Therefore, your ability to receive all stock, all cash or the allocation of both that you elect may depend on the elections of other American Bancorp of New Jersey, Inc. stockholders.

The following table shows trading information for American Bancorp of New Jersey, Inc. common stock and Investors Bancorp, Inc. common stock as of market close on December 12, 2008, March 13, 2009 and \_\_\_\_\_, 2009. December 12, 2008 was the last trading date before the parties announced the merger and March 13, 2009 was the last trading date before the parties announced the first amendment to the merger agreement. [date TBA] is a recent date before this proxy statement-prospectus was finalized.

<b>Date</b>	<b>Investors Bancorp, Inc. Common Stock</b>	<b>American Bancorp of New Jersey, Inc. Common Stock</b>	<b>Equivalent Value, Including the Cash Consideration, for Each American Bancorp of New Jersey, Inc. Share</b>
December 12, 2008	\$ 13.56	\$ 8.75	\$ 12.50
March 13, 2009	\$ 7.81	\$ 8.72	\$ 9.05
_____, 2009	\$	\$	\$

Investors Bancorp, Inc.'s common stock has decreased significantly in value since December 12, 2008. During the period of December 12, 2008 through March \_\_\_, 2009, the value of Investors Bancorp, Inc. common stock has ranged from a low of \$\_\_\_ to a high of \$\_\_\_. Therefore, given the fixed exchange

**Table of Contents**

ratio of 0.9218, stockholders of American Bancorp of New Jersey, Inc. would have received from \$\_\_\_ to \$\_\_\_ in Investors Bancorp, Inc. common stock. We note that the value of the total cash and stock consideration ultimately received by stockholders of American Bancorp of New Jersey, Inc. could be less than the book value of American Bancorp of New Jersey, Inc. and may be less than the trading value of American Bancorp of New Jersey, Inc. common stock.

**Election of Cash or Stock Consideration (page 34)**

So that you can make an election, you will be receiving under separate cover an election form that you may use to indicate whether your preference is to receive cash, Investors Bancorp, Inc. common stock or a combination of cash and Investors Bancorp, Inc. common stock. If you hold your stock certificates, you will need to return the election form along with your stock certificates, to the exchange agent by \_\_\_\_\_ at 5:00 p.m., New York time. If your shares are held in street name, follow the written instructions from your broker regarding the registration of your election. **American Bancorp of New Jersey, Inc. stockholders who make an election will be unable to sell their American Bancorp of New Jersey, Inc. common stock from the time the election is made until the merger is completed.**

The actual form of merger consideration that each American Bancorp of New Jersey, Inc. stockholder will receive will be subject to proration so that 65% of the outstanding American Bancorp of New Jersey, Inc. common stock will be exchanged for shares of Investors Bancorp, Inc. common stock and 35% of the outstanding American Bancorp of New Jersey, Inc. common stock will be exchanged for cash. Therefore, if American Bancorp of New Jersey, Inc. stockholders elect to receive cash for more than 35% of the outstanding shares of American Bancorp of New Jersey, Inc., the amount of cash that each such stockholder would receive from Investors Bancorp, Inc. will be reduced on a pro rata basis. Instead, these stockholders will receive Investors Bancorp, Inc. common stock as consideration for any American Bancorp of New Jersey, Inc. shares for which they do not receive cash. Similarly, if American Bancorp of New Jersey, Inc. stockholders elect to receive Investors Bancorp, Inc. common stock for more than 65% of the outstanding shares of American Bancorp of New Jersey, Inc., the amount of Investors Bancorp, Inc. common stock that each such stockholder would receive from Investors Bancorp, Inc. will be reduced on a pro rata basis. Instead, such stockholders will receive cash as consideration for any American Bancorp of New Jersey, Inc. shares for which they do not receive Investors Bancorp, Inc. common stock. In the event that by May 31, 2009, Investors Bancorp, Inc. has not received the required regulatory approvals to issue shares of Investors Bancorp, Inc. common stock in the Merger, Investors Bancorp, Inc. may elect to proceed with the Merger on an all cash basis and merge a newly created merger subsidiary with and into American Bancorp of New Jersey.

Your allocation of the consideration you will receive for your shares of American Bancorp of New Jersey, Inc. may also be adjusted if the aggregate value for the Investors Bancorp, Inc. common stock to be delivered as of the effective time of the merger minus the amount of cash paid in lieu of fractional shares of Investors Bancorp, Inc. common stock (the *Stock Value* ) is less than 42.5% of the sum of (i) the aggregate value of the Investors Bancorp, Inc. common stock and cash to be delivered as of the effective time of the merger, plus (ii) the value of any consideration described in Treasury Regulations Section 1.368-1(e)(1)(ii), plus (iii) the value of any consideration paid by Investors Bancorp, Inc. or any of its subsidiaries or any related person of either within the meaning of Treasury Regulations Section 1.368-1(e)(3)) to acquire shares of American Bancorp of New Jersey, Inc. common stock prior to the effective time of the merger (such sum, the *Aggregate Value* ), then Investors Bancorp, Inc. may reduce the number of shares of outstanding American Bancorp of New Jersey, Inc. common stock entitled to receive cash, and correspondingly increase the number of shares of American Bancorp of New Jersey, Inc. common stock entitled to receive Investors Bancorp, Inc. common stock by the minimum amount necessary to cause the *Stock Value* to equal 42.5% of the *Aggregate Value*.

**Table of Contents**

**If you do not make an election, you may receive the merger consideration in all cash, all common stock or a combination of cash and common stock.**

**Material United States Federal Income Tax Consequences of the Merger (page 62)**

Investors Bancorp, Inc. will not be required to complete the merger unless it receives a legal opinion from its counsel to the effect that the merger will qualify as a tax-free reorganization for United States federal income tax purposes.

We expect that, for United States federal income tax purposes, you generally will not recognize any taxable gain or loss with respect to your shares of American Bancorp of New Jersey, Inc. common stock if you receive only shares of Investors Bancorp, Inc. common stock in the merger, except with respect to any cash received in lieu of a fractional share interest in Investors Bancorp, Inc. common stock.

If you receive solely cash for your shares of American Bancorp of New Jersey, Inc. common stock, you will recognize a taxable gain or loss equal to the excess of the amount of such cash over your basis in the American Bancorp of New Jersey, Inc. common stock. If you receive a combination of cash and stock in exchange for your shares of American Bancorp of New Jersey, Inc. common stock, you will generally recognize a taxable gain with respect to the excess of the cash and value of Investors Bancorp, Inc. common stock you receive over your basis in the American Bancorp of New Jersey, Inc. common stock exchanged therefore, but in any case not in excess of the amount of cash received by you in the merger.

You should read **Material United States Federal Income Tax Consequences of the Merger** starting on page \_\_\_ for a more complete discussion of the federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You should consult your tax advisor to fully understand the tax consequences of the merger to you.

**Your Board of Directors Unanimously Recommends Stockholder Approval of the Merger (page 36)**

The board of directors of American Bancorp of New Jersey, Inc. believes that the merger presents a unique opportunity to merge with a leading community financial institution that will have significantly greater financial strength and earning power than American Bancorp of New Jersey, Inc. would have on its own.

As a result, American Bancorp of New Jersey, Inc.'s board of directors unanimously approved the merger agreement. American Bancorp of New Jersey, Inc.'s board of directors believes that the merger and the merger agreement are fair to and in the best interests of American Bancorp of New Jersey, Inc. and its stockholders and unanimously recommends that you vote **FOR** adoption of the merger agreement.

**Opinion of American Bancorp of New Jersey, Inc.'s Financial Advisor (page 43 and Appendix B)**

In connection with the merger, the board of directors of American Bancorp of New Jersey, Inc. received the written opinion of Keefe Bruyette & Woods, Inc., American Bancorp of New Jersey, Inc.'s financial advisors, as to the fairness, from a financial point of view, of the consideration to be received in the merger by holders of American Bancorp of New Jersey, Inc. common stock. The full text of the opinion of Keefe Bruyette & Woods, Inc., is included in this document as Appendix B. American Bancorp of New Jersey, Inc. encourages you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations of the review

**Table of Contents**

undertaken by Keefe Bruyette & Woods, Inc. The opinion of Keefe Bruyette & Woods, Inc. is directed to American Bancorp of New Jersey, Inc.'s board of directors and does not constitute a recommendation to you or any other stockholder as to how to vote with respect to the merger, the form of consideration to be elected in the merger, or any other matter relating to the proposed transaction. Keefe Bruyette & Woods, Inc. will receive a fee for its services in connection with the merger, including rendering the fairness opinion, a significant portion of which is contingent upon consummation of the merger.

**No Dissenters Rights of Appraisal (page 67)**

Under the New Jersey Business Corporation Act, holders of American Bancorp of New Jersey, Inc. common stock do not have the right to obtain an appraisal of the value of their shares of American Bancorp of New Jersey, Inc. common stock in connection with the merger.

**Interests of American Bancorp of New Jersey, Inc.'s Directors and Officers In the Merger (page 51)**

In considering the recommendation of the board of directors of American Bancorp of New Jersey, Inc. to approve the merger, you should be aware that executive officers and directors of American Bancorp of New Jersey, Inc. have employment and other compensation agreements or plans that give them interests in the merger that are somewhat different from, or in addition to, their interests as American Bancorp of New Jersey, Inc. stockholders.

**Regulatory Approvals Required For the Merger (page 57)**

We cannot complete the merger without the prior approval or non-objection of the Federal Deposit Insurance Corporation, the Federal Reserve Board of Governors and the New Jersey Department of Banking and Insurance. Investors Bancorp, Inc. is in the process of seeking these approvals. While we do not know of any reason why Investors Bancorp, Inc. would not be able to obtain the necessary approvals in a timely manner, we cannot assure you that these approvals and non-objections will occur or what the timing may be or that these approvals and non-objections will not be subject to one or more conditions that affect the advisability of the merger. The New Jersey Department of Banking and Insurance approved the bank merger on March 10, 2009.

**Conditions to the Merger (page 56)**

Completion of the merger depends on a number of conditions being satisfied or waived, including the following:  
American Bancorp of New Jersey, Inc. stockholders must have adopted the merger agreement;

with respect to each of American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc., the representations and warranties of the other party to the merger agreement must be materially true and correct;

the Federal Deposit Insurance Corporation, the New Jersey Department of Banking and Insurance and the Federal Reserve Board of Governors each has approved or not objected to the merger and all statutory waiting periods must have expired;

there must be no statute, rule, regulation, order, injunction or decree in existence which prohibits or makes completion of the merger illegal;



**Table of Contents**

there must be no litigation, statute, law, regulation, order or decree by which the merger is restrained or enjoined;

Investors Bancorp, Inc.'s registration statement of which this document is a part shall have become effective and no stop order suspending its effectiveness shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the Securities and Exchange Commission;

the shares of Investors Bancorp, Inc. common stock to be issued to American Bancorp of New Jersey, Inc. stockholders in the merger must have been approved for listing on the Nasdaq Global Select Market;

neither American Bancorp of New Jersey, Inc. nor Investors Bancorp, Inc. shall have suffered a material adverse effect since September 30, 2007 or June 30, 2008, respectively;

Investors Bancorp, Inc. must have received a legal opinion from its legal counsel that the merger will qualify as a tax-free reorganization under United States federal income tax laws; and

all necessary third party consents shall have been obtained.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived or whether or not the merger will be completed.

**No Solicitation (page 59)**

American Bancorp of New Jersey, Inc. has agreed, subject to certain limited exceptions, not to initiate discussions with another party regarding a business combination with such other party while the merger with Investors Bancorp, Inc. is pending.

**Termination of the Merger Agreement (page 60)**

Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. may mutually agree at any time to terminate the merger agreement without completing the merger, even if the American Bancorp of New Jersey, Inc. stockholders have approved it. Also, either party may decide, without the consent of the other party, to terminate the merger agreement under specified circumstances, including if the merger is not consummated by September 30, 2009, if the required regulatory approvals are not received or if the other party breaches its agreements. American Bancorp of New Jersey, Inc. may also terminate if Investors Bancorp, Inc.'s stock price falls below thresholds set forth in the merger agreement and Investors Bancorp, Inc. does not increase the merger consideration pursuant to a prescribed formula. Please note that approval of the merger agreement by American Bancorp of New Jersey, Inc. stockholders authorizes its Board of Directors to terminate the merger agreement under certain circumstances or proceed with the merger at its sole discretion, if the Board of Directors believes such action to be in the best interests of its stockholders, regardless of the then current value of the consideration to be received by American Bancorp of New Jersey, Inc. stockholders.

**Table of Contents**

**Termination Fee (page 60)**

If the merger is terminated pursuant to specified situations in the merger agreement (and American Bancorp of New Jersey, Inc. accepts a superior proposal), American Bancorp of New Jersey, Inc. may be required to pay a termination fee to Investors Bancorp, Inc. of \$5.6 million. American Bancorp of New Jersey, Inc. agreed to this termination fee arrangement in order to induce Investors Bancorp, Inc. to enter into the merger agreement. The termination fee requirement may discourage other companies from trying or proposing to combine with American Bancorp of New Jersey, Inc. before the merger is completed.

**Differences in Rights of Stockholders (page 77)**

The rights of American Bancorp of New Jersey, Inc. stockholders who continue as Investors Bancorp, Inc. stockholders after the merger will be governed by Delaware law and the certificate of incorporation and bylaws of Investors Bancorp, Inc. rather than the certificate of incorporation and bylaws of American Bancorp of New Jersey, Inc.

**Table of Contents****SELECTED HISTORICAL FINANCIAL DATA FOR INVESTORS BANCORP, INC. AND  
AMERICAN BANCORP OF NEW JERSEY, INC.****Investors Bancorp, Inc. Selected Historical Financial and Other Data**

The summary information presented below at or for the years ended June 30, 2008, 2007 and 2006 is derived in part from and should be read in conjunction with the consolidated financial statements of Investors Bancorp, Inc. for the years ended June 30, 2008, 2007 and 2006 and the related notes thereto incorporated by reference in this Proxy Statement/Prospectus. The selected consolidated financial data at or for the six months ended September 30, 2008 and 2007 are derived from financial statements of Investors Bancorp, Inc. that have not been audited by independent accountants. However, in the opinion of management, the selected consolidated financial data for such periods includes all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the data. Operating results for the six months ended December 31, 2008 are not necessarily indicative of results that may be expected for the entire year ending June 30, 2009. Prior to October 11, 2005, Investors Bancorp, Inc. had no significant assets, liabilities or operations, and accordingly, the data presented below represents the financial condition and results of operations of Investors Savings bank for periods presented prior to October 11, 2005. On October 11, 2005, Investors Savings Bank completed its conversion from a mutual savings bank to a stock savings bank, and in connection with the conversion, Investors Bancorp, Inc. sold 51,627,094 shares of common stock at \$10.00 per share which resulted in \$509.7 million of net proceeds of which \$255.0 million was used to acquire all of the outstanding common stock of Investors Savings Bank. In addition, Investors contributed \$20.7 million to The Investors Savings Bank Charitable Foundation. You should read this information in conjunction with Investors consolidated financial statements and related notes included in Investors Bancorp, Inc.'s Annual Report on Form 10-K for the Year Ended June 30, 2008, which is incorporated by reference in this Proxy Statement/Prospectus and from which this information is derived. See, [Where You Can Find More Information](#) on page \_\_\_\_.

	<b>At December 31,</b>				<b>At June 30,</b>		
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>(In thousands)</b>						
<b>Selected Financial Condition Data:</b>							
Total assets	\$7,183,786	\$5,988,487	\$6,419,142	\$5,722,026	\$5,631,809	\$5,142,575	\$5,478,750
Loans receivable, net	5,618,185	4,030,724	4,670,150	3,624,998	2,995,435	2,028,045	1,135,782
Loans held-for-sale	16,935	7,143	9,814	3,410	974	3,412	1,428
Securities held to maturity, net	982,952	1,454,233	1,255,054	1,578,922	1,835,581	2,128,944	2,610,374
Securities available for sale, at estimated fair value	176,351	230,712	203,032	257,939	538,526	683,701	1,430,903
Bank owned life insurance	98,153	94,264	96,170	92,198	82,603	79,779	75,975
Deposits	4,232,638	3,891,674	3,970,275	3,768,188	3,419,361	3,373,291	3,411,267
Borrowed funds	2,133,569	1,211,195	1,563,583	1,038,710	1,245,740	1,313,769	1,604,798
	753,799	832,754	828,538	858,859	916,291	423,704	417,041

Stockholders  
equity

14

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**Table of Contents**

	<b>Six Months</b>		<b>Years Ended June 30,</b>				
	<b>Ended December 31,<sup>(1)</sup></b>		<b>2008</b>	<b>2007<sup>(2)</sup></b>	<b>2006<sup>(3)</sup></b>	<b>2005<sup>(4)</sup></b>	<b>2004</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007<sup>(2)</sup></b>	<b>2006<sup>(3)</sup></b>	<b>2005<sup>(4)</sup></b>	<b>2004</b>
	<b>(In thousands)</b>						
<b>Selected Operating Data:</b>							
Interest and dividend income	\$ 181,947	\$ 155,191	\$ 312,807	\$ 285,223	\$ 252,050	\$ 232,594	\$ 215,784
Interest expense	100,299	108,338	207,695	195,263	143,594	128,286	129,159
Net interest income	81,648	46,853	105,112	89,960	108,456	104,308	86,625
Provision for loan losses	13,000	1,949	6,646	729	600	604	593
Net interest income after provision for loan losses	68,648	44,904	98,466	89,231	107,856	103,704	86,032
Non-interest (loss) income	(154,258)	3,820	7,373	3,175	5,972	(2,080)	4,200
Non-interest expenses	45,181	39,465	80,780	77,617	90,877	107,173	58,545
(Loss) income before income tax (benefit) expense	(130,791)	9,259	25,059	14,789	22,951	(5,549)	31,687
Income tax (benefit) expense	(53,323)	3,244	9,030	(7,477)	7,610	(2,986)	11,728
Net (loss) income	(77,468)	6,015	\$ 16,029	\$ 22,266	\$ 15,341	\$ (2,563)	\$ 19,959
Basic (loss) earnings per share <sup>(5)</sup>	\$ (0.75)	\$ 0.06	\$ 0.15	\$ 0.20	\$ 0.07	n/a	n/a
Diluted earnings per share <sup>(5)</sup>	n/a	0.06	0.15	0.20	0.07	n/a	n/a

(1) Six months ended December 31, 2008 results reflect a \$156.7 million pre-tax (\$92.9 million after tax) non-cash other-than-temporary impairment charge on our pooled bank trust preferred CDOs.

(2) June 30, 2007 year end results reflect a

\$9.9 million reversal of previously established valuation allowances for deferred tax assets.

- (3) June 30, 2006 year end results reflect a pre-tax expense of \$20.7 million for the charitable contribution made to Investors Savings Bank Charitable Foundation as part of our initial public offering.
- (4) June 30, 2005 year end results reflect pre-tax expense of \$54.0 million attributable to the March 2005 balance sheet restructuring.
- (5) Basic and diluted earnings per share for the year ended June 30, 2006 include the results of operations from October 11, 2005, the date Investors Bancorp, Inc. completed its initial public offering.

