

PROCESSED

JUL 03 2008

THOMSON REUTERS



08054471

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SEC Mail
Mail Processing
Section

JUN 30 2008

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Washington, DC

Received SEC

JUN 30 2008

Washington, DC 20549

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number 333-130203

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Kearny Federal Savings Bank Employees' Savings & Profit Sharing Plan and Trust

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

Kearny Financial Corp.
120 Passaic Avenue
Fairfield, New Jersey 07004

REQUIRED INFORMATION

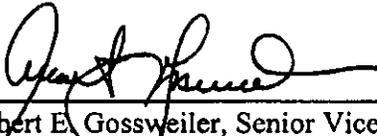
Financial statements prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974 are attached at Exhibit 1.

SIGNATURES

The Plan. Pursuant to the requirement of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**Kearny Federal Savings Bank Employees'
Savings & Profit Sharing Plan and Trust**

Date: June 30, 2008

By: 

Albert E. Gossweiler, Senior Vice President
Plan Administrator

EXHIBIT 1
FINANCIAL STATEMENTS

**KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST**

**FINANCIAL STATEMENTS
December 31, 2007**

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
December 31, 2007 and 2006

INDEX

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	1
Statements of Net Assets Available for Plan Benefits	2
Statements of Changes in Net Assets Available for Plan Benefits	3
Notes to Financial Statements	4 – 12
Supplemental Schedule:	
Schedule of Assets (Held at End of Year)	13



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Trustees
Kearny Federal Savings Bank Employees' Savings
and Profit Sharing Plan and Trust

We have audited the accompanying statements of net assets available for plan benefits of Kearny Federal Savings Bank Employees' Savings and Profit Sharing Plan and Trust (the "Plan") as of December 31, 2007 and 2006, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2007 and 2006, and the changes in net assets available for plan benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2007, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Beard Miller Company LLP

Beard Miller Company LLP
Pine Brook, New Jersey
June 27, 2008

**KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS**

	December 31,	
	2007	2006
Assets		
Investments at Fair Value:		
Investment in Mutual Fund:		
Short-term Fund	\$ 123,617	\$ 50,852
Employer Stock Fund	5,131,245	6,674,697
Interest in Common/Collective Trusts:		
Conservative Strategic Balanced SL Fund	81,843	75,253
Moderate Strategic Balanced SL Fund	209,766	174,879
Aggressive Strategic Balanced SL Fund	78,318	65,666
S&P 500 Flagship SL Series Fund - Class A	473,574	360,755
Pentegra Stable Value Fund	358,639	303,739
S&P Midcap Index SL Series Fund - Class A	532,052	460,413
S&P Value Index SL Fund Series A	158,176	139,103
S&P Growth Index SL Fund Series A	353,864	268,498
Russell 2000 Index SL Series Fund - Class A	213,897	213,708
NASDAQ 100 Index Non-Lending Fund Series A	150,266	47,416
Daily EAFE Index SL Series Fund - Class T	322,000	178,474
Long U.S. Treasury Index SL Series Fund - Class A	219,075	177,500
REIT Index Non-Lending Series Fund - Class A	84,781	147,860
Short-term Investment Fund	701,652	442,563
Investment at cost:		
Participant Loans	182,762	199,584
Total investments	9,375,528	9,980,960
Due from broker for sales of investments	15,662	35,007
Accrued interest on mutual fund	426	86
Total Assets	9,391,616	10,016,053
Liabilities		
Due to broker for purchase of investments	30,978	19,245
Total Liabilities	30,978	19,245
Net Assets Available for Benefits at Fair Value	9,360,638	9,996,808
Adjustments from fair value to contract value for fully benefit-responsive investment contract(s)	4,486	5,156
Net Assets Available for Plan Benefits	\$ 9,365,124	\$ 10,001,964

The accompanying notes are an integral part of these financial statements.

