

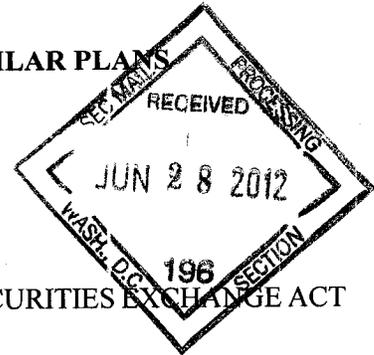


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF  
EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934



(Mark One):

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

For the fiscal year ended December 31, 2011

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

The Kearny Federal Savings Bank Employees' Savings & Profit Sharing Plan and Trust is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with Item 4 of the Form 11-K and in lieu of the requirements of Item 1-3, financial statements prepared in accordance with the financial reporting requirements of ERISA are filed herewith.

### Exhibits

The following exhibits are being filed with this report.

<u>No.</u>	<u>Description</u>
23.1	Consent of ParenteBeard LLC

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

**FINANCIAL STATEMENTS  
And  
SUPPLEMENTAL SCHEDULE  
December 31, 2011 and 2010**

KEARNY FEDERAL SAVINGS BANK  
EMPLOYEES' SAVINGS & PROFIT SHARING PLAN AND TRUST  
December 31, 2011 and 2010

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## Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statements of net assets available for benefits of the Kearny Federal Savings Bank Employees' Savings & Profit Sharing Plan and Trust (the "Plan") as of December 31, 2011 and 2010, and the related statements of changes in net assets available for 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for 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 H, Line 4(i) Schedule of Assets (Held at End of Year) as of December 31, 2011 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. This 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.

*ParenteBeard LLC*

Clark, New Jersey  
June 28, 2012

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

	December 31	
	2011	2010
<b><u>Assets</u></b>		
<b>Investments at Fair Value:</b>		
Investment in Mutual Funds, Short-term Fund	\$ 26,727	\$ 24,289
Employer common stock	5,182,155	4,546,915
<b>Interest in common/collective trusts:</b>		
Conservative Strategic Balanced SL Fund	373,002	187,093
Moderate Strategic Balanced SL Fund	537,654	364,105
Aggressive Strategic Balanced SL Fund	221,044	130,890
S&P 500 Index NL Series Fund - Class 1	947,922	665,742
Invesco Stable Value Fund	2,157,286	593,908
S&P Midcap Index NL Series Fund - Class A	1,094,866	891,402
S&P Large Cap Value Index SL Fund Class 1	552,881	375,599
S&P Large Cap Growth Index SL Fund Class 1	816,140	624,171
Russell Small Cap Index NL Series Fund - Class A	509,950	418,932
NASDAQ 100 Index Non-Lending Fund Class- A	632,091	374,419
International Index NL Series Fund - Class A	244,600	252,118
U.S. Long Treasury Index SL Series Fund - Class 1	656,908	366,220
Tuckerman REIT Index Non-Lending Series Fund - Class A	220,113	257,279
Short-Term Investment Fund - Class A	1,075,139	774,077
Target Retirement Funds-Class A -2010-2050	475,788	7,805
U.S. Bond Index NL Fund-Class A	36,390	25
<b>Total investments</b>	<b>15,760,656</b>	<b>10,854,989</b>
Participant loans receivable	607,743	612,506
Dividends receivable	27,244	26,641
Due from broker for sales of investments	5,804	3,360
<b>Total assets</b>	<b>16,401,447</b>	<b>11,497,496</b>
<b><u>Liabilities</u></b>		
Due to broker for purchase of investments	25,301	20,527
<b>Net assets available for benefits at fair value</b>	<b>16,376,146</b>	<b>11,476,969</b>
<b>Adjustments from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contracts</b>	(65,277)	13,603
<b>Net assets available for plan benefits</b>	<b>\$ 16,310,869</b>	<b>\$ 11,490,572</b>

See notes to the financial statements.