Selected Financial Ratios and Other Data:	At or for the Six Months Ended December 31,		2008	At or For the Years Ended June 30,			2004
	2008	2007		2007	2006	2005	
<b>Performance Ratios:</b>							
Return on assets (ratio of net income or loss to average	(2.24)%	0.20%	0.27%	0.39%	0.28%	(0.05)%	0.36%

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total assets)							
Return on equity (ratio of net income or loss to average equity)	(18.75)%	1.44%	1.92%	2.47%	2.00%	(0.62)%	4.85%
Net interest rate spread <sup>(1)</sup>	2.05%	1.06%	1.28%	1.02%	1.65%	1.82%	1.45%
Net interest margin <sup>(2)</sup>	2.42%	1.64%	1.81%	1.65%	2.06%	2.00%	1.60%
Efficiency ratio <sup>(3)</sup>	(62.22)%	77.88%	71.81%	83.34%	79.42%	104.84%	64.46%
Non-interest expenses to average total assets	1.30%	1.34%	1.35%	1.38%	1.68%	2.00%	1.06%
Average interest-earning assets to average interest-bearing liabilities	1.13x	1.15x	1.15x	1.18x	1.15x	1.07x	1.07x
<b>Asset Quality Ratios:</b>							
Non-performing assets to total assets	0.67%	0.09%	0.30%	0.09%	0.06%	0.15%	0.17%
Non-performing loans to total loans	0.85%	0.14%	0.42%	0.14%	0.11%	0.39%	0.80%
Allowance for loan losses to non-performing loans	55.53%	158.26%	70.03%	135.00%	193.06%	72.77%	57.56%
Allowance for loan losses to total loans	0.47%	0.22%	0.29%	0.19%	0.21%	0.28%	0.46%
<b>Capital Ratios:</b>							
Risk-based capital (to risk-weighted assets) <sup>(4)</sup>	17.35%	23.63%	21.77%	25.18%	26.63%	21.72%	26.64%
Tier I risk-based capital (to risk-weighted assets) <sup>(4)</sup>	16.67%	23.34%	21.37%	24.93%	26.38%	21.44%	26.32%
Total capital (to average assets) <sup>(4)</sup>	9.04%	11.97%	11.93%	12.52%	12.25%	8.35%	7.74%
Equity to total assets	10.49%	13.91%	12.91%	15.01%	16.27%	8.24%	7.61%
Average equity to average assets	11.92%	14.23%	13.94%	15.97%	14.21%	7.75%	7.43%
Tangible capital (to tangible assets)	10.48%	13.91%	12.89%	15.01%	16.26%	8.24%	7.59%
Book value per common share	\$ 7.15	\$ 7.83	\$ 7.87	\$ 7.86	\$ 8.04	n/a	n/a

**Other Data:**

Number of full service offices	52	51	52	51	51	51	50
Full time equivalent employees	554	526	537	509	510	493	486

(1) The net interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted- average cost of interest-bearing liabilities for the period.



**Table of Contents**

- (2) The net interest margin represents net interest income as a percent of average interest-earning assets for the period.
- (3) The efficiency ratio represents non-interest expenses divided by the sum of net interest income and non-interest income.
- (4) Ratios are for Investors Savings Bank and do not include capital retained at the holding company level.

**Table of Contents****American Bancorp of New Jersey, Inc. Selected Historical Financial and Other Data**

The following tables set forth selected historical financial and other data of American Bancorp of New Jersey, Inc. for the periods and at the dates indicated.

	<b>At December 31,</b>		<b>At September 30,</b>				
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>(In thousands)</b>						
<b>SELECTED FINANCIAL DATA:</b>							
Total assets	\$628,827	\$568,700	\$621,633	\$573,738	\$514,319	\$555,860	\$424,944
Cash and cash equivalents	17,933	31,880	20,375	37,421	7,165	125,773	8,034
Securities available-for-sale	79,316	47,673	81,163	58,093	74,523	62,337	89,495
Securities held-to-maturity	7,718	7,564	7,509	6,730	10,547	7,824	2,794
Loans held for sale				1,243		280	
Loans receivable, net	491,405	449,093	478,574	437,883	398,624	341,006	308,970
Federal Home Loan Bank stock	2,473	2,508	2,743	2,553	3,356	3,119	2,890
Cash surrender value of life insurance	13,910	13,347	13,761	13,214	8,747	7,512	6,242
Deposits	459,218	428,988	447,687	428,600	327,147	340,925	322,716
Stock subscriptions received						115,201	
Borrowings	69,530	36,596	75,547	37,612	56,075	53,734	57,491
Total stockholders equity	92,421	96,518	90,848	100,593	124,861	39,506	39,314

	<b>Three Months Ended</b>		<b>Years ended September 30,</b>				
	<b>December 31,</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>2008</b>						
	<b>(In thousands)</b>						
<b>SELECTED OPERATING DATA:</b>							
Total interest income	\$ 8,042	\$ 7,834	\$ 31,437	\$ 29,029	\$ 25,344	\$ 20,601	\$ 18,204
Total interest expense	4,070	4,732	17,397	16,731	11,802	9,546	8,105
Net interest income	3,972	3,102	14,040	12,298	13,542	11,055	10,099
Provision for loan losses	153	139	501	445	465	81	207

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Net interest income after provision for loan losses	3,819	2,963	13,539	11,853	13,077	10,974	9,892
Noninterest income	440	395	1,791	1,422	1,021	1,196	1,298
Noninterest expense	3,413	3,276	13,542	12,544	10,657	8,924	7,657
Income before income tax expense	846	82	1,788	731	3,441	3,246	3,533
Income tax expense (benefit)	291	(11)	560	174	1,308	1,203	1,371
Net income	\$ 555	\$ 93	\$ 1,228	\$ 557	\$ 2,133	\$ 2,043	\$ 2,162

**Table of Contents**

	<b>At or for the Three Months</b>		<b>At or for the Years Ended September 30,</b>				
	<b>Ended December 31, 2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>SELECTED FINANCIAL DATA*:</b>							
<b><i>Performance Ratios:</i></b>							
Return on average assets <sup>(1)</sup>	0.36%	0.07%	0.21%	0.10%	0.42%	0.46%	0.54%
Return on average equity <sup>(2)</sup>	2.47	0.38	1.31	0.51	1.68	5.30	5.77
Net interest rate spread <sup>(3)</sup>	2.15	1.50	1.87	1.44	1.80	2.28	2.28
Net interest margin <sup>(4)</sup>	2.68	2.31	2.50	2.39	2.73	2.60	2.60
Operating (noninterest) expense to average total assets	2.18	2.30	2.27	2.31	2.08	2.02	1.92
Efficiency ratio <sup>(5)</sup>	77.35	93.68	85.54	91.43	73.18	72.84	67.18
Average interest-earning assets to average interest-bearing liabilities	119.44	122.87	120.39	129.35	139.21	114.30	115.67
<b><i>Capital Ratios:</i></b>							
Equity to total assets at end of period	14.70	16.97	14.61	17.53	24.28	7.11	9.25
Average equity to average assets	14.37	17.26	15.65	20.23	24.72	8.74	9.37
<b><i>Asset Quality Ratios:</i></b>							
Non-performing loans to total loans <sup>(6)</sup>	0.39	0.17	0.24	0.28	0.52	0.34	0.17
Non-performing assets to total assets <sup>(6)</sup>	0.30	0.14	0.18	0.22	0.41	0.21	0.12
Net charge-offs to average loans outstanding	0.02	0.00	0.01	0.00	0.00	0.00	0.00
Allowance for loan losses to non-performing loans <sup>(6)</sup>	163.03	347.98	266.97	205.56	101.64	142.62	304.05
Allowance for loan losses to total loans	0.63	0.60	0.63	0.58	0.53	0.48	0.50
<b>PER SHARE DATA:</b>							

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Earnings per share:							
Basic	\$ 0.06	\$ 0.01	\$ 0.12	\$ 0.05	\$ 0.16	\$ 0.15	\$ 0.16
Diluted	\$ 0.06	\$ 0.01	\$ 0.12	\$ 0.05	\$ 0.16	\$ 0.15	\$ 0.16
Cash Dividends Paid							
(7)	\$ 0.05	\$ 0.04	\$ 0.18	\$ 0.16	\$ 0.16	\$ 0.36	\$ 0.00
Dividend Payout							
Ratio	89.37%	461.29%	149.67%	335.19%	99.02%	70.09%	%

\* Certain ratios were significantly affected by stock subscriptions received pending completion of American Bancorp of New Jersey, Inc.'s first and second public offerings. At September 30, 2005, stock subscriptions received relating to American Bancorp of New Jersey Inc.'s second public offering which closed October 5, 2005 totaled \$115.2 million. At the time of closing, approximately \$91.3 million, less offering expenses, became capital of American Bancorp of New Jersey Inc. with the remainder returned on oversubscriptions.

(1) Net income divided by average total assets.

(2) Net income divided by average total equity.

- (3) Difference between weighted average yield on interest-earning assets and weighted average cost of interest-bearing liabilities.
- (4) Net interest income as a percentage of average interest-earning assets.
- (5) Noninterest expense divided by the sum of net interest income and noninterest income.
- (6) Nonperforming loans consist of nonaccrual loans and loans greater than 90 days delinquent and still accruing.
- (7) Cash dividends paid in fiscal 2005 include a special dividend of \$0.294 per share paid in December 2004 and regular quarterly dividends paid in June 2005 and September 2005 of \$0.035 each. American Savings, MHC waived receipt of all dividends in 2005. Consequently, cash dividends were paid only to

public  
shareholders  
during fiscal 2005.

**Table of Contents****Comparative Pro Forma Per Share Data**

The tables below summarize selected per share information about Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. The first table assumes the aggregate merger consideration is in the form of 65% Investors Bancorp, Inc. common stock and the remainder is cash. The second table assumes an all-cash transaction. The Investors Bancorp, Inc. share information is presented on a pro forma basis to reflect the merger with American Bancorp of New Jersey, Inc. The American Bancorp of New Jersey, Inc. per share information is presented both historically and on a pro forma basis to reflect the merger as if the merger had been effective on the date presented for book value per share, and as if the merger had been effective at the beginning of the period presented for dividends and earnings per share.

The data in the table should be read together with the financial information and the financial statements of Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. incorporated by reference in this proxy statement-prospectus. The pro forma per share data or combined results of operations per share data is presented as an illustration only. The data does not necessarily indicate the combined financial position per share or combined results of operations per share that would have been reported if the merger had occurred when indicated, nor is the data a forecast of the combined financial position or combined results of operations for any future period. No pro forma adjustments have been included herein which reflect potential effects of merger integration expenses, cost savings, adjustments for amortization or operational synergies which may be obtained by combining the operations of Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc.

It is further assumed that Investors Bancorp, Inc. will not pay a cash dividend after the completion of the merger. The actual payment of dividends is subject to numerous factors, and no assurance can be given that Investors Bancorp, Inc. will pay dividends following the completion of the merger.

	<b>Investors Bancorp, Inc. Historical</b>	<b>American Bancorp of New Jersey, Inc. Historical (Shares in thousands)</b>	<b>Pro Forma American Bancorp of New Jersey, Inc. Equivalent Shares (1)</b>	<b>Combined Pro Forma Amounts for Investors Bancorp, Inc./American Bancorp of New Jersey, Inc.</b>
Book value per share at December 31, 2008	\$ 7.15	\$ 8.51	\$	\$ 7.18
Shares outstanding at December 31, 2008	109,052,929	10,859,692	6,506,802	115,559,731
Cash dividends paid per common share for the twelve months ended December 31, 2008	\$	0.19		\$
Basic (loss) earnings per share from continuing operations: For the twelve months ended December 31, 2008	(0.65)	0.17		(0.59)



Diluted earnings per share from  
continuing operations:

For the twelve months ended  
December 31, 2008

n/a

0.17

n/a

(1) Calculated by multiplying amounts in the American Bancorp of New Jersey, Inc. historical column by 65% for the stock portion of the merger consideration and then multiplied by a 0.9218 exchange ratio which represents the number of shares of Investors Bancorp, Inc. common stock an American Bancorp of New Jersey, Inc. shareholder will receive for each share of stock owned.

**Table of Contents**

	<b>Investors Bancorp, Inc. Historical</b>	<b>American Bancorp of New Jersey, Inc. Historical (Shares in thousands)</b>	<b>Pro Forma American Bancorp of New Jersey, Inc. Equivalent Shares</b>	<b>Combined Pro Forma Amounts for Investors Bancorp, Inc./American Bancorp of New Jersey, Inc.</b>
Book value per share at December 31, 2008	\$ 7.15	\$ 8.51	\$	\$ 6.79
Shares outstanding at December 31, 2008	109,052,929	10,859,692		109,052,929
Cash dividends paid per common share for the twelve months ended December 31, 2008	\$	0.19		
Basic earnings (loss) per share from continuing operations: For the twelve months ended December 31, 2008	(0.65)	0.17		\$ (0.63)
Diluted earnings (loss) per share from continuing operations: For the twelve months ended December 31, 2008	n/a	0.17		n/a

The following table shows trading information for American Bancorp of New Jersey, Inc. common stock and Investors Bancorp, Inc. common stock as of market close on December 12, 2008, March 13, 2009 and \_\_\_\_\_, 2009. December 12, 2008 was the last trading date before the parties announced the merger and March 13, 2009 was the last trading date before the parties announced the first amendment to the merger agreement. [date TBA] is a recent date before this proxy statement-prospectus was finalized.

<b>Date</b>	<b>Investors Bancorp, Inc. Common Stock</b>	<b>American Bancorp of New Jersey, Inc. Common Stock</b>	<b>Equivalent Value, Including the Cash Consideration for Each American Bancorp of New Jersey, Inc. Share</b>
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December 12, 2008	\$ 13.56	\$ 8.75	\$ 12.50
March 13, 2009	\$ 7.81	\$ 8.72	\$ 9.05
_____, 2009	\$	\$	\$
	20		

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**Table of Contents****RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this proxy statement-prospectus, including the matters addressed under the caption *Forward-Looking Statements*, you should carefully consider the following risk factors in deciding whether to vote for adoption of the merger agreement.*

**Risks Related To The Merger.****You May Not Receive the Form of Merger Consideration that you Elect.**

The merger agreement contains provisions that are designed to ensure that the actual form of merger consideration that each American Bancorp of New Jersey, Inc. stockholder will receive will be subject to proration so that 65% of the outstanding American Bancorp of New Jersey, Inc. common stock will be exchanged for shares of Investors Bancorp, Inc. common stock and 35% of the outstanding American Bancorp of New Jersey, Inc. common stock will be exchanged for cash. Therefore, if American Bancorp of New Jersey, Inc. stockholders elect to receive cash for more than 35% of the outstanding shares of American Bancorp of New Jersey, the amount of cash that each such stockholder would receive from Investors Bancorp, Inc. will be reduced on a pro rata basis. Instead, these stockholders will receive Investors Bancorp, Inc. common stock as consideration for any American Bancorp of New Jersey, Inc. shares for which they do not receive cash. Similarly, if American Bancorp of New Jersey, Inc. stockholders elect to receive Investors Bancorp, Inc. common stock for more than 65% of the outstanding shares of American Bancorp of New Jersey, Inc., the amount of Investors Bancorp, Inc. common stock that each such stockholder would receive from Investors Bancorp, Inc. will be reduced on a pro rata basis. Instead, such stockholders will receive cash as consideration for any American Bancorp of New Jersey, Inc. shares for which they do not receive Investors Bancorp, Inc. common stock. Accordingly, there is a risk that you will not receive a portion of the merger consideration in the form that you elect, which could result in, among other things, tax consequences that differ from those that would have resulted had you received the form of consideration you elected. In the event that by May 31, 2009, Investors Bancorp, Inc. has not received the required regulatory approvals to issue shares of Investors Bancorp, Inc. common stock in the Merger, Investors Bancorp, Inc. may elect to proceed with the Merger on an all cash basis and merge a newly created merger subsidiary with and into American Bancorp of New Jersey, Inc.

An American Bancorp of New Jersey, Inc. stockholder's allocation of the consideration to be received for his or her shares of American Bancorp of New Jersey, Inc. may also be adjusted if the aggregate value of the Investors Bancorp, Inc. common stock to be delivered as of the effective time of the merger minus the amount of cash paid in lieu of fractional shares of Investors Bancorp, Inc. common stock (the *Stock Value*) is less than 42.5% of the sum of (i) the aggregate value of the Investors Bancorp, Inc. common stock and cash to be delivered as of the effective time of the merger, plus (ii) the value of any consideration described in Treasury Regulations Section 1.368-1(e)(1)(ii), plus (iii) cash paid to holders of dissenting shares, plus (iv) the value of any consideration paid by Investors Bancorp, Inc. or any of its subsidiaries (or any related person of either within the meaning of Treasury Regulations Section 1.368-1(e)(3)) to acquire shares of American Bancorp of New Jersey, Inc. common stock prior to the effective time of the merger (such sum, the *Aggregate Value*), then Investors Bancorp, Inc. may reduce the number of shares of outstanding American Bancorp of New Jersey, Inc. common stock entitled to receive cash, and correspondingly increase the number of shares of American Bancorp of New Jersey, Inc. common stock entitled to receive Investors Bancorp, Inc. common stock by the minimum amount necessary to cause the *Stock Value* to equal 42.5% of the *Aggregate Value*.

**Table of Contents****You May Not Receive the Value of Merger Consideration that You Anticipate.**

The stock portion of the merger consideration is subject to a fixed exchange ratio, the value of which will depend upon the value of the common stock of Investors Bancorp, Inc. as of the closing of the transaction. The value of Investors Bancorp, Inc. common stock has fluctuated significantly over the last several months, as have the stocks of many financial services companies.

The following table shows trading information for American Bancorp of New Jersey, Inc. common stock and Investors Bancorp, Inc. common stock as of market close on December 12, 2008, March 13, 2009 and \_\_\_\_\_, 2009. December 12, 2008 was the last trading date before the parties announced the merger and March 13, 2009 was the last trading date before the parties announced the first amendment to the merger agreement. [date TBA] is a recent date before this proxy statement-prospectus was finalized.

<b>Date</b>	<b>Investors Bancorp, Inc. Common Stock</b>	<b>American Bancorp of New Jersey, Inc. Common Stock</b>	<b>Equivalent Value, Including the Cash Consideration, for Each American Bancorp of New Jersey, Inc. Share</b>
December 12, 2008	\$ 13.56	\$ 8.75	\$ 12.50
March 13, 2009	\$ 7.81	\$ 8.72	\$ 9.05
_____, 2009	\$	\$	\$

Investors Bancorp, Inc.'s common stock has decreased significantly in value since December 12, 2008. During the period of December 12, 2008 through March \_\_\_, 2009, the value of Investors Bancorp, Inc. common stock has ranged from a low of \$\_\_\_ to a high of \$\_\_\_. Therefore, given the fixed exchange ratio of 0.9218, stockholders of American Bancorp of New Jersey, Inc. would have received from \$\_\_\_ to \$\_\_\_ in Investors Bancorp, Inc. common stock. We note that the value of the total cash and stock consideration ultimately received by stockholders of American Bancorp of New Jersey, Inc. could be less than the book value of American Bancorp of New Jersey, Inc. and may be less than the trading value of American Bancorp of New Jersey, Inc. common stock.