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

	Year Ended December 31,	
	2007	2006
Investment income:		
Interest	\$ 47,803	\$ 41,806
Net (depreciation) appreciation in fair value of investments	(1,630,305)	1,723,712
Dividends	83,397	77,553
	(1,499,105)	1,843,074
Less: Investment expenses (See Note 1)	(4,103)	(4,139)
	(1,503,208)	1,838,935
Contributions:		
Participants	810,443	815,586
Employer	319,603	319,616
	1,130,046	1,135,202
	(373,162)	2,974,137
Deductions:		
Benefits Paid to Participants	(240,285)	(150,496)
Administrative Expenses (See Note 1 and 3)	(23,393)	(28,575)
	(263,678)	(179,071)
Net (decrease) Increase in Assets Available for Plan Benefits	(636,840)	2,795,066
Net Assets Available for Plan Benefits - Beginning	10,001,964	7,206,898
Net Assets Available for Plan Benefits - Ending	\$ 9,365,124	\$ 10,001,964

The accompanying notes are an integral part of these financial statements.

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements of the Kearny Federal Savings Bank Employees' Savings and Profit Sharing Plan and Trust (the "Plan") are prepared on the accrual basis of accounting.

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The plan invests in investment contracts through common / collective trust funds. The contract values for these common / collective trust funds are based on the net asset value of the fund as reported by the investment advisor. As required by the FSP, the Statement of Net Assets Available for Plan Benefits presents the fair value of the investment in the common / collective trust fund as well as the adjustment of the investment in the common / collective trust fund from fair value to contract value relating to fully benefit responsive investment contracts. The Statements of Changes in Net Assets Available for Plan Benefits are prepared on a contract value basis.

Valuation of Investments

The Plan's investments are stated at fair value. Investments in mutual funds and common stock are stated at fair value by reference to quoted market prices. Investments in common/collective trust funds are valued at the net value of participation units held by the Plan at year-end. The value of these units is determined by the trustee based on the current market values of the underlying assets of the common/collective trust or pooled separate account based on information reported by the investment advisor using audited financial statements of the common / collective trust funds or pooled separate accounts at year end. Further information concerning the common / collective trust funds and pooled separate accounts may be obtained from their separate audited financial statements. The fair value of the guaranteed investment contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. Participant loans are valued at their outstanding balances which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS**

Investment Fees

Net investment returns reflect certain fees paid by the investment funds to their affiliated investment advisors, transfer agents, and others as further described in each fund prospectus or other published documents.

These fees are deducted prior to allocation of the Plan's investment earnings activity and thus are not separately identifiable as an expense

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Participants' loans are valued at cost, which approximates fair value.

Payments of Benefits

Benefit payments are recorded when paid.

Administrative Costs

Significant administrative costs of the plan are absorbed by Kearny Federal Savings Bank, the Plan Sponsor.

New Accounting Policies

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. The Plan is currently evaluating the potential impact, if any, of the adoption of SFAS No. 157 on its financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities-Including an Amendment of SFAS No. 115". SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Plan is evaluating the impact that the adoption of SFAS No. 159 will have on its financial statements.

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

2. DESCRIPTION OF THE PLAN

The following brief description of the provisions of the Plan is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Eligibility

Kearny Federal Savings Bank Employees' Savings and Profit Sharing Plan and Trust was established November 1, 2004, and is a voluntary defined contribution plan which covers all eligible employees who have elected to participate. All employees are eligible to participate in the Plan after performance of 1,000 hours of service in a 12 consecutive month period and attainment of the age of 21. The participant becomes eligible the first day following the eligibility month. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Contributions and Participants Accounts

Kearny Federal Savings Bank ("Employer Company") has voluntarily agreed to contribute 100% of the first 3% of compensation contributed by participating employees as a matching Employer Contribution. A participant may also elect to contribute voluntarily up to 75% of his or her salary, subject to applicable limits established in the Internal Revenue Code, which will not be matched by the Employer Company beyond the extent noted above. Compensation includes total remuneration paid including wages, overtime and commissions.

Each participant's account is credited with the participant's contributions, plan earnings (including appreciation or depreciation of Plan Assets) and an allocation of the Employer Company's contribution. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Loan and disbursement processing fees are charged to the respective participant accounts. Other administrative expenses are allocated based on transactions made.

Vesting

Participants are 100% vested immediately in both the employee and employer contributions and actual earnings thereon. The employee salary deferral and rollover contribution accounts are 100% vested at all times.