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

	Years Ended December 31	
	2011	2010
<b>Additions to Net Assets Attributed to</b>		
<b>Investment income</b>		
Interest and dividends	\$ 110,115	\$ 103,556
Net appreciation (depreciation) in fair value of investments	574,128	(39,790)
	684,243	63,766
Total investment income		
Less: Investment expenses	(4,050)	(4,140)
	680,193	59,626
Net investment income		
Interest income on notes receivable from participants	28,422	24,035
	28,422	24,035
<b>Contributions and Transfers:</b>		
Participants	1,097,304	912,169
Employer	499,608	392,110
Transfers in	468	-
CJB funds transferred in	3,137,072	-
CJB loans transferred in	9,163	106,720
	4,743,615	1,410,999
Total contributions and transfers		
Total additions	5,452,230	1,494,660
<b>Deductions from Net Assets Attributed to</b>		
Benefits paid to participants	564,539	380,304
Administrative expenses	67,394	41,826
	631,933	422,130
Total deductions		
Net increase in net assets available for benefits	4,820,297	1,072,530
<b>Net Assets Available for Plan Benefits</b>		
Beginning of year	11,490,572	10,418,042
	11,490,572	10,418,042
End of year	\$ 16,310,869	\$ 11,490,572

See notes to the financial statements.

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

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## **1. DESCRIPTION OF THE PLAN**

The following brief description of the provisions of the Kearny Federal Savings Bank Employees' Savings & Profit Sharing Plan and Trust (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

### **Participation**

The Plan 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 make a matching contribution to 100% of the participant's salary deferral contributions, up to a maximum of 3% of the participant's compensation. 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 ("IRC"), 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, including rollover contributions, and actual earnings thereon.

### **Participant Loans Receivable**

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### **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 & PROFIT SHARING PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS

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**1. DESCRIPTION OF THE PLAN (cont'd)**

**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 5<sup>th</sup> anniversary (10<sup>th</sup> 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 offers a broad diversification and a disciplined rebalancing process by investing approximately 75% U.S. bonds, 20% U.S. stocks and 5% in 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 45% U.S. stocks, 10% in international stocks and 45% of the Fund 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 70% U.S. stocks, 15% in international stocks and 15% in U.S. bonds.
4. S&P 500 Index NL Series Fund – Class 1 - The Fund seeks to offer broad, low cost exposure to the stocks of large U.S. companies. The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P 500 Index over the long term.
5. S&P Large Cap Value Index SL Fund-Class 1 - The Fund seeks to offer broad, low cost exposure to large U.S. value stocks. The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P 500 Value Index over the long term.

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

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**1. DESCRIPTION OF THE PLAN (cont'd)**

6. S&P Large Cap Growth Index SL Fund-Class 1 - The Fund seeks to offer broad, low cost exposure to stocks of large U.S. companies considered to have above average growth potential. The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P 500 Growth Index over the long term.
  
7. S&P Mid Cap Index NL Series Fund – Class A – The Fund seeks to offer broad, low cost exposure to the stocks of medium sized U.S. companies. This Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P MidCap 400 Index over the long term.
  
8. Russell Small Cap Index Fund – Class A - The Fund seeks to offer broad, low cost exposure to stocks of small U.S. companies and is intended for medium to long-term investors seeking the potential high return from investing in smaller U.S. companies. The Funds seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Russell 2000 Index over the long term.
  
9. NASDAQ 100 Index NL Fund-Class A – The Fund seeks to offer low cost exposure to the stocks of large, non-financial U.S. and international companies listed on the NASDAQ Stock Market. The Funds seeks an investment return that approximates as closely as practicable, before expenses, the performance of the NASDAQ-100 Index over the long term.
  
10. International Index NL Series Fund – Class A - The Fund seeks to offer broad, low cost exposure to international stocks of companies in the developed markets of Europe, Australia and Far East Asia. The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term.
  
11. Tuckerman REIT Index Non-Lending Series Fund – Class A - The Fund seeks to offer broad, low cost exposure to the U.S. commercial real estate securities market. The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Dow Jones U.S. Select Index over the long term.
  
12. Short-term Investment Fund – Class A- The Fund seeks to offer safety of principal and a competitive yield to maximize current income. The fund invests in a diversified portfolio of U.S. dollar-denominated securities.
  
13. Invesco Stable Value Trust- The primary investment objective of the Fund will be to seek the preservation of principal and to provide interest income reasonably obtained under prevailing market conditions and rates, consistent with seeking to maintain required liquidity.

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

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**1. DESCRIPTION OF THE PLAN (cont'd)**

14. U.S. Long Treasury Index SL Series Fund Class 1 - The Fund seeks to offer broad, low cost exposure to long-term U.S. Treasury bonds with a minimum maturity of 10 years. The Fund seeks an investment return that approximates as closely as possible, before expenses, the performance of the Barclays Capital U.S. Long Treasury Bond Index over the long term.
15. Target Retirement Funds 2010-2050 Class A - The Funds seek to offer complete, low cost investment strategies with asset allocations which become more conservative as you near retirement. You simply select the fund with a date with a date closest to when you expect to retire and invest accordingly. Each Fund seeks to achieve its objective by investing in a set of underlying SSgA collective trust funds representing various asset classes. Each fund is managed to a specific retirement year (target date) included in its name.
16. U.S. Bond Index NL Fund-Class A - The Fund seeks to offer broad, low cost exposure to the overall U.S. bond market. The Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Barclays Capital U.S. Aggregate Bond Index over the long term.