**Investors Bancorp, Inc. May Fail to Realize the Anticipated Benefits of the Merger.**

The success of the merger will depend on, among other things, Investors Bancorp, Inc.'s ability to realize anticipated cost savings and to combine the businesses of Investors Savings and American Bank of New Jersey in a manner that permits growth opportunities and does not materially disrupt the existing customer relationships of American Bank of New Jersey nor result in decreased revenues resulting from any loss of customers. If Investors Bancorp, Inc. is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. have operated and, until the completion of the merger, will continue to operate, independently. Certain employees of American Bancorp of New Jersey, Inc. will not be employed by Investors Bancorp, Inc. after the merger. In addition, employees of American Bancorp of New Jersey, Inc. that Investors Bancorp, Inc. wishes to retain may elect to terminate their employment as a result of the merger which could delay or disrupt the integration process. It is possible that the integration process could result in the disruption of American Bancorp of New Jersey, Inc.'s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of Investors Bancorp, Inc. to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger.



**Table of Contents**

**Stockholders Who Make Stock Elections Will be Unable to Sell Their Shares in the Market Pending the Merger.**

American Bancorp of New Jersey, Inc. stockholders may elect to receive cash or stock in the merger. Elections will require that stockholders making the election turn in their American Bancorp of New Jersey, Inc. stock certificates. During the time between when the election is made and the merger is completed, American Bancorp of New Jersey, Inc. stockholders will be unable to sell their American Bancorp of New Jersey, Inc. common stock. If the merger is unexpectedly delayed, this period could extend for a significant period of time. American Bancorp of New Jersey, Inc. stockholders can shorten the period during which they cannot sell their shares by delivering their election shortly before the close of the election period. However, elections received after the close of the election period will not be accepted or honored.

**American Bancorp of New Jersey, Inc. Directors and Officers Have Interests in the Merger Besides Those of a Stockholder.**

American Bancorp of New Jersey, Inc. s directors and officers have various interests in the merger besides being American Bancorp of New Jersey, Inc. stockholders. These interests include:

the payment of certain severance benefits under existing employment and severance agreements.

the accelerated vesting of all outstanding unvested restricted stock and stock options, resulting in total outstanding options of 1,168,803 shares of common stock held by American Bancorp of New Jersey, Inc. s executive officers and directors, and the conversion of these options into the right to receive the merger consideration in the form of cash.

the appointment of James H. Ward, III, a current member of the American Bancorp of New Jersey, Inc. board of directors, to the Investors Bancorp, Inc. Board of Directors.

the agreement by Investors Bancorp, Inc. to indemnify American Bancorp of New Jersey, Inc. directors and officers.

the accelerated vesting of the existing Executive Salary Continuation Agreements.

the lump sum payouts to American Bancorp of New Jersey, Inc. s board members pursuant to the Directors Consultation and Retirement Plan.

**Risks About Investors Bancorp, Inc.**

**Our Liabilities Reprice Faster Than Our Assets and Future Increases in Interest Rates Will Reduce Our Profits.**

Our ability to make a profit largely depends on our net interest income, which could be negatively affected by changes in interest rates. Net interest income is the difference between:

the interest income we earn on our interest-earning assets, such as loans and securities; and

**Table of Contents**

the interest expense we pay on our interest-bearing liabilities, such as deposits and borrowings.

The interest income we earn on our assets and the interest expense we pay on our liabilities are generally fixed for a contractual period of time. Our liabilities generally have shorter contractual maturities than our assets. This imbalance can create significant earnings volatility, because market interest rates change over time. In a period of rising interest rates, the interest income earned on our assets may not increase as rapidly as the interest paid on our liabilities. See Management's Discussion and Analysis of Financial Condition and Results of Operations Management of Market Risk.

In addition, changes in interest rates can affect the average life of loans and mortgage-backed and related securities. A reduction in interest rates causes increased prepayments of loans and mortgage-backed and related securities as borrowers refinance their debt to reduce their borrowing costs. This creates reinvestment risk, which is the risk that we may not be able to reinvest the funds from faster prepayments at rates that are comparable to the rates we earned on the prepaid loans or securities. Conversely, an increase in interest rates generally reduces prepayments. Additionally, increases in interest rates may decrease loan demand and/or make it more difficult for borrowers to repay adjustable-rate loans.

Changes in interest rates also affect the current market value of our interest-earning securities portfolio. Generally, the value of securities moves inversely with changes in interest rates. At December 31, 2008, the fair value of our total securities portfolio was \$1.16 billion. Unrealized net losses on securities-available-for-sale are reported as a separate component of equity. To the extent interest rates increase and the value of our available-for-sale portfolio decreases, our stockholders' equity will be adversely affected.

We evaluate interest rate sensitivity using models that estimate the change in our net portfolio value over a range of interest rate scenarios. Net portfolio value is the discounted present value of expected cash flows from assets, liabilities and off-balance sheet contracts. At December 31, 2008, in the event of a 200 basis point increase in interest rates, whereby rates ramp up evenly over a twelve-month period, and assuming management took no action to mitigate the effect of such change, the model projects that we would experience a 5.9% or \$10.6 million decrease in net interest income.

**Because We Intend to Continue to Increase Our Commercial Originations, Our Lending Risk Will Increase.**

At December 31, 2008, our portfolio of commercial real estate, multi-family and construction loans totaled \$757.4 million, or 13.5% of our total loans. We intend to increase our originations of commercial real estate, multi-family and construction loans. In addition we recently began offering commercial and industrial ( C&I ) loans. Commercial real estate, multi-family, construction and C&I loans generally have more risk than one- to four-family residential mortgage loans. As the repayment of commercial real estate loans depends on the successful management and operation of the borrower's properties or related businesses, repayment of such loans can be affected by adverse conditions in the real estate market or the local economy. We anticipate that several of our borrowers will have more than one commercial real estate loan outstanding with us. Consequently, an adverse development with respect to one loan or one credit relationship can expose us to significantly greater risk of loss compared to an adverse development with respect to a one- to four-family residential mortgage loan. Finally, if we foreclose on a commercial real estate loan, our holding period for the collateral, if any, typically is longer than for one- to four-family residential mortgage loans because there are fewer potential purchasers of the collateral. Because we plan to continue to increase our originations of these loans, it may be necessary to increase the level of our allowance for loan losses because of the increased risk characteristics associated



**Table of Contents**

with these types of loans. Any such increase to our allowance for loan losses would adversely affect our earnings.

**The Financial Sector Is Experiencing An Economic Downturn. A Deterioration of Our Current Non-performing Loans or An Increase In The Number of Non-performing Loans Will Have An Adverse Effect On Our Operations.**

Both nationally and in the State of New Jersey we are experiencing an economic downturn that is having a significant impact on the prices of real estate and related assets. The residential and commercial real estate sectors have been adversely affected by weakening economic conditions and may negatively impact our loan portfolio. Total non-performing assets increased from \$19.4 million at June 30, 2008 to \$47.8 million at December 31, 2008, and total non-performing loans as a percentage of total assets increased to 0.67% at December 31, 2008 as compared to 0.30% at June 30, 2008. If loans that are currently non-performing further deteriorate or loans that are currently performing become non-performing loans, we may need to increase our allowance for loan losses, which would have an adverse impact on our financial condition and results of operations.

**Further Decline In Value In Certain Investment Securities Held By Investors Bancorp, Inc. Could Require Write-Downs, Which Would Reduce Our Earnings.**

Our securities portfolio includes pooled trust preferred securities backed by banks, insurance companies, and real estate investment trusts. During the six months ended December 31, 2008, Investors Bancorp, Inc. recorded a \$156.7 million pre-tax non-cash other-than-temporary impairment charge on our pooled bank trust preferred CDOs which resulted in an amortized cost of \$20.8 million for these securities. Continued adverse economic conditions could impact our securities portfolio and result in additional other-than-temporary impairment write-downs which would reduce our earnings.

**Our Expenses Will Increase as a Result of Increases in FDIC Insurance Premiums.**

The FDIC imposes an assessment against all depository institutions for deposit insurance. This assessment is based on the risk category of the institution and, prior to 2009, ranged from 5 to 43 basis points of the institution's deposits. On February 27, 2009, the FDIC published a final rule raising the current deposit insurance assessment rates to a range from 12 to 45 basis points beginning April 1, 2009. Additionally, the FDIC issued an interim final rule that would impose a special 20 basis points special assessment on all insured deposits as of June 30, 2009, which would be payable on September 30, 2009. Investors Bancorp, Inc. estimates that this special assessment will be approximately \$9.4 million for Investors Bancorp, Inc. and approximately \$10.4 million including American Bank of New Jersey on a pro forma basis.

The Emergency Economic Stabilization Act of 2008 (EESA) temporarily increased the limit on FDIC insurance coverage for deposits to \$250,000 through December 31, 2009. In addition, the FDIC announced the Temporary Liquidity Guarantee ( TLG ) Program. The TLG Program covers two programs: the Transaction Account Guarantee Program and the Debt Guarantee program. Investors Bancorp, Inc. has elected to participate in the Transaction Account Guarantee Program, which will increase the insurance coverage for the following deposit accounts in excess of \$250,000: all non-interest bearing accounts, NOW accounts (as long as the interest rate paid is equal to or below 50 basis points) and IOLTA accounts. The cost of the program to Investors Bancorp, Inc. will be 10 basis points annualized and the expiration of the program is December 31, 2009.

These actions will significantly increase Investors Bancorp, Inc.'s non-interest expense in 2009 and in future years as long as the increased premiums are in place.

**Table of Contents**

**If Our Allowance for Loan Losses is Not Sufficient to Cover Actual Loan Losses, Our Earnings Could Decrease.**

We make various assumptions and judgments about the collectability of our loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of our loans. In determining the amount of the allowance for loan losses, we review our loans and our loss and delinquency experience, and we evaluate economic conditions. If our assumptions are incorrect, our allowance for loan losses may not be sufficient to cover losses inherent in our loan portfolio, resulting in additions to our allowance. Material additions to our allowance would materially decrease our net income. Our allowance for loan losses of \$26.5 million was 0.47% of total loans and 55.53% of non-performing loans at December 31, 2008.

In addition, bank regulators periodically review our allowance for loan losses and may require us to increase our provision for loan losses or recognize further loan charge-offs. A material increase in our allowance for loan losses or loan charge-offs as required by these regulatory authorities would have a material adverse effect on our financial condition and results of operations.

**There Is No Assurance That Our Strategy to Change the Mix of Our Assets and Liabilities Will Succeed.**

We previously emphasized investments in government agency and mortgage-backed securities, funded with wholesale borrowings. This policy was designed to achieve profitability by allowing asset growth with low overhead expense, although securities generally have lower yields than loans, resulting in a lower interest rate spread and lower interest income. In October 2003, we implemented a strategy to change the mix of our assets and liabilities to one more focused on loans and retail deposits. As a result of this strategy, at December 31, 2008, our mortgage-backed and other securities accounted for 16.1% of total assets, while our loan portfolio accounted for 78.2% of our total assets.

**Our Inability to Achieve Profitability on New Branches May Negatively Affect Our Earnings.**

We have expanded our presence throughout our market area, and we intend to pursue further expansion through *de novo* branching. The profitability of our expansion strategy will depend on whether the income that we generate from the new branches will offset the increased expenses resulting from operating these branches. We expect that it may take a period of time before these branches can become profitable, especially in areas in which we do not have an established presence. During this period, the expense of operating these branches may negatively affect our net income.

**Our Return on Equity Has Been Low Compared to Other Financial Institutions. This Could Negatively Affect the Price of Our Common Stock.**

Net income divided by average equity, known as return on equity, is a ratio many investors use to compare the performance of a financial institution to its peers. For the year ended June 30, 2008, our return on average equity was 1.92% compared to a return on average equity of 3.01% for all publicly traded savings institutions organized in the mutual holding company form. We expect our return on equity to remain below the industry average until we are able to further leverage the additional capital we received from our 2005 stock offering. Our return on equity has been low principally because of the amount of capital raised in the offering, higher expenses from the costs of being a public company, and added expenses associated with our employee stock ownership plan and the stock-based incentive plan. Until we can increase our net interest income and other income, we expect our return on equity to be below the industry average.

**Table of Contents**

**Strong Competition Within Our Market Area May Limit Our Growth and Profitability.**

Competition in the banking and financial services industry is intense. In our market area, we compete with numerous commercial banks, savings institutions, mortgage brokerage firms, credit unions, finance companies, mutual funds, insurance companies, and brokerage and investment banking firms operating locally and elsewhere. Some of our competitors have substantially greater resources and lending limits than we have, have greater name recognition and market presence that benefit them in attracting business, and offer certain services that we do not or cannot provide. In addition, larger competitors may be able to price loans and deposits more aggressively than we do. Our profitability depends upon our continued ability to successfully compete in our market area. The greater resources and deposit and loan products offered by some of our competitors may limit our ability to increase our interest-earning assets. For additional information see Business of Investors Savings Bank Competition.

**If We Declare Dividends on Our Common Stock, Investors Bancorp, MHC Will be Prohibited From Waiving the Receipt of Dividends by Current Federal Reserve Board Policy, Which May Result in Lower Dividends for All Other Stockholders.**

The Board of Directors of Investors Bancorp, Inc. has the authority to declare dividends on its common stock, subject to statutory and regulatory requirements. So long as Investors Bancorp, MHC is regulated by the Federal Reserve Board, if Investors Bancorp, Inc. pays dividends to its stockholders, it also will be required to pay dividends to Investors Bancorp, MHC, unless Investors Bancorp, MHC is permitted by the Federal Reserve Board to waive the receipt of dividends. The Federal Reserve Board's current policy does not permit a mutual holding company to waive dividends declared by its subsidiary. Accordingly, because dividends will be required to be paid to Investors Bancorp, MHC along with all other stockholders, the amount of dividends available for all other stockholders will be less than if Investors Bancorp, MHC were permitted to waive the receipt of dividends.

**Investors Bancorp, MHC Exercises Voting Control Over Investors Bancorp, Inc.; Public Stockholders Own a Minority Interest.**

Investors Bancorp, MHC owns a majority of Investors Bancorp, Inc.'s common stock and, through its Board of Directors, exercises voting control over the outcome of all matters put to a vote of stockholders (including the election of directors), except for matters that require a vote greater than a majority. Public stockholders own a minority of the outstanding shares of Investors Bancorp, Inc.'s common stock. The same directors and officers who manage Investors Bancorp, Inc. and Investors Savings Bank also manage Investors Bancorp, MHC. In addition, regulatory restrictions applicable to Investors Bancorp, MHC prohibit the sale of Investors Bancorp, Inc. unless the mutual holding company first undertakes a second-step conversion. Following the completion of the merger, the depositors and borrowers of American Bank of New Jersey will have no rights as such to participate in any secondary offering by Investors Bancorp, MHC.

**We operate in a highly regulated industry, which limits the manner and scope of our business activities.**

We are subject to extensive supervision, regulation and examination by the New Jersey Department of Banking and Insurance and by the FDIC. As a result, we are limited in the manner in which we conduct our business, undertake new investments and activities and obtain financing. This regulatory structure is designed primarily for the protection of the DIF and our depositors, and not to benefit our stockholders. This regulatory structure also gives the regulatory authorities extensive

**Table of Contents**

discretion in connection with their supervisory and enforcement activities and examination policies, including policies with respect to capital levels, the timing and amount of dividend payments, the classification of assets and the establishment of adequate loan loss reserves for regulatory purposes. In addition, we must comply with significant anti-money laundering and anti-terrorism laws. Government agencies have substantial discretion to impose significant monetary penalties on institutions which fail to comply with these laws.

**If Our Investment in the Federal Home Loan Bank of New York is Classified as Other-Than-Temporarily Impaired or as Permanently Impaired, Our Earnings and Stockholders' Equity Could Decrease**

We own common stock of the Federal Home Loan Bank of New York ( FHLB-NY ). We hold the FHLB-NY common stock to qualify for membership in the Federal Home Loan Bank System and to be eligible to borrow funds under the FHLB-NY's advance program. The aggregate cost and fair value of our FHLB-NY common stock as of December 31, 2008 was \$86.6 million based on its par value. There is no market for our FHLB-NY common stock.

Recent published reports indicate that certain member banks of the Federal Home Loan Bank System may be subject to accounting rules and asset quality risks that could result in materially lower regulatory capital levels. In an extreme situation, it is possible that the capitalization of a Federal Home Loan Bank, including the FHLB-NY, could be substantially diminished or reduced to zero. Consequently, we believe that there is a risk that our investment in FHLB-NY common stock could be deemed other-than-temporarily impaired at some time in the future, and if this occurs, it would cause our earnings and stockholders' equity to decrease by the after-tax amount of the impairment charge.

**Future Acquisition Activity Could Dilute Book Value.**

Both nationally and in New Jersey, the banking industry is undergoing consolidation marked by numerous mergers and acquisitions. From time to time we may be presented with opportunities to acquire institutions and/or bank branches and we may engage in discussions and negotiations. Acquisitions typically involve the payment of a premium over book and trading values, and therefore, may result in the dilution of Investors Bancorp's book value and net income per share.

**Table of Contents**

**AMERICAN BANCORP OF NEW JERSEY, INC. ANNUAL MEETING OF STOCKHOLDERS**

American Bancorp of New Jersey, Inc. is mailing this proxy statement-prospectus to you as an American Bancorp of New Jersey, Inc. stockholder on or about \_\_\_\_\_. With this document, American Bancorp of New Jersey, Inc. is sending you a notice of the American Bancorp of New Jersey, Inc. annual meeting of stockholders and a form of proxy that is solicited by the American Bancorp of New Jersey, Inc. board of directors. The annual meeting will be held on \_\_\_\_\_, 2009 at \_\_\_\_\_, local time, at \_\_\_\_\_, New Jersey.

**Matter to be Considered**

The purposes of the annual meeting of stockholders are to vote on the adoption of the Agreement and Plan of Merger by and between Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. and American Bank of New Jersey, dated as of December 14, 2008, as amended as of March 9, 2009, by which American Bancorp of New Jersey, Inc. and American Bank of New Jersey will be acquired by Investors Bancorp, Inc., as well as election of one director to the American Bancorp of New Jersey, Inc. Board of Directors and ratify the appointment of Crowe Horwath LLP as American Bancorp of New Jersey, Inc. s independent auditors for the fiscal year ending September 30, 2009.

You may also be asked to vote upon a proposal to adjourn or postpone the annual meeting of stockholders. American Bancorp of New Jersey, Inc. could use any adjournment or postponement for the purpose, among others, of allowing additional time to solicit proxies.

**Proxy Card, Revocation of Proxy**

You should complete and return the proxy card accompanying this document to ensure that your vote is counted at the annual meeting of stockholders, regardless of whether you plan to attend. You can revoke your proxy at any time before the vote is taken at the annual meeting by:

submitting written notice of revocation to the Secretary of American Bancorp of New Jersey, Inc.;

submitting a properly executed proxy bearing a later date before the annual meeting of stockholders; or

voting in person at the annual meeting of stockholders. However, simply attending the annual meeting without voting will not revoke an earlier proxy.