Retirement

Upon termination of employment, a participant may leave his or her account with the Plan and defer commencement of receipt of his or her vested balance until April 1 of the calendar year following the calendar year in which he or she attains age 70½, except to the extent that the vested account balance as of the date of termination is less than \$500, in which case the interest in the Plan will be cashed out. Participants may make withdrawals from their accounts at any time after terminating employment and may continue to change investment instructions with respect to their remaining account balance and make withdrawals. Participants may elect, in lieu of a lump sum payment, to be paid in annual installments with the right to take in a lump sum the vested balance of their account at any time during such payment period. Normal retirement age is 65.

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

Disability Retirement

If a participant is disabled in accordance with the definition of disability under the Plan, he or she will be entitled to the same withdrawal rights as if terminating employment.

Pre-Retirement Death

Upon death, the value of a participant's account will be payable to his or her beneficiary. This payment will be made in the form of a lump sum, unless the payment would exceed \$500 and the participant had elected prior to death that the payment be made in annual installments over a period not to exceed 5 years (10 years if a spouse is the beneficiary). If such an election is not in effect at the time of death, the beneficiary may elect to receive the benefit in the form of annual installments over a period not to exceed 5 years (10 years if a spouse is the beneficiary) or make withdrawals as often as once per year, except that any balance remaining must be withdrawn by the 5th anniversary (10th anniversary if a spouse is the beneficiary) of the participant's death.

Investment Options

Participants may direct that contributions be invested in any one, or combination, of the following investment options:

A. Common/Collective Trusts.

1. Conservative Strategic Balanced SL Fund portfolio is for the investor with a "conservative" risk profile. The fund invests in a diversified portfolio of approximately 75% U.S. bonds, money market instruments and stable value investments. The other 25% is invested in U.S. and international stocks.
2. Moderate Strategic Balanced SL Fund portfolio is for the investor with a "moderate" risk profile. The fund invests in a diversified portfolio of approximately 55% U.S. and International stocks. The remaining 45% of the Fund will be held in U.S. fixed income funds.
3. Aggressive Strategic Balanced SL Fund portfolio is for the investor with an "aggressive" risk profile. The fund invests primarily in stocks. The fund portfolio is divided among approximately 85% U.S. stocks and 15% international stocks.
4. S&P Flagship SL Series Fund – Class A - This Fund is intended for long-term investors seeking to capture the earnings and growth potential of large U.S. companies. The stock invests in most or all of the same stocks held in the S & P 500 Index. The Fund may invest in cash and use derivatives (including futures) for non-speculative purposes.
5. S&P Value Index SL Fund Series A - This Fund is intended for medium to long-term investors. This Fund invests in a portfolio of stocks of large established U.S. companies that make up the S & P 500/Citigroup Value Index. The fund may invest in cash and use derivatives (including futures) for non-speculative purposes.

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

6. S&P Growth Index SL Fund Series A - This Fund is intended for medium to long-term investors seeking a diversified portfolio of large capitalization growth stocks. Because it is a growth fund, the investment style focuses on long-term capital appreciation rather than current income. The fund invests in most or all of the same stocks that make up the S&P 500/Citigroup Value Index. This index represents those stocks from the S&P 500 Index with higher price to book ratios. The fund may invest in cash and use derivatives (including futures) for non-speculative purposes.
7. S&P Midcap Index SL Series Fund – Class A - This Fund is intended for medium to long-term investors seeking high returns that reflect the growth potential of mid-sized U.S. companies. This Fund invests in most or all of the same stocks that make up the S&P MidCap 400 Index. The fund may invest in cash and use derivatives (including futures) for non-speculative purposes.
8. Russell 2000 Index SL Series Fund – Class A - This Fund is intended for medium to long-term investors seeking the potential high return from investing in smaller U.S. companies. The Fund invests in a broad range of small-capitalization U.S. companies. These 2,000 companies make up a subset of the smallest companies held in the Russell 3000 Index. The fund may invest in cash and use derivatives (including futures) for non-speculative purposes.
9. NASDAQ 100 Index Non-Lending Fund Series A - This Fund is intended for medium to long-term investors seeking to capture the growth potential of the 100 largest domestic, international, and most actively traded non-financial companies on the NASDAQ Stock Market. The fund may invest in cash and use derivatives (including futures) for non-speculative purposes.
10. Daily EAFE Index SL Series Fund – Class T - This Fund is intended for medium to long-term investors seeking to capture high returns and diversification by investing in a broad range of foreign stocks and seeking to diversify further a portfolio of U.S. securities. The Fund invests in a diversified portfolio of approximately 1,000 companies outside North and South America. The fund may invest in cash and use derivatives (including futures) for non-speculative purposes.
11. REIT Index Non-Lending Series Fund – Class A - The Fund invests in a portfolio of publicly traded Real Estate Investment Trusts designed to track the Dow Jones/Wilshire REIT Index, which represents over 90% of the total U.S. real estate equities market. This Fund is intended for medium to long-term investors seeking a high level of dividend income and long-term return of capital. The fund may invest in cash and use derivatives (including futures) for non-speculative purposes.
12. Short-term Investment Fund - The Fund is intended for short-term investors seeking current income while preserving the value of their investment principal. The Fund invests in a broad range of high quality, short-term securities with high credit ratings known as money market instruments. Approximately 80% of the portfolio has a range of maturities from overnight to 90 days, and 20% of the funds have maturities greater than 90 days, but not to exceed 13 months.

**KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS**

13. Pentegra Stable Value Fund - The Fund is intended for short-term investors seeking to preserve the value of their investment and achieve a stable return. The Fund invests primarily in Guaranteed Investment Contracts, which are individually negotiated investments offered by insurance companies. The Fund also invests in enhanced short-term investment products. These contracts are individually negotiated agreements between the Fund manager and the insurance company or bank that issues them.
 14. Long U.S. Treasury Index SL Series Fund Class A - The Fund is intended for long -term investors seeking a high level of income along with the potential for long-term capital appreciation over time. The Fund invests in U.S. Treasury securities with maturities of 10 years or longer.
- B. Mutual Fund. This fund is held in a short-term mutual fund until investment trades can be placed.
- C. Employer Stock Fund. The Employer Stock Fund consists primarily of Kearny Financial Corp. common stock, the parent of the Sponsor Company.

Valuation of Account

The Plan uses a unit system for valuing each Investment Fund. Under this system, units represent each participant's share in any Investment Fund. The unit value is determined as of the close of business each regular business day (daily valuation).

3. RELATED PARTY TRANSACTIONS

The plan owns shares of Kearny Financial Corp. common stock. The Sponsor Company pays for fees for benefit consulting, accounting and other administrative services. In addition, participants pay for administrative fees and loan fees to Bank of New York, Pentegra, State Street Invested Services and Barclay Investor Services.

4. INVESTMENTS

Investments at December 31, 2007 and 2006 consist of the following: (Investments that comprise 5% or more of net assets are listed individually.)

	December 31			
	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Kearny Financial Corp. Common Stock (KARNY)	\$ 4,773,509	\$ 5,131,245	\$ 4,483,419	\$ 6,674,697
S & P 500	406,686	473,574	-	- *
S&P Midcap	471,668	532,052	-	- *
Long U.S. treasury	701,651	701,651	-	- *
Other	2,293,552	2,537,006 *	3,015,558	3,306,263 *
Total	\$ 8,647,066	\$ 9,375,528	\$ 7,498,977	\$ 9,980,960

* Investments are less than 5% of net assets at the indicated date.

The net appreciation (depreciation) in the fair value of investments (including gains and losses on investments brought, sold and held during the year) for each significant class of investment consists of the following for the years ended December 31:

	2007	2006
Employer Stock Fund	\$ (1,767,419)	\$ 1,455,332
Common/Collective trusts	137,114	268,380
	\$ (1,630,305)	\$ 1,723,712

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

5. PARTICIPANT LOANS

In accordance with the Plan, the minimum amount a participant can borrow is \$1,000. The maximum amount the participant can borrow is the lesser of (i) \$50,000 or (ii) one-half (1/2) of the vested balance of the participant's account. Interest rates charged on participant loans range between 5.00% and 9.25%. Participant loan balances, included in investments, at December 31, 2007 and 2006, and totaled \$182,762 and \$199,584 respectively.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Employer Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

7. INCOME TAX STATUS

The Plan is operating under a prototype non-standardized 401(k) profit sharing plan prepared by Pentegra Services, Inc. The prototype plan obtained its latest determination letter dated March 7, 2002, in which the Internal Revenue Service stated that the prototype plan, as then designed, complied with the applicable requirements of the Internal Revenue Code.