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, exclusive of the funds held in the short-term mutual 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).

**Plan Merger**

Effective November 30, 2010 Kearny Financial Corp. ("Kearny") and its wholly owned subsidiary, Kearny Federal Savings Bank ("Kearny Bank") acquired Central Jersey Bancorp ("Central Jersey") by merger. On December 28, 2010 the Plan began to administer the participant loan balances totaling \$106,720 of the Central Jersey Bank, N.A. Employees' Savings & Profit Sharing Plan and Trust ("CJB Plan"). The remaining CJB Plan assets totaling \$3,146,235 were transferred to the Plan in March 2011 upon the completion of the plan merger. The management of the Company and the legal counsel for the Plan believes that the Plan merger was a tax exempt transaction under the applicable provisions of the IRC and, therefore is not subject to federal income tax.

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

**2. 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 Plan are prepared on the accrual basis of accounting.

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. The statements of net assets available for 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 benefits are prepared on a contract value basis.

**Valuation of Investments**

The Plan's investments are stated at 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. Net appreciation and (depreciation) includes gains and losses on investments brought and sold as well as held during the year.

**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.

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

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## **2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

### **Payments of Benefits**

Benefit payments are recorded when paid.

### **Administrative Costs**

Significant administrative costs of the Plan have been absorbed by Kearny Federal Savings Bank, the Plan sponsor. Such costs are primarily related to audit fees and the use of sponsor company personnel to administer and account for the Plan.

### **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.

### **New Accounting Standards**

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2010-06 "Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements", ("ASU 2010-06"), which provides a greater level of disaggregated information and more robust disclosures about valuation techniques and inputs to fair value measurements, transfers in and out of Levels 1 and 2, and the separate presentation of information in Level 3 reconciliations on a gross basis rather than net. New disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, Level 3 disclosures are effective for fiscal years beginning after December 15, 2010. Adoption of ASU 2010-06 had no material impact on the Plan's financial statements but expanded disclosures about certain fair value measurements.

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-04 "Fair Value Measurement (topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," ("ASU 2011-04"). ASU 2011-04 will expand disclosures about fair value measurement and result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. ASU 2011-04 is effective for fiscal years and interim reporting periods beginning after December 15, 2011. Plan management is evaluating the impact of adopting ASU 2011-04 and believes it will not be material to the financial statements but will provide additional disclosures.

## **3. FAIR VALUE MEASUREMENTS**

The Plan measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. FASB ASC Topic 820, Fair Value Measurement establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

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

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**3. FAIR VALUE MEASUREMENTS (cont'd)**

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy under ASC Topic 820 are described below:

*Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. These generally provide the most reliable evidence and are used to measure fair value whenever available.

*Level 2:* Inputs to the valuation methodology include significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in inactive markets for identical or similar assets or liabilities, and other observable inputs.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Common/collective trusts:* Valued by the trustee based on the current market values of the underlying assets of the common-collective trusts based on information reported by the investment advisor using audited financial statements of the common/collective trust funds at year end. The Stable Value Fund is valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

*Common stock:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the net asset value ("NAV") of shares held by the Plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

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

**3. FAIR VALUE MEASUREMENTS (cont'd)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Short term funds	\$ 26,727	\$ -	\$ -	\$ 26,727
Common/collective trust funds: (a)				
Balanced	-	1,131,700	-	1,131,700
Growth	-	816,140	-	816,140
Fixed income	-	3,982,310	-	3,982,310
Real estate	-	220,113	-	220,113
U.S. Government securities	-	656,908	-	656,908
Short-term debt	-	1,075,139	-	1,075,139
Stable value	-	2,157,286	-	2,157,286
Other	-	512,178	-	512,178
Common stock:				
Financial	5,182,155	-	-	5,182,155
	<b>\$ 5,208,882</b>	<b>\$ 10,551,774</b>	<b>\$ -</b>	<b>\$ 15,760,656</b>