If your shares are held in street name, you should follow the instructions of your broker regarding revocation of proxies.

All shares represented by valid and unrevoked proxies will be voted in accordance with the instructions on the proxy card. If you sign your proxy card, but make no specification on the card as to how you want your shares voted, your proxy card will be voted FOR approval of the foregoing proposals. The board of directors of American Bancorp of New Jersey, Inc. is presently unaware of any other matter that may be presented for action at the annual meeting of stockholders. If any other matter does properly come before the annual meeting, the board of directors of American Bancorp of New Jersey, Inc. intends that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card.

**Table of Contents**

**Solicitation of Proxies**

The cost of solicitation of proxies will be borne by American Bancorp of New Jersey, Inc. American Bancorp of New Jersey, Inc. will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of common stock. American Bancorp of New Jersey, Inc. has retained \_\_\_\_\_, to assist in the solicitation of proxies for a fee of \$\_\_\_\_, which includes out-of-pocket expenses. In addition to solicitations by mail, American Bancorp of New Jersey, Inc.'s directors, officers and regular employees may solicit proxies personally or by telephone without additional compensation.

**Record Date**

The close of business on \_\_\_\_\_ has been fixed as the record date for determining the American Bancorp of New Jersey, Inc. stockholders entitled to receive notice of and to vote at the annual meeting of stockholders. At that time, \_\_\_\_\_ shares of American Bancorp of New Jersey, Inc. common stock were outstanding, and were held by approximately \_\_\_\_\_ holders of record.

**Voting Rights, Quorum Requirements and Vote Required**

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of American Bancorp of New Jersey, Inc. common stock entitled to vote is necessary to constitute a quorum at the annual meeting of stockholders. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present but will be counted as votes cast against the merger agreement.

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the shares of American Bancorp of New Jersey, Inc. common stock issued and outstanding on the record date. Accordingly, a failure to vote or an abstention will have the same effect as a vote against the merger agreement. As of the record date, the directors and executive officers of American Bancorp of New Jersey, Inc. beneficially owned \_\_\_\_\_ shares of American Bancorp of New Jersey, Inc. common stock entitled to vote at the annual meeting of stockholders. This represents approximately \_\_\_\_\_% of the total votes entitled to be cast at the annual meeting. These individuals have entered into voting agreements pursuant to which they have agreed to vote FOR adoption of the merger agreement. Directors are elected by a plurality of votes cast, without regard to either broker non-votes or proxies as to which authority to vote for the nominees being proposed is withheld. The ratification of Crowe Horwath LLP as independent auditors is determined by a majority of the votes cast, without regard to broker non-votes or proxies marked ABSTAIN.

**Recommendation of the Board of Directors**

The American Bancorp of New Jersey, Inc. board of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement. The board of directors of American Bancorp of New Jersey, Inc. believes that the merger is fair to American Bancorp of New Jersey, Inc. stockholders and is in the best interest of American Bancorp of New Jersey, Inc. and its stockholders and recommends that you vote FOR the adoption of the merger agreement, as well as the other proposals. See The Merger and the Merger Agreement Recommendation of the American Bancorp of New Jersey, Inc. Board of Directors and Reasons for the Merger.

**Table of Contents**

**PROPOSAL I: THE PROPOSED MERGER**

*The description of the merger and the merger agreement contained in this proxy statement-prospectus describes the material terms of the merger agreement; however, it does not purport to be complete. It is qualified in its entirety by reference to the merger agreement. We have attached a copy of the merger agreement as Appendix A.*

**General**

Pursuant to the merger agreement, American Bancorp of New Jersey, Inc. will merge into Investors Bancorp, Inc., with Investors Bancorp, Inc. as the surviving entity. Outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive cash or shares of Investors Bancorp, Inc. common stock, or a combination thereof. Cash will be paid in lieu of any fractional share of American Bancorp of New Jersey, Inc. common stock. See Merger Consideration; Cash or Stock Election below. As a result of the merger, the separate corporate existence of American Bancorp of New Jersey, Inc. will cease and Investors Bancorp, Inc. will succeed to all the rights and be responsible for all the obligations of American Bancorp of New Jersey, Inc. Immediately after the merger of American Bancorp of New Jersey, Inc. into Investors Bancorp, Inc., American Bank of New Jersey will merge into Investors Savings Bank and the separate corporate existence of American Bank of New Jersey shall cease to exist.

**The Parties**

**Investors Bancorp, Inc.**

Investors Bancorp, Inc. is a Delaware corporation that was organized on January 21, 1997 for the purpose of being a holding company for Investors Savings Bank (the Bank), a New Jersey chartered savings bank. On October 11, 2005, Investors Bancorp, Inc. completed its initial public stock offering in which it sold 51,627,094 shares, or 44.40% of its outstanding common stock, to subscribers in the offering, including 4,254,072 shares purchased by the Investors Savings Bank Employee Stock Ownership Plan (the ESOP). Upon completion of the initial public offering, Investors Bancorp, MHC (the MHC), Investors Bancorp, Inc.'s New Jersey chartered mutual holding company parent, held 63,099,781 shares, or 54.27% of Investors Bancorp, Inc.'s outstanding common stock. Additionally, Investors Bancorp, Inc. contributed \$5,163,000 in cash and issued 1,548,813 shares of common stock, or 1.33% of its outstanding shares, to the Investors Savings Bank Charitable Foundation.

On June 6, 2008, Investors Bancorp, Inc. completed its merger of Summit Federal Bankshares, Inc. (Summit Federal), the federally-chartered holding company for Summit Federal Savings Bank. At the date of merger, Summit Federal operated five branches in Union, Middlesex, Hunterdon and Warren counties, New Jersey, and had assets of \$110.1 million, deposits of \$95.0 million and equity of \$14.0 million. Each Summit Federal branch office has become a branch office of Investors Savings Bank. This transaction involved the combination of mutual enterprises and, therefore, was accounted for as a pooling of interests. All financial information has been restated to include amounts for Summit Federal, based on historical costs, for all periods presented.

In connection with the Summit Federal merger, Investors Bancorp, Inc. issued 1,744,592 additional shares of its common stock to the MHC, based on the pro forma market value of \$25.0 million for Summit Federal and the average closing price of a share of Investors Bancorp, Inc.'s common stock, as reported on the NASDAQ Stock Market, for twenty (20) consecutive trading days ending on June 4, 2008. As of December 31, 2008, the MHC held 64,844,373 shares, or 59.46% of Investors Bancorp, Inc.'s outstanding common stock.

**Table of Contents**

Since the formation of Investors Bancorp, Inc., in 1997, our primary business has been that of holding the common stock of Investors Savings Bank and since our stock offering, a loan to the ESOP. Investors Bancorp, Inc., as the holding company of Investors Savings Bank, is authorized to pursue other business activities permitted by applicable laws and regulations for bank holding companies.

Our cash flow depends on dividends received from Investors Savings Bank. Investors Bancorp, Inc. neither owns nor leases any property, but instead uses the premises, equipment and furniture of Investors Savings Bank. At the present time, we employ as officers only certain persons who are also officers of Investors Savings Bank and we use the support staff of Investors Savings Bank from time to time. These persons are not separately compensated by Investors Bancorp, Inc. Investors Bancorp, Inc. may hire additional employees, as appropriate, to the extent it expands its business in the future.

**Investors Savings Bank**

Investors Savings Bank is a New Jersey-chartered savings bank headquartered in Short Hills, New Jersey. Originally founded in 1926 as a New Jersey-chartered mutual savings and loan association, we have grown through acquisitions and internal growth, including de novo branching. In 1992, we converted our charter to a mutual savings bank, and in 1997 we converted our charter to a New Jersey-chartered stock savings bank. We conduct business from our main office located at 101 JFK Parkway, Short Hills, New Jersey, and with the addition of Summit Federal, 52 branch offices located in Essex, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Somerset, Union and Warren Counties, New Jersey. The telephone number at our main office is (973) 924-5100. At December 31, 2008, our assets totaled \$7.2 billion and our deposits totaled \$4.2 billion.

We are in the business of attracting deposits from the public through our branch network and borrowing funds in the wholesale markets to originate loans and to invest in securities. We originate mortgage loans secured by one- to four-family residential real estate and consumer loans, the majority of which are home equity loans and home equity lines of credit. In recent years, we expanded our lending activities to include commercial real estate, construction, multi-family loans and more recently commercial and industrial loans. Securities, primarily U.S. Government and Federal Agency obligations, mortgage-backed and other securities represent a large but declining percentage of our assets. We offer a variety of deposit accounts and emphasize exceptional customer service. Investors Savings Bank is subject to comprehensive regulation and examination by both the New Jersey Department of Banking and Insurance and the Federal Deposit Insurance Corporation and we are subject to regulations as a bank holding company by the Federal Reserve Board.

Investors Bancorp, Inc. maintains a website at [www.isbnj.com](http://www.isbnj.com). Its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, are made available, free of charge, through the Investor Relations portion of our website, as soon as reasonably practicable after it electronically file them or furnish them to the Securities and Exchange Commission. You may also obtain copies, without charge, by writing to our Investor Relations Department, 101 JFK Parkway, Short Hills, New Jersey 07078.

The principal executive office of Investors Bancorp, Inc. is located at 101 JFK Parkway, Short Hills, New Jersey 07078 and the telephone number is (973) 924-5100.



**Table of Contents**

**American Bancorp of New Jersey, Inc.**

**American Bank of New Jersey**

On October 5, 2005, American Savings, MHC (the American MHC) completed its reorganization into stock form and American Bancorp of New Jersey, Inc. succeeded to the business of ASB Holding Company, the American MHC's former stock holding company subsidiary. Each outstanding share of common stock of the former mid-tier stock holding company (other than shares held by the American MHC which were canceled) was converted into 2.55102 shares of common stock of American Bancorp of New Jersey, Inc. As part of the second-step mutual to stock conversion transaction, American Bancorp of New Jersey, Inc. sold a total of 9,918,750 shares to eligible depositors of American Bank of New Jersey (the Bank) and others in a subscription offering at \$10.00 per share, including 793,500 shares purchased by American Bank of New Jersey's employee stock ownership plan with funds borrowed from American Bancorp of New Jersey, Inc.

American Bancorp of New Jersey, Inc is a New Jersey corporation that was incorporated in May 2005 for the purpose of being a holding company for American Bank of New Jersey, a federally-chartered stock savings bank. American Bancorp of New Jersey, Inc. is a unitary savings and loan holding company and conducts no significant business or operations of its own. References to American Bancorp of New Jersey, Inc. generally refer to the consolidated entity, which includes American Bank of New Jersey, unless the context indicates otherwise.

American Bank of New Jersey was originally founded in 1919 as the American-Polish Building & Loan Association of Bloomfield, New Jersey. It became a state-chartered savings and loan association in 1948 and converted to a federally chartered savings bank in 1995. American Bank of New Jersey's deposits are insured by the Federal Deposit Insurance Corporation up to the maximum amount permitted by law. American Bank of New Jersey is regulated by the Office of Thrift Supervision and the Federal Deposit Insurance Corporation. As of December 31, 2008, American Bank of New Jersey had total assets of \$628.8 million, total deposits of \$459.2 million and total loans of \$491.4 million.

Our core business is using retail deposits in order to fund a variety of mortgage and consumer loan products. We operate as a traditional community bank, offering retail banking services, one- to four-family residential mortgage loans, including first mortgages, home equity loans and lines of credit, commercial loans, including multi-family and non-residential mortgage loans, construction loans and business loans and lines of credit, as well as consumer loans. We also invest in mortgage-related securities, including mortgage-backed pass through securities and collateralized mortgage obligations, and other investment securities. The principal source of funds for our lending and investing activities is retail deposits, supplemented with Federal Home Loan Bank borrowings.

Our results of operations depend primarily on our net interest income. Net interest income is the difference between the interest income we earn on our interest-earning assets and the interest we pay on interest-bearing liabilities. It is a function of the average balances of loans and investments versus deposits and borrowed funds outstanding in any one period and the yields earned on those loans and investments and the cost of those deposits and borrowed funds. Our interest-earning assets consist primarily of one- to four-family residential mortgage loans, commercial loans and consumer loans, as well as residential mortgage-related securities and U.S. Agency debentures. Interest-bearing liabilities consist primarily of retail deposits and borrowings from the Federal Home Loan Bank of New York.

American Bancorp of New Jersey, Inc. maintains a website at [www.americansavingsnj2.com](http://www.americansavingsnj2.com). American Bancorp of New Jersey, Inc. makes available through its website, free of charge, its annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after these reports are electronically filed

**Table of Contents**

with or furnished to the Securities and Exchange Commission. These reports can be accessed at American Bancorp of New Jersey, Inc.'s website by clicking on SEC Filings. Copies of these reports can also be obtained, free of charge, by written request to American Bancorp of New Jersey, Inc.'s Investor Relations Department, 365 Broad Street, Bloomfield, New Jersey 07003-2798.

**Merger Consideration; Cash or Stock Election**

Under the terms of the merger agreement, each outstanding share of American Bancorp of New Jersey, Inc. common stock (other than dissenting shares) will be given the opportunity to convert into the right to receive either: \$12.50 in cash, assuming payment solely of cash in exchange for American Bancorp of New Jersey, Inc. common stock; or

0.9218 shares of Investors Bancorp, Inc. common stock for each share of American Bancorp of New Jersey, Inc. common stock, assuming payment solely of Investors Bancorp, Inc. common stock in exchange for American Bancorp of New Jersey, Inc. common stock.

Stockholders of American Bancorp of New Jersey, Inc. may elect to receive all cash, all Investors Bancorp, Inc. common stock, or a combination of both for their American Bancorp of New Jersey, Inc. common stock. No fractional shares of Investors Bancorp, Inc. will be issued in connection with the merger. Instead, Investors Bancorp, Inc. will make a cash payment to each American Bancorp of New Jersey, Inc. stockholder who would otherwise receive a fractional share. Each share of American Bancorp of New Jersey, Inc. common stock that is exchanged for Investors Bancorp, Inc. common stock would be converted into 0.9218 shares of Investors Bancorp, Inc. common stock. Based upon the closing price of Investors Bancorp, Inc. on \_\_\_\_\_, each 0.9218 shares of Investors Bancorp, Inc. would have a value of \$\_\_\_\_.

It is possible that the consideration may be adjusted prior to the effective date of the merger. The merger agreement provides that if the average closing price of Investors Bancorp, Inc. common stock during the five consecutive trading days immediately preceding the first date on which all bank regulatory approvals (and waivers, if applicable) necessary for consummation of the merger have been received (disregarding any waiting period) is less than \$9.49 and Investors Bancorp, Inc.'s common stock has under-performed the SNL Thrift index of financial institutions by more than 30% during the five day period after all bank regulatory approvals necessary for consummation of the merger are received compared to a measurement period prior to the announcement of the merger agreement, then American Bancorp of New Jersey, Inc. may elect to terminate the merger agreement unless Investors Bancorp, Inc. elects to increase the merger consideration. See The Merger and the Merger Agreement Termination; Amendment; Waiver. If under these circumstances Investors Bancorp, Inc. elected to increase the merger consideration, it would have the option of paying the additional merger consideration by adjusting the exchange ratio of 0.9218 ( Exchange Ratio ) to one of the following quotients at its sole discretion: (i) a quotient, the numerator of which is equal to the product of the initial Investors market value of \$13.56 ( Initial Investor Market Value ), the Exchange Ratio (as then in effect), and the Index Ratio minus 0.30, and the denominator of which is equal to the average of the daily closing sales prices of a share of Investors Bancorp, Inc. common stock for the five consecutive trading days immediately preceding the first date on which all regulatory approvals (and waivers, if applicable) necessary for consummation of the merger have been received (disregarding any waiting period) ( Determination Date ) ( Investors Market Value ); or (ii) the quotient determined by dividing the Initial Investors Market Value by the Investors Market Value on the Determination Date, and multiplying the quotient by the product of the Exchange Ratio (as then in effect) and 0.70.

**Table of Contents**

Please note that approval by American Bancorp of New Jersey, Inc. stockholders authorize its Board of Directors to terminate the merger agreement or proceed therewith at its sole discretion. If the Board of Directors of American Bancorp of New Jersey, Inc. terminates the merger agreement pursuant to this provision, Investors Bancorp, Inc. may increase the merger consideration pursuant to this prescribed formula and compel American Bancorp of New Jersey, Inc. to complete the merger.

Stockholders of American Bancorp of New Jersey, Inc. will have the opportunity to elect the form of consideration to be received for shares of American Bancorp of New Jersey, Inc., subject to allocation procedures set forth in the merger agreement which are intended to ensure that 65% of the outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive shares of Investors Bancorp, Inc. common stock and the remaining 35% of the outstanding shares of American Bancorp of New Jersey, Inc. common stock will be converted into the right to receive cash. In the event that by May 31, 2009, Investors Bancorp, Inc. has not received the required regulatory approvals to issue shares of Investors Bancorp, Inc. common stock in the Merger, Investors Bancorp, Inc. may elect to proceed with the Merger on an all cash basis and merge a newly created merger subsidiary with and into American Bancorp.

It is unlikely that elections will be made in the exact proportions provided for in the merger agreement. As a result, the merger agreement describes procedures to be followed if American Bancorp of New Jersey, Inc. stockholders in the aggregate elect to receive more or less of the Investors Bancorp, Inc. common stock than Investors Bancorp, Inc. has agreed to issue. These procedures are summarized below.

If Investors Bancorp, Inc. common stock is oversubscribed: If American Bancorp of New Jersey, Inc. stockholders elect to receive Investors Bancorp, Inc. common stock for more than 65% of the outstanding American Bancorp of New Jersey, Inc. stock, the holders of American Bancorp of New Jersey, Inc. who elected to receive cash for some or all of their shares or who made no election for some or all of their shares shall receive cash. All holders of American Bancorp of New Jersey, Inc. stock who elected to receive Investors Bancorp, Inc. common stock for some or all of their shares will receive stock for a pro rata portion of the American Bancorp of New Jersey, Inc. shares which they elected to convert into Investors Bancorp, Inc. common stock and will receive cash for those shares of American Bancorp of New Jersey, Inc. stock not converted into Investors Bancorp, Inc. common stock. American Bancorp of New Jersey, Inc. stockholders pro rata portion shall be calculated by multiplying the total number of shares such holder elected to convert into Investors Bancorp, Inc. common stock by a fraction, the numerator of which is a number equal to 65% of the outstanding American Bancorp of New Jersey, Inc. common stock and the denominator of which is the total number of shares which all stockholders of American Bancorp of New Jersey, Inc. elected to convert.