The Plan's administrator and the Plan's advisors believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue code. Therefore, they believe that the Plan is qualified and the related trust is tax-exempt.

8. RISKS AND UNCERTAINTIES

The plan holds investments in Kearny Financial Corp. common stock, mutual funds shares and asset allocation funds whose values are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated certain investments and the level of uncertainties related to changes in the value of investments it is at least reasonably possible that changes in risk in the near term would materially affect investment assets reported in participant account balances and in the statement of net assets available for benefits.

KEARNY FEDERAL SAVINGS BANK
EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

A reconciliation of net assets available for plan benefits according to the financial statements consists of the following as of December 31:

	<u>2007</u>	<u>2006</u>
Net assets available for plan benefits per the financial statements	\$ 9,365,124	\$ 10,001,964
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>\$ 4,486</u>	<u>\$ 5,156</u>
Net assets available for benefits per the Form 5500	<u>\$ 9,360,638</u>	<u>\$ 9,996,808</u>

A reconciliation of investment (loss) income according to the financial statements consists of the following as of December 31:

	<u>2007</u>	<u>2006</u>
Investment (loss) income per the financial statements	\$ (1,499,105)	\$ 1,843,074
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>\$ (670)</u>	<u>\$ 614</u>
Investment income per the Form 5500	<u>\$ (1,498,435)</u>	<u>\$ 1,842,460</u>

KEARNY FEDERAL SAVINGS BANK
 EMPLOYEES' SAVINGS AND PROFIT SHARING PLAN AND TRUST
 EIN: 22-1032860
 PN: 003
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 December 31, 2007

(a) Identity of Issuer or Borrower (b)	Description (c)	** Cost (d)	Fair Value (e)
* Kearny Financial Corp	Employer Stock Fund	N/A	\$ 5,131,245
Mutual Fund:			
* State Street Investors (SSG)	Short-Term Fund	N/A	123,617
Common/Collective Trusts:			
* State Street Investors (SSG)	Conservative Strategic Balanced SL Fund	N/A	81,843
* State Street Investors (SSG)	Moderate Strategic Balanced SL Fund	N/A	209,766
* State Street Investors (SSG)	Aggressive Strategic Balanced SL Fund	N/A	78,318
* State Street Investors (SSG)	S&P 500 Flagship SL Series Fund - Class A	N/A	473,574
* State Street Investors (SSG)	Pentegra Stable Value Fund	N/A	358,639
* State Street Investors (SSG)	S&P Midcap Index SL Series Fund - Class A	N/A	532,052
* State Street Investors (SSG)	S&P Value Index SL Fund Series A	N/A	158,176
* State Street Investors (SSG)	S&P Growth Index SL Fund Series A	N/A	353,864
* State Street Investors (SSG)	Russell 2000 Index SL Series Fund - Class A	N/A	213,897
* State Street Investors (SSG)	NASDAQ 100 Index Non-Lending Fund Series A	N/A	150,266
* State Street Investors (SSG)	Daily EAFE Index SL Series Fund - Class T	N/A	322,000
* State Street Investors (SSG)	Long U.S. Treasury Index SL Series Fund - Class A	N/A	219,075
* State Street Investors (SSG)	REIT Index Non-Lending Series Fund - Class A	N/A	84,782
* State Street Investors (SSG)	Short-term Investment Fund	N/A	701,652
* Participant Loans	Participant Loans, 5.00% to 9.25%	-	182,762
* Party-in-interest.		N/A	\$ 9,375,528
**	Historical cost has not been presented since all investments are participant-directed		

EXHIBIT 2

Consent of Beard Miller Company LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 of Kearny Financial Corp. of our report dated June 27, 2008, relating to the statements of net assets available for plan benefits of Kearny Federal Savings Bank Employees' Savings and Profit Sharing Plan and Trust as of December 31, 2007 and 2006, the related statements of changes in net assets available for plan benefits for each of the years then ended, and the supplemental schedule as of December 31, 2007, which report appears in the December 31, 2007, Annual Report on Form 11-K of Kearny Federal Savings Bank Employees' Savings and Profit Sharing Plan and Trust.

Beard Miller Company LLP

Beard Miller Company LLP

Pine Brook, New Jersey

June 30, 2008

END