If Investors Bancorp, Inc. common stock is undersubscribed: If American Bancorp of New Jersey, Inc. stockholders elect to receive Investors Bancorp, Inc. stock for fewer than 65% of the outstanding American Bancorp of New Jersey, Inc. stock (the difference between such numbers being the Shortfall ), then the stockholders of American Bancorp of New Jersey, Inc. who elected to receive Investors Bancorp, Inc. stock for some or all of their shares of American Bancorp of New Jersey, Inc. shall receive Investors Bancorp, Inc. stock as elected. Holders of shares of American Bancorp of New Jersey, Inc. stock for which an election was made to receive cash or for which no election was made shall receive cash and/or Investors Bancorp, Inc. common stock as follows:

**Table of Contents**

If the Shortfall is less than or equal to the number of shares of American Bancorp of New Jersey, Inc. for which no election was made, American Bancorp of New Jersey, Inc. stockholders who elected to receive cash for some or all of their American Bancorp of New Jersey, Inc. stock shall receive cash as elected. The holders of American Bancorp of New Jersey, Inc. stock for which no election was made shall receive Investors Bancorp, Inc. stock for that number of shares held by such holder for which no election was made multiplied by a fraction, the numerator of which is the Shortfall, and the denominator of which is the total number of shares of American Bancorp of New Jersey, Inc. stock for which no election was made. Cash shall be paid for the remainder of the American Bancorp of New Jersey, Inc. stock of such holder for which no election was made.

If the Shortfall is greater than the number of shares of American Bancorp of New Jersey, Inc. stock for which no election was made, then the holders of American Bancorp of New Jersey, Inc. stock for which no election was made shall receive Investors Bancorp, Inc. common stock for such American Bancorp of New Jersey, Inc. stock. The holders of American Bancorp of New Jersey, Inc. stock who elected to receive cash shall instead receive Investors Bancorp, Inc. stock for a number of shares of American Bancorp of New Jersey, Inc. stock equal to the total number of shares for which such holder elected to receive cash, multiplied by a fraction, the numerator of which is the Shortfall, and the denominator of which is the aggregate number of shares of American Bancorp of New Jersey, Inc. stock for which an election was made to receive cash. The balance of shares held by such holder for which an election to receive cash was made, shall receive cash.

Notwithstanding these allocation procedures, in order for the transaction to qualify as a tax-free reorganization, the allocation of the consideration may also be adjusted if the aggregate value of the Investors Bancorp, Inc. common stock to be delivered as of the effective time of the merger minus the amount of cash paid in lieu of fractional shares of Investors Bancorp, Inc. common stock (the *Stock Value* ) is less than 42.5% of the sum of (i) the aggregate value of the Investors Bancorp, Inc. common stock and cash to be delivered as of the effective time of the merger, plus (ii) the value of any consideration described in Treasury Regulations Section 1.368-1(e)(1)(ii), plus (iii) cash paid to holders of dissenting shares, plus (iv) the value of any consideration paid by Investors Bancorp, Inc. or any of its subsidiaries (or any related person of either within the meaning of Treasury Regulations Section 1.368-1(e)(3)) to acquire shares of American Bancorp of New Jersey, Inc. common stock prior to the effective time of the merger (such sum, the *Aggregate Value* ), then Investors Bancorp, Inc. may reduce the number of shares of outstanding American Bancorp of New Jersey, Inc. common stock entitled to receive cash, and correspondingly increase the number of shares of American Bancorp of New Jersey, Inc. common stock entitled to receive Investors Bancorp, Inc. common stock by the minimum amount necessary to cause the *Stock Value* to equal 42.5% of the *Aggregate Value*.

No guarantee can be made that you will receive the amounts of cash or stock you elect. As a result of the allocation procedures and other limitations outlined in this document and in the merger agreement, you may receive Investors Bancorp, Inc. common stock or cash in amounts that vary from the amounts you elect to receive.

American Bancorp of New Jersey, Inc. is not making any recommendation as to whether American Bancorp of New Jersey, Inc. stockholders should elect to receive cash or Investors Bancorp, Inc. common stock in the merger. Each American Bancorp of New Jersey, Inc. stockholder must make his or her own decision with respect to such election.

**Table of Contents**

**Election Procedures; Surrender of Stock Certificates**

An election form will be provided to you under separate cover. The election form entitles the record holder of American Bancorp of New Jersey, Inc. common stock to elect to receive cash, Investors Bancorp, Inc. common stock, or a combination of cash and stock, or make no election with respect to the merger consideration you wish to receive.

To make an effective election, a stockholder of record must submit a properly completed election form to \_\_\_\_\_ on or before 5:00 p.m., New York time, on \_\_\_\_\_. \_\_\_\_ will act as exchange agent in the merger and in that role will process the exchange of American Bancorp of New Jersey, Inc. common stock certificates for cash and/or Investors Bancorp, Inc. common stock. Shortly after the merger, the exchange agent will allocate cash and stock among American Bancorp of New Jersey, Inc. stockholders, consistent with their elections and the allocation and proration procedures. If you do not submit an election form, you will receive instructions from the exchange agent on where to surrender your American Bancorp of New Jersey, Inc. stock certificates after the merger is completed.

**Please do not forward your American Bancorp of New Jersey, Inc. stock certificates and election form with your proxy cards. Stock certificates and election forms should be returned to the exchange agent in accordance with the instructions contained in the election form.**

An election form will be deemed properly completed only if accompanied by stock certificates representing all shares of American Bancorp of New Jersey, Inc. common stock covered by the election form (or an appropriate guarantee of delivery). You may change your election at any time prior to the election deadline by written notice accompanied by a properly completed and signed, revised election form received by the exchange agent prior to the election deadline. You may revoke your election by written notice received by the exchange agent prior to the election deadline. All elections will be revoked automatically if the merger agreement is terminated. If you have a preference for receiving either Investors Bancorp, Inc. common stock and/or cash for your American Bancorp of New Jersey, Inc. common stock, you should complete and return the election form. If you do not make an election, you will be allocated Investors Bancorp, Inc. common stock and/or cash depending on the elections made by other stockholders.

If stock certificates for American Bancorp of New Jersey, Inc. common stock are not immediately available or time will not permit the election form and other required documents to reach the exchange agent prior to the election deadline, American Bancorp of New Jersey, Inc. shares may be properly exchanged provided that:

1. such exchanges are made by or through a member firm of the Financial Industry Regulatory Authority or another registered national securities exchange, or by a commercial bank or trust company having an office, branch or agency in the United States;
2. the exchange agent receives, prior to the election deadline, a properly completed and duly executed notice of guaranteed delivery substantially in the form provided with the election form (delivered by hand, mail, telegram, telex or facsimile transmission); and
3. the exchange agent receives by the election deadline, the certificates for all exchanged American Bancorp of New Jersey, Inc. shares, or confirmation of the delivery of all such certificates into the exchange agent's account with the Depository Trust Company in accordance with the proper procedures for such transfer, together with a properly completed and duly executed election form and any other documents required by the election form.

**Table of Contents**

American Bancorp of New Jersey, Inc. stockholders who do not submit a properly completed election form or revoke their election form prior to the election deadline will have their shares of American Bancorp of New Jersey, Inc. common stock designated as non-election shares. American Bancorp of New Jersey, Inc. stock certificates represented by elections that have been revoked will be returned without charge.

American Bancorp of New Jersey, Inc. stockholders who hold their shares of common stock in street name through a bank, broker or other financial institution, and who wish to make an election, should seek instructions from the institution holding their shares concerning how to make the election.

Investors Bancorp, Inc. will deposit with the exchange agent the certificates representing Investors Bancorp, Inc. s common stock and cash to be issued to American Bancorp of New Jersey, Inc. stockholders in exchange for American Bancorp of New Jersey, Inc. s common stock. Within five business days after the completion of the merger, the exchange agent will mail to American Bancorp of New Jersey, Inc. stockholders who do not submit election forms or who have revoked such forms a letter of transmittal, together with instructions for the exchange of their American Bancorp of New Jersey, Inc. stock certificates for the merger consideration. Upon surrendering his or her certificate(s) representing shares of American Bancorp of New Jersey, Inc. s common stock, together with the signed letter of transmittal, the American Bancorp of New Jersey, Inc. stockholder shall be entitled to receive, as applicable (i) certificate(s) representing a number of whole shares of Investors Bancorp, Inc. common stock (if any) determined in accordance with the exchange ratio or, (ii) a check representing the amount of cash (if any) to which such holder shall have become entitled to and (iii) a check representing the amount of cash in lieu of fractional shares, if any. Until you surrender your American Bancorp of New Jersey, Inc. stock certificates for exchange after completion of the merger, you will not be paid dividends or other distributions declared after the merger with respect to any Investors Bancorp, Inc. common stock into which your shares have been converted. No interest will be paid or accrued to American Bancorp of New Jersey, Inc. stockholders on the cash consideration, cash in lieu of fractional shares or unpaid dividends and distributions, if any. After the completion of the merger, there will be no further transfers of common stock. American Bancorp of New Jersey, Inc. stock certificates presented for transfer will be canceled and exchanged for the merger consideration.

If your stock certificates have been lost, stolen or destroyed, you will have to prove your ownership of these certificates and that they were lost, stolen or destroyed before you receive any consideration for your shares. Upon request, \_\_\_will send you instructions on how to provide evidence of ownership.

If any certificate representing shares of Investors Bancorp, Inc. s common stock is to be issued in a name other than that in which the certificate for shares surrendered in exchange is registered, or cash is to be paid to a person other than the registered holder, it will be a condition of issuance or payment that the certificate so surrendered be properly endorsed or otherwise be in proper form for transfer and that the person requesting the exchange either:

pay to the exchange agent in advance any transfer or other taxes required by reason of the issuance of a certificate or payment to a person other than the registered holder of the certificate surrendered, or

establish to the satisfaction of the exchange agent that the tax has been paid or is not payable.

Any portion of the purchase price made available to the exchange agent that remains unclaimed by American Bancorp of New Jersey, Inc. stockholders for six months after the effective time of the

**Table of Contents**

merger will be returned to Investors Bancorp, Inc.'s transfer agent. Any American Bancorp of New Jersey, Inc. stockholder who has not exchanged shares of American Bancorp of New Jersey, Inc.'s common stock for the purchase price in accordance with the merger agreement before that time may look only to Investors Bancorp, Inc. for payment of the purchase price for these shares and any unpaid dividends or distributions after that time. Nonetheless, Investors Bancorp, Inc., American Bancorp of New Jersey, Inc., the exchange agent or any other person will not be liable to any American Bancorp of New Jersey, Inc. stockholder for any amount properly delivered to a public official under applicable abandoned property, escheat or similar laws.

**Treatment of American Bancorp of New Jersey, Inc. Stock Options and Restricted Stock**

In accordance with the merger agreement, American Bancorp of New Jersey, Inc. shall terminate its stock option plans prior to the effective time of the merger, and each option to purchase shares of American Bancorp of New Jersey, Inc. common stock outstanding and unexercised immediately prior to the effective time of the merger will become vested, to the extent not already vested, and immediately exercisable. At the effective time of the merger, each holder of an option to purchase shares of American Bancorp of New Jersey, Inc. common stock will receive a cash payment equal to \$12.50 less the exercise price per share of the stock option, multiplied by the number of shares of American Bancorp of New Jersey, Inc. common stock subject to the stock option, less any required tax withholding. Prior to the effective time of the merger, American Bancorp of New Jersey, Inc. shall obtain the written consent of each option holder to the cancellation of the American Bancorp of New Jersey, Inc. options in exchange for the cash option payment.

In accordance with the restricted stock plans of American Bancorp of New Jersey, Inc., all outstanding shares of American Bancorp of New Jersey, Inc., restricted stock that are not vested at the time of the merger will become vested in full, and each holder of restricted stock of American Bancorp of New Jersey, Inc. will be entitled to receive the merger consideration in exchange therefore, on the same basis as all other shares of American Bancorp of New Jersey, Inc. common stock.

Investors Bancorp, Inc. will be entitled to deduct and withhold from the consideration otherwise payable pursuant to the merger agreement to any American Bancorp of New Jersey, Inc. stockholder any amount that Investors Bancorp, Inc. is required to deduct and withhold under any provision of federal, state, local or foreign tax law. Any withheld amounts will be treated for all purposes of the merger agreement as having been paid to the American Bancorp of New Jersey, Inc. stockholder in respect of which the deduction and withholding was made by Investors Bancorp, Inc.

**Reasons and Background for the Merger**

From time to time over the last few years, the Board of Directors of American Bancorp of New Jersey, Inc. received updates from various industry professionals on the state of the bank and thrift equity market as well as the merger and acquisition market. Since its second step conversion and offering of common stock in October 2005, American Bancorp of New Jersey, Inc. has embarked on a plan to enhance shareholder value by further developing its retail franchise. In this regard, American Bancorp of New Jersey, Inc. added three branches over the last three years and grew assets from \$517 million at the completion of the second step offering to \$622 million as of September 30, 2008. Further American Bancorp of New Jersey, Inc. also paid a regularly quarterly dividend of \$0.04 per share to \$0.05 per share since its second step offering and has repurchased 3,678,676 shares of common stock at a weighted average price of \$11.38 for a total cash outlay of \$41.8 million. Partially as a result of the costs of opening the three new branch offices, American Bancorp of New Jersey, Inc.'s earnings remained below its peers, with a return on average assets of 0.21% for the fiscal year ended September 30, 2008 compared to a median return on average assets of 0.30% for a peer group of publicly traded Mid-Atlantic thrifts

**Table of Contents**

between \$250 million and \$750 million in assets. In addition, notwithstanding its stock repurchase program and common stock dividend, the trading price of American Bancorp of New Jersey, Inc. s common stock fell from \$10.72 per share at September 14, 2005, the closing price on the first day of trading following American Bancorp of New Jersey, Inc. s second step conversion, to \$10.30 per share at September 30, 2008. The Board of Directors of American Bancorp of New Jersey, Inc. felt it prudent to explore a strategic alliance as a way to further enhance shareholder value.

On September 12, 2008, representatives of Keefe Bruyette & Woods met with the Board of Directors of American Bancorp of New Jersey, Inc. to review alternative strategic directions, including remaining independent and seeking a possible strategic affiliation with another entity. Discussions included: (1) an analysis of the current banking market; (2) valuation of American Bancorp of New Jersey, Inc. stock; and (3) detailed pro forma analyses examining multiple strategic partners. Keefe Bruyette & Woods met again with the Board of Directors of American Bancorp of New Jersey, Inc. on October 8, 2008 to further assess the benefit to shareholders of a strategic partnership. Discussions at this meeting included: (1) process and timing of a transaction; (2) examination of historic comparable transaction pricing; (3) identification of potential acquirors and their ability to pay; and (4) financial detail on potential strategic partners. All of these issues were analyzed in conjunction with American Bancorp of New Jersey, Inc. s goal to continue to increase shareholder value. On October 8, 2008, American Bancorp of New Jersey, Inc. officially engaged Keefe Bruyette & Woods to provide investment banking services in connection with exploring a possible strategic alliance.

Keefe Bruyette & Woods, working with American Bancorp of New Jersey, Inc., prepared financial and operating information about American Bancorp of New Jersey, Inc.. In mid October, 2008, Keefe Bruyette & Woods, on behalf of American Bancorp of New Jersey, Inc., began a confidential inquiry and contacted 12 potential candidates. Five of those candidates executed confidentiality agreements, including Investors Bancorp, Inc., and received the information package. In late October, two financial institutions submitted preliminary, non-binding indications of interest to acquire American Bancorp of New Jersey, Inc.. Following receipt of the preliminary indications of interest, on November 5, 2008 Keefe Bruyette & Woods reviewed with the Board of Directors of American Bancorp of New Jersey, Inc. the pricing and terms of each proposal. After discussing the proposals, the Board of Directors of American Bancorp of New Jersey, Inc. invited both parties to conduct further due diligence to allow each to refine or strengthen its proposal. The potential acquirors were given access to additional information and management of American Bancorp of New Jersey, Inc. met with both parties to answer questions about the operations of American Bancorp of New Jersey, Inc.

In a letter dated December 2, 2008, Investors Bancorp, Inc. confirmed its interest in a merger with American Bancorp of New Jersey, Inc. at \$12.50 per share, stating that the consideration would be a mixture of cash and stock, the mix of which was to be discussed further to ensure maximum benefit to both parties s shareholders. Circumstances in the market over the due diligence period negatively impacted the other party s stock price and consequently its ability to submit a competitive proposal, and no revised bid was submitted. On December 5, 2008, the Board of Directors of American Bancorp of New Jersey, Inc. met to consider the Investors Bancorp, Inc. proposal. At that meeting, the Board was informed by Keefe Bruyette & Woods that it had been informally contacted by a third institution that had not elected to conduct due diligence or submit a preliminary indication of interest. This third party indicated an interest in considering a merger at \$10.00 per share. The Board determined not to take any action with regard to this third party. Keefe Bruyette & Woods then made a detailed presentation to the American Bancorp of New Jersey, Inc. Board regarding the Investors Bancorp, Inc. proposal. The Board voted to proceed with its due diligence of and negotiation of a definitive merger agreement with Investors Bancorp, Inc., but stated that if another party submitted a competitive bid before a definitive merger agreement is executed, the Board would consider the proposal.



**Table of Contents**

On December 12, 2008, the American Bancorp of New Jersey, Inc. board met with Keefe Bruyette & Woods and American Bancorp of New Jersey, Inc. s legal counsel. Approximately three days prior to this meeting, a preliminary draft of the merger agreement was distributed to the Board of Directors of American Bancorp of New Jersey, Inc. for its review.

At the December 12 meeting, legal counsel reviewed the merger agreement with Board, highlighting the changes that had been made to the draft initially sent to the Board. Counsel reviewed with the Board the deal structure and timing, discussed the representations, warranties, covenants and responsibilities of the parties, discussed the provisions related to the treatment of employees of American Bancorp of New Jersey, Inc. and American Bank of New Jersey and the conditions to approval of the agreement. Counsel also specifically discussed the definition of material adverse effect and its import on the transaction given the significant volatility in the banking industry and the market for bank and bank holding company stocks. The Board asked numerous questions of counsel, including the mechanics of American Bancorp of New Jersey s ability to terminate the agreement if the provisions of the double trigger walk away were met, and counsel explained the reasons for and the functioning of this provision. Counsel also explained the Board s fiduciary responsibilities in the event a superior proposal is received, and how the provisions of the agreement work to allow the Board to fulfill its fiduciary responsibilities. Lastly, counsel informed the Board that the final details of the merger agreement were still being negotiated, and were expected to be completed within 36 hours.

Keefe Bruyette & Woods then discussed with the Board the results of American Bancorp of New Jersey, Inc. s due diligence investigation of Investors Bancorp, Inc. Management of American Bancorp of New Jersey, Inc. joined in this discussion, as senior management participated in the due diligence investigation. Both Keefe Bruyette & Woods and senior management of American Bancorp of New Jersey, Inc. advised the Board that nothing was discovered that would cause Keefe Bruyette & Woods or management to recommend against proceeding with the transaction.

Keefe Bruyette & Woods then gave an updated financial analysis of the proposed merger and delivered its oral opinion that, as of that date, the merger consideration to be received by the holders of American Bancorp of New Jersey, Inc. common stock was fair to such holders from a financial point of view.

The Board then adjourned the meeting without taking any action, pending final completion of the merger agreement.

The Board of Directors of American Bancorp of New Jersey, Inc. met again on December 14, 2008. At this meeting counsel discussed the final changes to the merger agreement and Keefe Bruyette & Woods delivered its updated fairness opinion. The Board voted unanimously to authorize the execution of the merger agreement and related documents. In reaching its decision to approve and adopt the merger agreement and recommend that American Bancorp of New Jersey, Inc. stockholders adopt the merger agreement, the American Bancorp of New Jersey, Inc. board of directors consulted with American Bancorp of New Jersey, Inc. s management, as well as its financial and legal advisors, and considered a number of factors, including:

the business, earnings, operations, financial condition, management, prospects, capital levels and asset quality of both American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc., taking into account the results of American Bancorp of New Jersey, Inc. s due diligence review of Investors Bancorp, Inc., including American Bancorp of New Jersey, Inc. s assessments of Investors Bancorp, Inc. s credit policies, asset quality, adequacy of loan loss reserves, interest rate risk and litigation;

**Table of Contents**

Investors Bancorp, Inc.'s access to capital and managerial resources relative to that of American Bancorp of New Jersey, Inc.;

the perceived compatibility of the business philosophies of American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc., which the American Bancorp of New Jersey, Inc. board believed would facilitate the integration of the operations of the two companies;

current industry and economic conditions facing American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc., including an increasingly competitive business environment facing both companies characterized by intensifying competition, especially in the northern New Jersey region, from out-of-state financial institutions, the continuing consolidation of the financial services industry and the increasing costs and complexities of compliance with expanding regulatory requirements imposed on financial institutions and public reporting companies;

the overall greater scale that will be achieved by the merger that will better position the combined company for future growth;

Investors Bancorp, Inc.'s long-term growth strategy in New Jersey;

the historical and current market prices of Investors Bancorp, Inc. common stock and American Bancorp of New Jersey, Inc. common stock;

the financial and other terms and conditions of the merger agreement, including the fact that the exchange ratio and the per share amount of the cash merger consideration are both fixed, the provision giving American Bancorp of New Jersey, Inc. the right to terminate the merger agreement in the event of a specified decline in the market value of Investors Bancorp, Inc. common stock relative to a designated market index unless Investors Bancorp, Inc. agrees to pay additional merger consideration, and provisions providing for payment of a \$5.6 million termination fee if the merger agreement is terminated under certain circumstances;

the fact that the value of the merger consideration prior to the public announcement of the merger agreement represented a premium over the book value of American Bancorp of New Jersey, Inc. common stock and recent trading prices for American Bancorp of New Jersey, Inc. common stock;

the lack of dividends paid by Investors Bancorp, Inc. to its stockholders;

the size of the post-merger board of directors of Investors Bancorp, Inc. and the representation that American Bancorp of New Jersey, Inc.'s directors and executive officers will be provided in the combined company;

the fact that American Bancorp of New Jersey, Inc. stockholders would own approximately [ \_\_\_ ]% of the combined company;

the desire to provide American Bancorp of New Jersey, Inc.'s stockholders who receive the stock consideration with prospects for greater future appreciation on their initial investment in American Bancorp of New Jersey, Inc. common stock than American Bancorp of New Jersey, Inc. could achieve independently;

**Table of Contents**

the financial analyses presented by Keefe Bruyette & Woods, American Bancorp of New Jersey, Inc.'s financial advisor, and the opinion dated as of December 14, 2008 delivered to the American Bancorp of New Jersey, Inc. board by Keefe Bruyette & Woods, to the effect that, as of that date, and subject to and based on the qualifications and assumptions set forth in the opinion, the merger consideration to be received by the holders of American Bancorp of New Jersey, Inc. common stock is fair to such holders from a financial point of view;

the interests of American Bancorp of New Jersey, Inc.'s directors and executive officers in the merger, in addition to their interests generally as stockholders, as described under "Interests of American Bancorp of New Jersey, Inc. Executive Officers and Directors in the Merger"; and

the effect of the merger on American Bancorp of New Jersey, Inc.'s employees, customers and the communities in which they conduct business.

Given the significant volatility in the stock market, particularly as it relates to financial services companies, the parties agreed to increase the aggregate amount of cash consideration that will be paid to the stockholders of American Bancorp of New Jersey, Inc. from 30% to 35% of the total merger consideration. In addition, and in conjunction with the above, the provision enabling American Bancorp of New Jersey, Inc. to terminate the merger in the event the price of Investors Bancorp, Inc.'s stock declines and declines by more than the decline in a peer group index, as well as the formula that Investors Bancorp, Inc. can use to increase the merger consideration under certain circumstances, were also revised. Under the amended merger agreement, American Bancorp of New Jersey, Inc. may terminate the merger agreement if Investors Bancorp, Inc. stock price declines by more than 30% from \$13.56 and this decline is more than 30% greater than the decline in the SNL Thrift Index.

The foregoing discussion of the information and factors considered by the Board of Directors of American Bancorp of New Jersey, Inc. is not intended to be exhaustive, but constitutes the material factors considered by the Board. In reaching its determination to approve and recommend the Merger Agreement, the Board did not assign any relative or specific weights to the foregoing factors, and individual directors may have weighed factors differently. The terms of the Merger Agreement were the product of arm's length negotiations between representatives of American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc.

**FOR THE REASONS SET FORTH ABOVE, THE BOARD OF DIRECTORS OF AMERICAN BANCORP OF NEW JERSEY, INC. HAS APPROVED AND ADOPTED THE MERGER AGREEMENT AS ADVISABLE AND IN THE BEST INTERESTS OF AMERICAN BANCORP OF NEW JERSEY, INC. AND ITS STOCKHOLDERS AND RECOMMENDS THAT THE STOCKHOLDERS OF AMERICAN BANCORP OF NEW JERSEY, INC. VOTE FOR THE ADOPTION OF THE MERGER AGREEMENT.**

On December 12, 2008, the board of directors of Investors Bancorp, Inc. held a meeting for the purpose of approving the proposed merger. On December 14, 2008, the board of directors of American Bancorp of New Jersey, Inc. held a meeting for the purpose of approving the proposed merger. The boards of directors of the two organizations unanimously approved the merger transaction.

On December 14, 2008, the Agreement and Plan of Merger by and between Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. was executed.

On December 15, 2008, a joint press release of Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. was issued publicly announcing the merger transaction.

**Table of Contents**

On February 24, 2009, March 6, March 10 and March 13, 2009, the Board of Directors of American Bancorp of New Jersey, Inc. met to consider requesting Investors Bancorp, Inc. to increase the cash portion of the merger consideration. The provisions of the amended merger agreement were negotiated during this period and on March 13, 2009 the amended merger agreement was adopted, effective as of March 9, 2009, the date the revised terms of the amendment were agreed upon by the parties.

**Recommendation of the American Bancorp of New Jersey, Inc. Board of Directors and Reasons for the Merger**

American Bancorp of New Jersey, Inc.'s board of directors reviewed and discussed the merger with American Bancorp of New Jersey, Inc.'s management and its outside legal and financial advisors in determining that the merger is fair to, and in the best interests of, American Bancorp of New Jersey, Inc. and its stockholders. In reaching its conclusion to adopt the merger agreement, the American Bancorp of New Jersey, Inc. board of directors considered a number of factors, including, among others, the following factors that supported a decision to proceed with the merger:

the American Bancorp of New Jersey, Inc. board's understanding of, and the presentations of the American Bancorp of New Jersey, Inc. management and financial advisor regarding, each of American Bancorp of New Jersey, Inc.'s and Investors Bancorp, Inc.'s business, operations, management, financial condition, earnings and prospects;

the results of American Bancorp of New Jersey, Inc.'s due diligence of Investors Bancorp, Inc.;

the American Bancorp of New Jersey, Inc. board's knowledge of the current and prospective environment in which American Bancorp of New Jersey, Inc. operates, including national and local economic conditions, the competitive environment, the trend toward consolidation in the financial services industry and the likely effect of these factors on American Bancorp of New Jersey, Inc.'s potential growth, profitability and strategic options;

the Board's view, based upon inquiries to other possible strategic partners, that the merger was the most favorable alternative available;

the likelihood that the merger will be completed, including the likelihood that the regulatory and stockholder approvals needed to complete the merger will be obtained;

the financial information and analyses provided by Keefe Bruyette & Woods, Inc. to the American Bancorp of New Jersey, Inc. board of directors, and Keefe Bruyette & Woods, Inc.'s opinion to the American Bancorp of New Jersey, Inc. board of directors to the effect that, as of the date of such opinion, based upon and subject to the assumptions, qualifications, conditions, limitations and other matters set forth in such opinion, the consideration to be received by the holders of shares of American Bancorp of New Jersey, Inc. common stock pursuant to the merger is fair from a financial point of view to such holders.

**THE COMPLETE TEXT OF THE KEEFE BRUYETTE & WOODS, INC. WRITTEN OPINION THAT WAS DELIVERED TO THE AMERICAN BANCORP OF NEW JERSEY, INC. BOARD OF DIRECTORS IS INCLUDED AS APPENDIX B TO THIS PROXY STATEMENT-PROSPECTUS. AMERICAN BANCORP OF NEW JERSEY, INC. STOCKHOLDERS ARE URGED TO READ THE KEEFE BRUYETTE & WOODS, INC. OPINION IN ITS ENTIRETY.**

**Table of Contents**

The American Bancorp of New Jersey, Inc. board of directors also considered several factors that did not support a decision to proceed with the merger, including, among others, the following:

the challenges associated with seeking the regulatory approvals required to complete the merger in a timely manner;

the risks and costs to American Bancorp of New Jersey, Inc. if the merger is not completed, including the diversion of management and employee attention;

the requirement that American Bancorp of New Jersey, Inc. conduct its business in the ordinary course and the other restrictions on American Bancorp of New Jersey, Inc. s conduct of its business prior to completion of the merger, which may delay or prevent American Bancorp of New Jersey, Inc. from undertaking business opportunities that may arise pending completion of the merger; and

the fact that a termination fee is payable to Investors Bancorp, Inc. under specified circumstances.

The American Bancorp of New Jersey, Inc. board of directors determined that the factors supporting the merger were substantially more persuasive than the factors not supporting the merger.

The discussion of the information and factors considered by the American Bancorp of New Jersey, Inc. board of directors is not exhaustive, but includes all material factors considered by the American Bancorp of New Jersey, Inc. board of directors. The American Bancorp of New Jersey, Inc. board of directors evaluated the factors described above, including asking questions of American Bancorp of New Jersey s management and American Bancorp of New Jersey, Inc. s legal and financial advisors, and reached the unanimous decision that the merger was in the best interests of American Bancorp of New Jersey, Inc. and its stockholders. The American Bancorp of New Jersey, Inc. board of directors considered these factors as a whole, and overall considered them to be favorable to, and to support its determination. It should be noted that this explanation of the American Bancorp of New Jersey, Inc. board s reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Forward-Looking Statements.

The American Bancorp of New Jersey, Inc. board of directors determined that the merger, the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of American Bancorp of New Jersey, Inc. and its stockholders. Accordingly, the American Bancorp of New Jersey, Inc. board of directors unanimously approved the merger agreement and unanimously recommends that American Bancorp of New Jersey, Inc. stockholders vote FOR the adoption of the merger agreement.

On the basis of these considerations, the merger agreement was unanimously approved by American Bancorp of New Jersey, Inc. s board of directors.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS ADOPTION OF THE AGREEMENT AND PLAN OF MERGER BY THE STOCKHOLDERS OF AMERICAN BANCORP OF NEW JERSEY, INC.**

**Table of Contents**

**Opinion of Financial Advisor**

On October 8, 2008, Keefe Bruyette & Woods, Inc. was retained by American Bancorp of New Jersey, Inc. to evaluate American Bancorp of New Jersey's strategic alternatives and to evaluate any specific proposals that might be received regarding a business combination involving American Bancorp of New Jersey. Keefe Bruyette & Woods, Inc., as part of its investment banking business, is regularly engaged in the evaluation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, and distributions of listed and unlisted securities. The Board of Directors of American Bancorp of New Jersey, Inc. selected Keefe Bruyette & Woods, Inc. on the basis of the firm's reputation and its experience and expertise in transactions similar to the merger (the Merger).

Pursuant to its engagement, Keefe Bruyette & Woods, Inc. was asked to render an opinion as to the fairness, from a financial point of view, of the Merger Consideration to shareholders of American Bancorp of New Jersey, Inc. Keefe Bruyette & Woods, Inc. delivered its opinion to the Board of Directors of American Bancorp of New Jersey, Inc. that, as of December 14, 2008 the Merger Consideration is fair, from a financial point of view, to the shareholders of American Bancorp of New Jersey, Inc. No limitations were imposed by the Board of Directors of American Bancorp of New Jersey, Inc. upon Keefe Bruyette & Woods, Inc. with respect to the investigations made or procedures followed by it in rendering its opinion. Keefe Bruyette & Woods, Inc. has consented to the inclusion herein of the summary of its opinion to the American Bancorp of New Jersey, Inc. board of directors and to the reference to the entire opinion attached hereto as Appendix B.

**The full text of the opinion of Keefe Bruyette & Woods, Inc., which is attached as Appendix B of this Proxy Statement, sets forth certain assumptions made, matters considered and limitations on the review undertaken by Keefe Bruyette & Woods, Inc., and should be read in its entirety. The summary of the opinion of Keefe Bruyette & Woods, Inc. set forth in this Proxy Statement is qualified in its entirety by reference to the opinion.**

In connection with its opinion Keefe Bruyette & Woods, Inc. reviewed certain financial and other business data, including:

- (i) the Agreement and Plan of Merger;
- (ii) Certain publicly available information concerning American Bancorp of New Jersey, Inc., including Annual Reports for the years ended September 30, 2008, 2007 and 2006, 10-Q reports for the quarters ended June 30, 2008, March 31, 2008, December 31, 2007 and June 30, 2007;
- (iii) Certain publicly available information concerning Investors Bancorp, Inc. including Annual Reports for the years ended June 30, 2008, 2007 and 2006, 10-Q reports for the quarters ended September 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007;
- (iv) and other information Keefe Bruyette & Woods, Inc. deemed relevant.

Keefe Bruyette & Woods, Inc. also discussed with senior management and directors of American Bancorp of New Jersey, Inc. the current position and prospective outlook for American Bancorp of New Jersey, Inc.. Keefe Bruyette & Woods, Inc. reviewed financial and stock market data of other thrifts and the financial and structural terms of several other recent transactions involving mergers and acquisitions of thrifts or proposed changes of control of comparably situated companies.

***Analysis of Recent Comparable Acquisition Transactions***

**Table of Contents**

In rendering its opinion, Keefe Bruyette & Woods, Inc. analyzed two sets of comparable merger and acquisition transactions: Recent Thrift Transactions of Comparably Profitable Companies and Recent Thrift Transactions of Comparable Size.

***Comparable Transactions by Profitability***

Keefe Bruyette & Woods, Inc. analyzed certain comparable merger and acquisition transactions of both pending and completed thrift deals, comparing the acquisition price relative to tangible book value, last twelve months earnings, and premium to core deposits. All comparative metrics were as of each respective deal's announcement date. The analysis included a comparison of the minimum, median and maximum of the above ratios for pending and completed acquisitions where the seller was a thrift and pricing metrics were available, based on the following three criteria:

- (i) Deal is pending or was completed on or after September 30, 2007;
- (ii) Target had assets less than \$1.0 billion at announcement; and
- (iii) Target had a Return on Average Assets Ratio between 0.2% and 1.0% at announcement.

The selected comparable transactions that the three criteria produced were as follows:

<b>Acquiror</b>	<b>Target</b>
First Community Bancshares Inc.	Coddle Creek Financial Corp.
Capstone Bancshares Inc.	Security Federal Bancorp Inc.
Eastern Bank Corporation	MASSBANK Corp.
MutualFirst Financial Inc.	MFB Corp.
First Bancorp	Great Pee Dee Bancorp Inc.
LaPorte Bancorp Inc.	City Savings Financial Corp.
New York Community Bancorp	Synergy Financial Group Inc.

**Table of Contents**

Keefe Bruyette & Woods, Inc. derived the minimum, median and maximum pricing metrics of the three aforementioned criteria as stated below:

	<b>Price to</b>		<b>Core</b>
	<b>Tangible</b>	<b>Earnings</b>	<b>Deposit</b>
	<b>Book</b>		<b>Premium</b>
Minimum	102.1%	23.2x	11.0%
Median	151.7%	43.0x	12.5%
Maximum	174.7%	56.9x	17.8%
American Bancorp of New Jersey, Inc. Merger Consideration*	154.4%	50.5x	13.8%

\* Valued at \$12.50 per share, based on Investors Bancorp, Inc.'s closing price of \$13.56 on December 12, 2008; American Bancorp of New Jersey, Inc. price / earnings ratio based on 2009 budget net income.

Keefe Bruyette & Woods, Inc. viewed the three aforementioned criteria as the most appropriate in deriving a comparable transaction value based on the institution's size and profitability. Keefe Bruyette & Woods, Inc. viewed the fact that the combined criteria produced a comparable group with seven transactions since September of 2007 as being significant for the purposes of comparison. Keefe Bruyette & Woods, Inc. viewed the three resulting metrics (price to tangible book value, price to last twelve months earnings and core deposit premium) from the comparable group on a minimum, median and maximum basis, as the three key metrics used to evaluate the fairness, from a financial point of view, of the transaction.

Given that the value of the consideration to be paid in the Merger, as of the date of the opinion, exceeds the median for all three metrics, Keefe Bruyette & Woods, Inc. believes that this analysis supports the fairness, from a financial point of view, to American Bancorp of New Jersey, Inc. and its shareholders of the consideration to be paid in the merger.

**Comparable Transactions by Size**

Keefe Bruyette & Woods, Inc. analyzed certain comparably sized merger and acquisition transactions of both pending and completed thrift transactions, comparing the acquisition price relative to tangible book value, last twelve months earnings, and premium to core deposits. All comparative metrics were as of each respective deal's announcement date. The analysis included a comparison of the minimum, median and maximum of the above ratios for pending and completed acquisitions where the seller was a thrift and pricing metrics were available, based on the following two criteria:

- (i) Deal is pending or was completed on or after September 30, 2007; and
- (ii) Transaction value was between \$25 million and \$500 million.





**Table of Contents**

The selected comparable transactions that the two criteria produced were as follows:

**Acquiror**

Independent Bank Corp.  
 Harleysville National Corp.  
 First Community Bancshares Inc.  
 Eastern Bank Corporation  
 Mutual First Financial Inc.  
 First Bancorp  
 First Niagara Financial Group  
 Washington Federal Inc.  
 National Penn Bancshares Inc.  
 Fifth Third Bancorp  
 New York Community Bancorp

**Target**

Benjamin Franklin Bancorp Inc.  
 Willow Financial Bancorp Inc.  
 Coddle Creek Financial Corp.  
 MASSBANK Corp.  
 MFB Corp.  
 Great Pee Dee Bancorp Inc.  
 Great Lakes Bancorp Inc.  
 First Mutual Bancshares Inc.  
 KNBT Bancorp Inc.  
 R-G Crown Bank  
 Synergy Financial Group Inc.

Keefe Bruyette & Woods, Inc. derived the minimum, median and maximum pricing metrics of the two aforementioned criteria as stated below:

	<b>Price to</b>		<b>Core</b>
	<b>Tangible</b>	<b>LTM</b>	<b>Deposit</b>
	<b>Book</b>	<b>Earnings</b>	<b>Premium</b>
Minimum	102.1%	20.8x	2.0%
Median	162.7%	30.8x	11.0%
Maximum	238.6%	56.9x	20.8%
American Bancorp of New Jersey, Inc. Merger Consideration*	154.4%	50.5x	13.8%

\* Valued at \$12.50 per share, based on Investors Bancorp, Inc. s closing price of \$13.56 on December 12, 2008; American Bancorp of New Jersey, Inc. price / earnings ratio based on 2009 budget net income.

Keefe Bruyette & Woods, Inc. viewed the two aforementioned criteria as the most appropriate in deriving a comparable transaction value based on the transaction s size. Keefe Bruyette & Woods, Inc. viewed the fact that the combined criteria produced a comparable group with eleven transactions since September of 2007 as being significant for the purposes of comparison. Keefe Bruyette & Woods, Inc. viewed the three resulting metrics (price to tangible book value, price to last twelve months earnings and core deposit premium) from the comparable group on a minimum, median and maximum basis, as the three key metrics used to evaluate the fairness, from a financial point of view, of the transaction.

Given that the value of the consideration to be paid in the Merger, as of the date of the opinion, exceeds the median for two of the metrics, and is close to the median on the remaining metric, Keefe Bruyette & Woods, Inc. believes that this analysis supports the fairness, from a financial point of view, to American Bancorp of New Jersey, Inc. and its shareholders of the consideration to be paid in the merger.

***Discounted Cash Flow Analysis***

Keefe Bruyette & Woods, Inc. performed a discounted cash flow analysis to estimate a range of intrinsic values per share of American Bancorp of New Jersey, Inc. common stock. This range was determined by adding (1) the present value, which is a representation of the current value of a sum that is to be received some time in the future, of the estimated future cash flows that American Bancorp of New Jersey, Inc. could generate over the next five years and (2) the present value of a terminal value, which is a representation of the current value of an entity at a specified time in the future. The terminal value was determined by applying a range of price to earnings multiples based on similar publicly traded institutions.

**Table of Contents**

The Discounted Cash Flow Analysis based on a trading multiple applied a range of year five terminal value multiples of 12.0x to 20.0x based on a midpoint price to last twelve months earnings multiple of 16.0x. The midpoint terminal multiple was based on the median price to last twelve months earnings multiple for fully public thrifts with assets between \$250 million and \$750 million. The discount rate applied to the projected cash flows and calculated terminal value ranged from 10.0% to 14.0%. Based on the foregoing criteria and assumptions, Keefe Bruyette & Woods, Inc. determined that the stand-alone present value of the American Bancorp of New Jersey, Inc. common stock ranged from \$7.88 to \$10.96 per share, with a midpoint price of \$9.30 per share.

Given that the value of the consideration on a per share basis to be paid in the Merger, as of the date of the opinion, exceeds all points in the intrinsic value range derived from the discounted cash flow analysis, Keefe Bruyette & Woods, Inc. believes that this analysis supports the fairness, from a financial point of view, to American Bancorp of New Jersey, Inc. and its shareholders of the consideration to be paid in the Merger.

The intrinsic values of American Bancorp of New Jersey, Inc. derived using discounted cash flow analysis do not necessarily indicate actual values or actual future results and do not purport to reflect the prices at which any securities may trade at the present or at any time in the future. Discounted cash flow analysis is a widely used valuation methodology, but the results of this methodology are highly dependent upon numerous assumptions that must be made, including earnings estimates, terminal values and discount rates.

Based on the above analyses Keefe Bruyette & Woods, Inc. concluded that the consideration paid in the merger was fair, from a financial point of view, to shareholders of American Bancorp of New Jersey, Inc.. This summary does not purport to be a complete description of the analysis performed by Keefe Bruyette & Woods, Inc. and should not be construed independently of the other information considered by Keefe Bruyette & Woods, Inc. in rendering its opinion. Selecting portions of Keefe Bruyette & Woods, Inc.'s analysis or isolating certain aspects of the comparable transactions, without considering all analyses and factors, could create an incomplete or potentially misleading view of the evaluation process.

In rendering its opinion, Keefe Bruyette & Woods, Inc. assumed and relied upon the accuracy and completeness of the financial information provided to it by American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc. In its review, with the consent of the Board of Directors of American Bancorp of New Jersey, Keefe Bruyette & Woods, Inc. did not undertake any independent verification of the information provided to it, nor did it make any independent appraisal or evaluation of the assets or liabilities and potential or contingent liabilities of American Bancorp of New Jersey, Inc. or Investors Bancorp, Inc..

The fairness opinion of Keefe Bruyette & Woods, Inc. is limited to the fairness as of its date, from a financial point of view, of the consideration to be paid in the Merger and does not address the underlying business decision to effect the Merger (or alternatives thereto), nor does it constitute a recommendation to any shareholder of American Bancorp of New Jersey, Inc. as to how such shareholder should vote with respect to the Merger. Keefe Bruyette & Woods, Inc. did not update its fairness opinion in connection with the execution of the amended merger agreement.

Furthermore, Keefe Bruyette & Woods, Inc. expresses no opinion as to the price or trading range at which shares of the pro forma entity will trade following the consummation of the Merger.

Keefe Bruyette & Woods, Inc. is a nationally recognized investment banking firm and is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements.

**Table of Contents**

In preparing its analysis, Keefe Bruyette & Woods, Inc. made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond the control of Keefe Bruyette & Woods, Inc. and American Bancorp of New Jersey. The analyses performed by Keefe Bruyette & Woods, Inc. are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses and do not purport to be appraisals or reflect the prices at which a business may be sold.

Keefe Bruyette & Woods, Inc. will receive a fee of 1.00% of the closing deal value, as set forth in the Engagement Letter dated October 8, 2008, for services rendered in connection with advising and issuing a fairness opinion regarding the Merger. As of the date of the Proxy Statement, Keefe Bruyette & Woods, Inc. has received \$100,000 of such fee; the remainder of the fee is due upon the close of the transaction.

**Employee Matters**

Investors Bancorp, Inc. will review all American Bancorp of New Jersey, Inc. compensation and employee benefit plans that do not otherwise terminate (whether pursuant to the terms of any such plan or the merger agreement) to determine whether to maintain, terminate or continue such plans. Each person who is an employee of American Bank of New Jersey as of the closing of the merger (whose employment is not specifically terminated upon the closing) will become an employee of Investors Bancorp, Inc. or Investors Savings Bank. In the event employee compensation or benefits as currently provided by American Bancorp of New Jersey, Inc. or American Bank of New Jersey are changed or terminated by Investors Bancorp, Inc., Investors Bancorp, Inc. has agreed to provide compensation and benefits that are, in the aggregate, substantially similar to the compensation and benefits provided to similarly situated Investors Bancorp, Inc. employees.

All American Bancorp of New Jersey, Inc. employees who become employees of Investors Bancorp, Inc. at the effective time generally will be given credit for service at American Bancorp of New Jersey, Inc. or its subsidiaries for eligibility to participate in and the satisfaction of vesting requirements (but not for pension benefit accrual purposes) under Investors Bancorp, Inc.'s compensation and benefit plans (but not for any purpose under the Investors Bancorp, Inc. employee stock ownership plan).

See *Interests of Directors and Officers In the Merger* below for a discussion of employment agreements.

**Interests of Directors and Officers In the Merger**

***Employment Agreements.***

Pursuant to the requirements of Section 7.8.3 of the Merger Agreement, each of the directors and executive officers of American Bancorp of New Jersey, Inc. was required to execute an Executive Acknowledgment and Agreement. These agreements set forth the methodology for calculating the amount that will be due to each director and executive officer as a result of the change in control of American Bancorp of New Jersey, Inc. All benefits provided to the American Bancorp of New Jersey, Inc. executive officers are subject to reduction to avoid the payment of any excess parachute payment under Section 280G of the Internal Revenue Code. The following details the total amounts due to each director and executive officer pursuant to all contracts and benefit plans in place for these individuals which are not also provided to all employees.

***Payments Under Existing Employment Agreements.*** Messrs. Kliminski and Kowal each have employment agreements with American Bancorp of New Jersey, Inc. providing that if their employment

**Table of Contents**

is involuntarily terminated during the term of the agreement following a change in control of American Bancorp of New Jersey, Inc. or American Bank of New Jersey, or within 24 months following a change in control of American Bancorp of New Jersey, Inc. or American Bank of New Jersey, they will be entitled to an amount equal to 2.99 times their five-year average annual taxable compensation, subject to reduction to avoid the payment of any excess parachute payment under Section 280G of the Internal Revenue Code, payable in a lump sum.

Mr. Heyer and Ms. Bringuier each have employment agreements with American Bancorp of New Jersey, Inc. providing that if their employment is involuntarily terminated during the term of the agreement following a change in control of American Bancorp of New Jersey, Inc. or American Bank of New Jersey, or within 12 months following a change in control of American Bancorp of New Jersey, Inc. or American Bank of New Jersey, they will be entitled to an amount equal to 2.00 times their five-year average annual taxable compensation, subject to reduction to avoid the payment of any excess parachute payment under Section 280G of the Internal Revenue Code, payable in a lump sum.

**Accelerated Vesting of Stock Options and Restricted Stock for Executive Officers.** As described under The Proposed Merger Treatment of American Bancorp of New Jersey, Inc. Stock Options and Restricted Stock, each option to purchase shares of American Bancorp of New Jersey, Inc. common stock that is outstanding and unexercised immediately prior to the effective time of the merger will become vested, to the extent not already vested. At the effective time of the merger, each holder of an option to purchase shares of American Bancorp of New Jersey, Inc. common stock will receive a cash payment equal to \$12.50 less the exercise price per share of the stock option, multiplied by the number of shares of American Bancorp of New Jersey, Inc. common stock subject to the stock option. All outstanding shares of restricted stock that are not vested at the time of the merger will become vested in full, and each holder of restricted stock of American Bancorp of New Jersey, Inc. will be entitled to receive the merger consideration in exchange therefore, on the same basis as all other shares of American Bancorp of New Jersey, Inc. common stock.

**Executive Salary Continuation Agreements.** Messrs. Kliminski, Kowal, Heyer and Ms. Bringuier have Executive Salary Continuation ( SERP ) Agreements that provide for a lifetime annual retirement benefit equal to 50%, 45%, 40% and 30%, respectively, of the executive's average base salary. Average base salary is calculated using the average of the highest three out of the last five years of employment. Upon a change in control of American Bancorp of New Jersey, Inc., the executives are entitled to their full retirement benefits under the SERP upon attaining age 65 as if the executive had been continuously employed by American Bancorp of New Jersey, Inc. until age 65, subject to the Section 280G cutback described above. Investors Bancorp, Inc. and the executives have agreed to satisfy the SERP obligation by payment of a lump sum to the executives immediately prior to closing of the merger. The lump sum is discounted to reflect the present value of the payment. Because Mr. Kliminski is 65 and fully vested and accrued in his SERP benefit, he is not subject to any additional discount factor or Section 280G limitation on his SERP benefit. Mr. Kowal, however, is 56 years old, neither fully vested nor fully accrued in his SERP benefit, and is subject to a Section 280G cutback. Thus, he will experience a significant reduction in his SERP benefit. Mr. Heyer and Ms. Bringuier are fully vested in their SERP benefits but because each is 46 years old and not fully accrued in their SERP benefit, both will be subject to a significant reduction in their SERP benefit.

**Split Dollar Life Insurance Agreements.** Each named executive officer has a split dollar life insurance agreement with American Bancorp of New Jersey, Inc. providing for life insurance protection equal to 300% of the executive's highest annual base salary in effect during the three calendar years preceding his or her death. Because these agreements are subject to a cutback pursuant to Section 280G of the Internal Revenue Code, each of the executives has entered into an agreement with Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. which provides that no benefit is required to be

**Table of Contents**

paid by American Bancorp of New Jersey, Inc. or Investors Bancorp, Inc. pursuant to these agreements. The Executive Acknowledgment and Agreement signed by each executive provides that the executive may elect, but is not obligated to, either (a) have the benefit under the Split Dollar Agreement continued, provided the executive timely and fully pays to Investors the current annual cost of the term life insurance protection, or (b) enter into an agreement with Investors Bancorp, Inc. to have the split dollar agreement continued on behalf of the executive in exchange for an agreed-upon reduction in the payment due to the executive under the Executive Acknowledgment and Agreement, provided that the amount of the reduction in payment is sufficient to avoid any excise taxes under Section 280G. Investors Bancorp, Inc. is not obligated to agree to any such election by the executive officer.

**Total Payments to Executive Officers.** The total payment to Messrs. Kliminski, Kowal, Heyer and Ms. Bringuier under the compensation arrangements discussed above, subject to adjustment regarding the Split Dollar Life Insurance Agreements, is expected to be approximately \$3,215,405, \$1,587,893, \$1,057,673 and \$987,664, respectively, based, in part, on a \$12.50 value of the merger consideration. Assuming merger consideration of \$\_\_\_\_\_, the total payment to Messrs. Kliminski, Kowal, Heyer and Ms. Bringuier under the compensation arrangements discussed above, subject to adjustment regarding the Split Dollar Life Insurance Agreements, is expected to be approximately \$\_\_\_\_\_, \$\_\_\_\_\_, \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively.

**Accelerated Vesting of Stock Options and Restricted Stock for Directors.** As described under The Proposed Merger Treatment of American Bancorp of New Jersey Stock Options and Restricted Stock, each option to purchase shares of American Bancorp of New Jersey, Inc. common stock that is outstanding and unexercised immediately prior to the effective time of the merger will become vested, to the extent not already vested. At the effective time of the merger, each holder of an option to purchase shares of American Bancorp of New Jersey, Inc. common stock will receive a cash payment equal to \$12.50 less the exercise price per share of the stock option, multiplied by the number of shares of American Bancorp of New Jersey, Inc. common stock subject to the stock option. All outstanding shares of restricted stock that are not vested at the time of the merger will become vested in full, and each holder of restricted stock of American Bancorp of New Jersey, Inc. will be entitled to receive the merger consideration in exchange therefore, on the same basis as all other shares of American Bancorp of New Jersey, Inc. common stock.

**Directors Consultation and Retirement Plan.** This plan provides for monthly retirement benefits to non-employee directors, payable for the life of the director with a minimum payment of 144 months, equal to 0.0833 times the highest annual fees paid (including retainer fees and regular board meeting fees) during the most recently completed three calendar years ending on or before the retirement date. All non-employee directors of American Bancorp of New Jersey, Inc. are fully vested in this plan. In the event of a change in control, all directors are presumed to have reached the retirement date and each director is entitled to receive a lump sum payment equal to the present value of his future benefits under the plan.

**Total Payments to Non-Employee Directors.** The total payments to Messrs. Parker, Ward, Gaccione, North and Rospond under the Directors Consultation and Retirement Plan and the total value of the stock options and restricted stock awards owned by such individuals is expected to be \$1,138,232, \$1,396,178, \$1,138,232, \$1,214,116 and \$1,138,232, respectively, based on a \$12.50 value of the merger consideration. The total payments to Messrs. Parker, Ward, Gaccione, North and Rospond under the Directors Consultation and Retirement Plan and the total value of the stock options and restricted stock awards owned by such individuals is expected to be \$\_\_\_\_\_, \$\_\_\_\_\_, \$\_\_\_\_\_, \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively, based on a \$\_\_\_\_\_ value of the merger consideration.

**Indemnification.** Pursuant to the merger agreement, Investors Bancorp, Inc. has agreed that from and after the effective date of the merger through the sixth anniversary thereof, it will indemnify, defend

**Table of Contents**

and hold harmless each present and former officer, director or employee of American Bancorp of New Jersey, Inc. and its subsidiaries (the Indemnified Parties ) against all losses, claims, damages, costs, expenses (including attorney s fees), liabilities, judgments and amounts that are paid in settlement (with the approval of Investors Bancorp, Inc., which approval shall not be unreasonably withheld) of or in connection with any claim, action, suit, proceeding or investigation (each a Claim ), based in whole or in part on, or arising in whole or in part out of, the fact that such person is or was a director, officer or employee of American Bancorp of New Jersey, Inc. or its subsidiaries if such Claim pertains to any matter of fact arising, existing or occurring at or before the closing date to the fullest extent to which directors and officers of American Bancorp of New Jersey, Inc. are entitled under applicable law, Investors Bancorp, Inc. s Certificate of Incorporation and Bylaws, American Bancorp of New Jersey, Inc. Certificate of Incorporation and Bylaws, or other applicable law in effect on the date of the merger agreement (and Investors Bancorp, Inc. will pay expenses in advance of the final disposition of any such action or proceeding to the fullest extent permitted to under applicable law, provided that the person to whom such expenses are advanced agrees to repay such expenses if it is ultimately determined that such person is not entitled to indemnification.)

**Directors and Officers Insurance.** Investors Bancorp, Inc. has further agreed, for a period of six years after the effective date, to cause the persons serving as officers and directors of American Bancorp of New Jersey, Inc. immediately prior to the effective date to continue to be covered by American Bancorp of New Jersey, Inc. s current directors and officers liability insurance policy (provided that Investors Bancorp, Inc. may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are substantially no less advantageous than such policy) with respect to acts or omissions occurring prior to the effective date which were committed by such officers and directors in their capacity as such. Investors Bancorp, Inc. is not required to spend more than 175% of the annual cost currently incurred by American Bancorp of New Jersey, Inc. for its insurance coverage.

**Appointment to Boards of Directors.** Effective as of the consummation of the merger, Investors Bancorp, Inc. and Investors Savings Bank shall each increase the size of its Board of Directors by one member and appoint James H. Ward III to their respective Boards of Directors.

**Management and Operations of American Bank of New Jersey After the Merger**

Upon consummation of the merger between American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc., American Bank of New Jersey will be merged into Investors Savings Bank and its separate existence will cease. The directors and officers of Investors Bancorp, Inc. and Investors Savings Bank immediately prior to the merger will continue to be its directors and officers, except as disclosed above.

An analysis of the post-merger branch system determined that all branches of Investors Savings Bank and American Bank of New Jersey will remain open, although American Bank of New Jersey s corporate headquarters will be closed. The post merger branch system remains under review, and branch consolidations, closings and sales may be determined to be in the best interests of the combined bank.

**Effective Date of Merger**

The parties expect that the merger will be effective in the second quarter of 2009 or as soon as possible after the receipt of all regulatory and stockholder approvals and after the expiration of all regulatory waiting periods. The merger will be completed legally by the filing of the certificate of merger with the Secretary of State of Delaware. If the merger is not consummated by September 30, 2009, the merger agreement may be terminated by either American Bancorp of New Jersey, Inc. or Investors Bancorp, Inc. unless the failure to consummate the merger by this date is due to the breach by the party



**Table of Contents**

seeking to terminate the merger agreement of any of its obligations under the merger agreement. See Conditions to the Merger below.

**Conduct of Business Pending the Merger**

The merger agreement contains various restrictions on the operations of American Bancorp of New Jersey, Inc. before the effective time of the merger. In general, the merger agreement obligates American Bancorp of New Jersey, Inc. to conduct its business in the usual, regular and ordinary course of business and use reasonable efforts to preserve its business organization and assets and maintain its rights and franchises. In addition, American Bancorp of New Jersey, Inc. has agreed that, except as expressly contemplated by the merger agreement or specified in a schedule to the merger agreement, without the prior written consent of Investors Bancorp, Inc., it will not, among other things:

enter into, amend in any material respect or terminate any contract or agreement except in the ordinary course of business;

change compensation or benefits, except for pay increases or cash bonuses consistent with past practice in the ordinary course of business;

incur any capital expenditures in excess of \$25,000 individually or \$75,000 in the aggregate other than pursuant to binding commitments or necessary to maintain existing assets in good repair;

issue any additional shares of capital stock except under outstanding options, or grant any options, or declare or pay any dividend except for its current quarterly cash dividend;

purchase any securities (other than Federal Home Loan Bank stock as required), or purchase any securities other than securities (i) issued by a federal government agency, and (ii) with a weighted average life of not more than one year; and

except for prior commitments previously disclosed to Investors Bancorp, Inc., make any new loan or other credit facility commitment to any borrower or group of affiliated borrowers in excess of \$1.0 million for a commercial real estate loan, \$250,000 for a commercial business loan, \$500,000 for a construction loan or \$750,000 for a residential loan.

In addition to these covenants, the merger agreement contains various other customary covenants, including, among other things, access to information, each party's efforts to cause its representations and warranties to be true and correct on the closing date and each party's agreement to use its reasonable best efforts to cause the merger to qualify as a tax-free reorganization.

**Representations and Warranties**

The merger agreement contains a number of customary representations and warranties by Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. regarding aspects of their respective businesses, financial condition, structure and other facts pertinent to the merger that are customary for a transaction of this kind. They include, among other things:

the organization, existence, and corporate power and authority and capitalization of each of the companies;

**Table of Contents**

the absence of conflicts with and violations of law and various documents, contracts and agreements;

the absence of any development materially adverse to the companies;

the absence of adverse material litigation;

accuracy of reports and financial statements filed with the Securities and Exchange Commission;

the accuracy and completeness of the statements of fact made in the merger agreement;

the existence, performance and legal effect of certain contracts;

no violations of law by either company;

the filing of tax returns, payment of taxes and other tax matters by either party;

labor and employee benefit matters; and

compliance with applicable environmental laws by both parties.

All representations, warranties and covenants of the parties, other than the covenants in specified sections which relate to continuing matters, terminate upon the merger.

**Conditions to the Merger**

The respective obligations of Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. to complete the merger are subject to various conditions prior to the merger. The conditions include the following:

the Federal Deposit Insurance Corporation, the Federal Reserve Board of Governors and the New Jersey Department of Banking and Insurance approvals of the merger and the bank merger and the expiration of all statutory waiting periods;

approval of the merger agreement by the affirmative vote of a majority of the issued and outstanding shares of American Bancorp of New Jersey, Inc.;

there must be no statute, rule, regulation, order, injunction or decree in existence which prohibits or makes completion of the merger illegal;

there must be no litigation, statute, law, regulation, order or decree by which the merger is restrained or enjoined;

Investors Bancorp, Inc.'s registration statement of which this document is a part shall have become effective and no stop order suspending its effectiveness shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the Securities and Exchange Commission;

**Table of Contents**

the shares of Investors Bancorp, Inc. common stock to be issued to American Bancorp of New Jersey, Inc. stockholders in the merger must have been approved for listing on the Nasdaq Global Select Market;

with respect to each of American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc., the representations and warranties of the other party to the merger agreement must be true and correct, except where the failure to be true and correct has not had or is reasonably not expected to have, individually or in the aggregate, a material adverse effect on American Bancorp of New Jersey, Inc. or Investors Bancorp, Inc., as applicable. If a representation or warranty was qualified as to materiality, it has to be true or correct after giving effect to the materiality standard;

neither American Bancorp of New Jersey, Inc. nor Investors Bancorp, Inc. shall have suffered a material adverse effect since September 30, 2007 and June 30, 2008, respectively;

Investors Bancorp, Inc. received a legal opinion from its counsel that the merger will qualify as a tax-free reorganization under United States federal income tax laws; and

all necessary third party consents shall have been obtained.

The parties may waive conditions to their obligations unless they are legally prohibited from doing so. Stockholder approval and regulatory approvals may not be legally waived.

**Regulatory Approvals Required for the Merger**

**General.** American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc. have agreed to use all reasonable efforts to obtain all permits, consents, approvals and authorizations of all third parties and governmental entities that are necessary or advisable to consummate the merger. This includes the approval of the Federal Deposit Insurance Corporation, the Federal Reserve Board of Governors and the New Jersey Department of Banking and Insurance. Investors Bancorp, Inc. has filed the applications necessary to obtain these regulatory approvals. In addition, Investors Bancorp, Inc. has submitted a letter to the Federal Reserve Bank of New York requesting the modification of a prior commitment by Investors Bancorp, Inc. to issue equity securities to any company other than Investors Bancorp, MHC only with the prior approval of the Board of Governors of the Federal Reserve System. If the Federal Reserve Bank of New York does not grant this request by May 31, 2009, Investors Bancorp, Inc. may elect to proceed with the Merger on an all cash basis and merge a newly created merger subsidiary with and into American Bancorp. The merger cannot be completed without such approvals. Investors Bancorp, Inc. cannot assure that it will obtain the required regulatory approvals, when they will be received, or whether there will be conditions in the approvals or any litigation challenging the approvals. We also cannot assure that the United States Department of Justice or any state attorney general will not attempt to challenge the merger on antitrust grounds, or what the outcome will be if such a challenge is made.

We are not aware of any material governmental approvals or actions that are required prior to the merger other than those described below. We presently contemplate that we will seek any additional governmental approvals or actions that may be required in addition to those requests for approval currently pending; however, we cannot assure that we will obtain any such additional approvals or actions.

**Federal Deposit Insurance Corporation.** The merger of American Bank of New Jersey into Investors Savings Bank is subject to approval by the Federal Deposit Insurance Corporation. We have

**Table of Contents**

filed the required application, but we have not yet received the Federal Deposit Insurance Corporation's approval.

The Federal Deposit Insurance Corporation may not approve any transaction that would result in a monopoly or otherwise substantially lessen competition or restrain trade, unless it finds that the anti-competitive effects of the transaction are clearly outweighed by the public interest. In addition, the Federal Deposit Insurance Corporation considers the financial and managerial resources of the companies and their subsidiary institutions and the convenience and needs of the communities to be served. Under the Community Reinvestment Act, the Federal Deposit Insurance Corporation must take into account the record of performance of each company in meeting the credit needs of its entire communities, including low and moderate income neighborhoods, served by each company. Investors Savings Bank has an outstanding CRA rating and American Bank of New Jersey has a satisfactory CRA rating. The Federal Deposit Insurance Corporation also must consider the effectiveness of each company involved in the proposed transaction in combating money laundering activities.

Federal law requires publication of notice of, and the opportunity for public comment on, the applications submitted by Investors Bancorp, Inc. and Investors Savings Bank for approval of the merger and authorizes the Federal Deposit Insurance Corporation to hold a public hearing in connection with the application if it determines that such a hearing would be appropriate. Any such hearing or comments provided by third parties could prolong the period during which the application is subject to review. In addition, under federal law, a period of 30 days must expire following approval by the Federal Deposit Insurance Corporation, within which period the Department of Justice may file objections to the merger under the federal antitrust laws. This waiting period may be reduced to 15 days if the Department of Justice has not provided any adverse comments relating to the competitive factors of the transaction. If the Department of Justice were to commence an antitrust action, that action would stay the effectiveness of the Federal Deposit Insurance Corporation's approval of the merger unless a court specifically orders otherwise. In reviewing the merger, the Department of Justice could analyze the merger's effect on competition differently than the Federal Deposit Insurance Corporation, and thus it is possible that the Department of Justice could reach a different conclusion than the Federal Deposit Insurance Corporation regarding the merger's competitive effects.

***New Jersey Department of Banking and Insurance.*** The bank merger is also subject to the prior approval of the New Jersey Department of Banking and Insurance under certain provisions of the New Jersey Banking Act of 1948. Investors Bancorp, Inc. filed an application with the New Jersey Department of Banking and Insurance in January, 2009 for approval of the bank merger. In determining whether to approve such application, the New Jersey Department of Banking and Insurance may consider, among other factors whether the merger will be in the public interest and whether Investors Savings Bank, the surviving bank in the bank merger, has the minimum capital stock and surplus required under the New Jersey Banking Act of 1948.

The New Jersey Department of Banking and Insurance approved the bank merger on March 10, 2009.

***Federal Reserve Board of Governors.*** The merger is subject to prior approval by the Federal Reserve Board under the Bank Holding Company Act (BHCA). The BHCA requires the Federal Reserve Board, when approving a transaction such as the merger, to take into consideration the financial and managerial resources (including the competence, experience and integrity of the officers, directors and principal shareholders) and future prospects of the existing and proposed institutions and the convenience and needs of the communities to be served. In considering financial resources and future prospects, the Federal Reserve Board will, among other things, evaluate the adequacy of the capital levels of the parties to a proposed transaction.

**Table of Contents**

The BHCA prohibits the Federal Reserve Board from approving a merger if it would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or if its effect in any section of the country would be substantially to lessen competition or to tend to create a monopoly, or if it would in any other manner result in a restraint of trade, unless the Federal Reserve Board finds that the anti-competitive effects of a merger are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In addition, under the Community Reinvestment Act of 1977, as amended (the CRA), the Federal Reserve Board must take into account the record of performance of the existing institutions in meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, served by such institutions.

Applicable federal law provides for the publication of notice and public comment on applications filed with the Federal Reserve Board and authorizes such agency to permit interested parties to intervene in the proceedings. If an interested party is permitted to intervene, such intervention could delay the regulatory approvals required for consummation of the merger.

**No Solicitation**

Until the merger is completed or the merger agreement is terminated, American Bancorp of New Jersey, Inc. has agreed that it, and its subsidiaries, its officers and its directors will not:

initiate, solicit, induce or knowingly encourage any inquiries or the making of any proposal to acquire American Bancorp of New Jersey, Inc.;

participate in any discussions or negotiations regarding any proposal to acquire American Bancorp of New Jersey, Inc., or furnish, or otherwise afford access, to any person any information or data with respect to American Bancorp of New Jersey, Inc. or otherwise relating to an acquisition proposal;

release any person from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which American Bancorp of New Jersey, Inc. is a party; or

enter into any agreement, agreement in principle, or letter of intent with respect to any proposal to acquire American Bancorp of New Jersey, Inc., or approve or resolve to approve an acquisition proposal.

American Bancorp of New Jersey, Inc. may, however, furnish information regarding American Bancorp of New Jersey, Inc. to, or enter into and engage in discussions with, any person or entity in response to a bona fide unsolicited written proposal by the person or entity relating to an acquisition proposal if:

American Bancorp of New Jersey, Inc.'s board of directors determines in good faith, after consultation with and having considered the advice of its outside legal counsel and its independent financial advisor, that such proposal may be or could be superior to the Investors Bancorp, Inc. merger from a financial point-of-view for American Bancorp of New Jersey, Inc.'s stockholders;

**Table of Contents**

American Bancorp of New Jersey, Inc. s board of directors determines, after consultation and having considered the advice of its outside legal counsel and its independent financial advisor, that such proposal constitutes or is reasonably likely to lead to a superior proposal and that failure to take such actions would be inconsistent with their fiduciary obligations under applicable law;

American Bancorp of New Jersey, Inc. notifies Investors Bancorp, Inc. within at least two business days prior to such determination; and

American Bancorp of New Jersey, Inc. receives a confidentiality agreement from a third party with terms no less favorable to American Bancorp of New Jersey, Inc. than the existing confidentiality agreement between American Bancorp of New Jersey, Inc. and Investors Bancorp, Inc.

**Termination; Amendment; Waiver**

The merger agreement may be terminated prior to the closing, before or after approval by American Bancorp of New Jersey, Inc. s stockholders, as follows:

by mutual written agreement of Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc.;

by either Investors Bancorp, Inc. or American Bancorp of New Jersey, Inc. if the merger has not occurred on or before September 30, 2009, and such failure to close is not due to the terminating party s material breach of any representation, warranty, covenant or other agreement contained in the merger agreement;

by Investors Bancorp, Inc. or American Bancorp of New Jersey, Inc. if American Bancorp of New Jersey, Inc. stockholders do not approve the merger agreement;

by a non-breaching party if the other party (1) breaches any covenants or undertakings contained in the merger agreement or (2) breaches any representations or warranties contained in the merger agreement, in each case if such breach has not been cured within thirty days after notice from the terminating party and which breach would entitle the terminating party not to consummate the merger;

by either party if any required regulatory approvals for consummation of the merger or the bank merger is not obtained;

by Investors Bancorp, Inc. if American Bancorp of New Jersey, Inc. shall have received a superior proposal and the American Bancorp of New Jersey, Inc. board of directors enters into an acquisition agreement with respect to a superior proposal and terminated the merger agreement or failed to recommend that the stockholders of American Bancorp of New Jersey, Inc. approve the merger agreement or has withdrawn, modified or changed such recommendation in a manner which is adverse to Investors Bancorp, Inc.; or

by American Bancorp of New Jersey, Inc. in order to accept a superior proposal, as defined in the merger agreement, which has been received and considered by American Bancorp of New Jersey, Inc. in compliance with the applicable terms of the merger agreement, provided that American Bancorp of New Jersey, Inc. has notified Investors Bancorp, Inc. at least four

**Table of Contents**

business days in advance of any such action and given Investors Bancorp, Inc. the opportunity during such period, if Investors Bancorp, Inc. elects in its sole discretion, to negotiate amendments to the merger agreement which would permit American Bancorp of New Jersey, Inc. to proceed with the proposed merger with Investors Bancorp, Inc.

Under the latter two scenarios described above, if the merger agreement is terminated, American Bancorp of New Jersey, Inc. shall pay to Investors Bancorp, Inc. a fee of \$5.6 million.

Additionally, American Bancorp of New Jersey, Inc. may terminate the merger agreement if, at any time during the five-day period commencing on the first date on which all bank regulatory approvals (and waivers, if applicable) necessary for consummation of the merger have been received (disregarding any waiting period) (the Determination Date ), such termination to be effective ten days thereafter if both of the following conditions are satisfied:

the average of the daily closing sales price of Investors Bancorp, Inc. common stock for the five consecutive trading days immediately preceding the Determination Date (the Investors Bancorp, Inc. Market Value ) is less than \$9.49; and

the number obtained by dividing the Investors Bancorp, Inc. Market Value on the Determination Date by \$13.56, (the closing sales price of Investors Bancorp, Inc. common stock on December 12, 2008, the last trading day immediately preceding the date of the public announcement of the merger agreement (the Initial Investors Bancorp, Inc. Market Value )) is less than the quotient obtained by dividing the sum of the average of the daily closing sales prices for the five consecutive trading days immediately preceding the Determination Date of a group of financial institution holding companies comprising the SNL Thrift Index as reported by SNL Securities (the Final Index Price ) by the sum of the average of the daily closing sales price of those financial institution holding companies comprising the SNL Thrift Index on the trading day ended two days preceding the execution of the merger agreement (the Initial Index Price ), minus 0.30.

If American Bancorp of New Jersey, Inc. elects to exercise its termination right as described above, it must give prompt written notice thereof to Investors Bancorp, Inc. During the five-day period commencing with its receipt of such notice, Investors Bancorp, Inc. shall have the option to increase the consideration to be received by the holders of American Bancorp of New Jersey, Inc. common stock who are to receive Investors Bancorp, Inc. s common stock by adjusting the Exchange Ratio to one of the following at its sole discretion: (i) a quotient, the numerator of which is equal to the product of the Initial Investors Market Value, the Exchange Ratio (as then in effect), and the Index Ratio minus 0.30, and the denominator of which is equal to Investors Market Value on the Determination Date; or (ii) the quotient determined by dividing the Initial Investors Market Value by the Investors Market Value on the Determination Date, and multiplying the quotient by the product of the Exchange Ratio (as then in effect) and 0.70. If Investors Bancorp, Inc. elects, it shall give, within such five-day period, written notice to American Bancorp of New Jersey, Inc. of such election to pay the additional merger consideration, whereupon no termination shall be deemed to have occurred and the merger agreement shall remain in full force and effect in accordance with its terms (except as the merger consideration shall have been so modified). Because the formula is dependent on the future price of Investors Bancorp, Inc. s common stock and that of the index group, it is not possible presently to determine what the adjusted merger consideration would be at this time, but, in general, more shares of Investors Bancorp, Inc. common stock would be issued or cash paid, to take into account the extent the average price of Investors Bancorp, Inc. s common stock exceeded the decline in the average price of the common stock of the index group.

**Table of Contents**

Approval by American Bancorp of New Jersey, Inc. stockholders authorizes its Board of Directors to terminate the merger agreement or proceed therewith at its sole discretion. If the Board of Directors of American Bancorp of New Jersey, Inc. terminates the merger agreement pursuant to this provision, Investors Bancorp, Inc. may increase the merger consideration pursuant to this prescribed formula and compel American Bancorp of New Jersey, Inc. to complete the merger.

The merger agreement may be amended by the parties at any time before or after approval of the merger agreement by the American Bancorp of New Jersey, Inc. stockholders. However, after such approval, no amendment may be made without their approval if it reduces the amount, value or changes the form of consideration to be delivered to American Bancorp of New Jersey, Inc. stockholders.

The parties may waive any of their conditions to closing, unless they may not be waived under law.

**Fees and Expenses**

Investors Bancorp, Inc. and American Bancorp of New Jersey, Inc. will each pay its own costs and expenses in connection with the merger agreement and the transactions contemplated thereby except as described above.

**Material United States Federal Income Tax Consequences Of The Merger**

**General.** The following discussion sets forth the material United States federal income tax consequences of the merger to U.S. holders (as defined below) of American Bancorp of New Jersey, Inc. common stock. This discussion does not address any tax consequences arising under the laws of any state, locality or foreign jurisdiction. This discussion is based upon the Internal Revenue Code of 1986, as amended, the regulations of the U.S. Treasury Department and court and administrative rulings and decisions in effect on the date of this document. These laws may change, possibly retroactively, and any change could affect the continuing validity of this discussion.

For purposes of this discussion, the term "U.S. holder" means:

a citizen or resident of the United States;

a corporation created or organized under the laws of the United States or any of its political subdivisions;

a trust that (1) is subject to the supervision of a court within the United States and the control of one or more United States persons or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person; or

an estate that is subject to United States federal income tax on its income regardless of its source.

This discussion assumes that you hold your shares of American Bancorp of New Jersey, Inc. common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. Further, the discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to annual treatment under the United States federal income tax laws, including if you are:



**Table of Contents**

a financial institution;

a tax-exempt organization;

an S corporation or other pass-through entity;

an insurance company;

a mutual fund;

a dealer in securities or foreign currencies;