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Short term funds	\$ 24,289	\$ -	\$ -	\$ 24,289
Common/collective trust funds:				
Balanced	-	682,088	-	682,088
Growth	-	624,171	-	624,171
Fixed income	-	2,978,212	-	2,978,212
Real estate	-	257,279	-	257,279
U.S. Government securities	-	366,220	-	366,220
Short-term debt	-	774,077	-	774,077
Other	-	601,738	-	601,738
Common stock:				
Financial	4,546,915	-	-	4,546,915
	<b>\$ 4,571,204</b>	<b>\$ 6,283,785</b>	<b>\$ -</b>	<b>\$ 10,854,989</b>

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

**4. RELATED PARTY TRANSACTIONS**

The plan owns shares of Kearny Financial Corp. common stock. The Employer Company pays for fees for accounting and other administrative services. In addition, participants pay for administrative fees and loan fees to Reliance Trust Company, Pentegra, and State Street Investor Services.

**5. INVESTMENTS**

The following table presents the fair values of investments. \*\*

Investments at December 31, 2011 and 2010 consist of the following: (Investments that represent 5% or more of net assets are separately identified.)

	<u>2011</u>	<u>2010</u>
Kearny Financial Corp. common stock	\$ 5,182,155	\$ 4,546,915
Invesco Stable Value Fund	2,157,286	593,908
S&P Midcap Index SL Series Fund-Class A	1,094,866	891,402
Short-term Investment Fund	1,075,139	774,077
S&P 500 Flagship Clas-A	947,922	665,742
S&P Growth Index Series A	816,140	624,171
Other	4,487,148 *	2,758,774 *
	<u>\$ 15,760,656</u>	<u>\$ 10,854,989</u>

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

\*\* See Note 3. for fair value measurement.

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

	<u>2011</u>	<u>2010</u>
Employer common stock	\$ 473,057	\$ (751,890)
Common/collective trust funds	<u>101,071</u>	<u>712,100</u>
	<u>\$ 574,128</u>	<u>\$ (39,790)</u>

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

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**6. 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 4.25% and 9.25% which are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest are paid ratably through payroll deductions. Loan terms range from one to five years or greater for the purchase of a primary residence. Participant loan balances, at December 31, 2011 and 2010, and totaled \$607,743 and \$612,506 respectively.

**7. 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.

**8. 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 IRC. The Plan's administrator and the Plan's legal 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.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

**9. RISKS AND UNCERTAINTIES**

The plan holds investments in Kearny Financial Corp. common stock, mutual funds shares and common/collective trust 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 statements of net assets available for benefits.

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

**10. 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>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 16,310,869	\$ 11,490,572
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>65,277</u>	<u>(13,603)</u>
Net assets available for benefits per the Form 5500	<u>\$ 16,376,146</u>	<u>\$ 11,476,969</u>

A reconciliation of net income according to the financial statements consists of the following as of December 31:

	<u>2011</u>	<u>2010</u>
Net increase in net assets available for benefits	\$ 4,820,297	\$ 1,072,530
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>78,880</u>	<u>(2,323)</u>
Net income per the Form 5500	<u>\$ 4,899,177</u>	<u>\$ 1,070,207</u>

KEARNY FEDERAL SAVINGS BANK  
 EMPLOYEES' SAVINGS & PROFIT SHARING PLAN AND TRUST  
 EIN: 22-1032860  
 PN: 003

Schedule H, Line 4(i) SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 December 31, 2011

2011

**5 % investment w/s**

(a) Identity of Issuer or Borrower (b)	Description (c)	Cost (d) **	Fair Value (e)
* Kearny Financial Corp	Employer Stock Fund	N/A	\$ 5,182,155
Mutual Fund:			
* State Street Investors (SSG)	Short-Term Investment Fund	N/A	26,727
Common/Collective Trust Funds:			
* State Street Investors (SSG)	Conservative Strategic Balanced SL Fund	N/A	373,002
* State Street Investors (SSG)	Moderate Strategic Balanced SL Fund	N/A	537,654
* State Street Investors (SSG)	Aggressive Strategic Balanced SL Fund	N/A	221,044
* State Street Investors (SSG)	S&P 500 Index NL Series Fund - Class A	N/A	947,922
* State Street Investors (SSG)	Invesco Stable Value Fund	N/A	2,157,286
* State Street Investors (SSG)	S&P Midcap Index NL Series Fund - Class A	N/A	1,094,866
* State Street Investors (SSG)	S&P Value Index SL Fund Series A	N/A	552,881
* State Street Investors (SSG)	S&P Growth Index SL Fund Series A	N/A	816,140
* State Street Investors (SSG)	Russell 2000 Index NL Series Fund - Class A	N/A	509,950
* State Street Investors (SSG)	NASDAQ 100 Index Non-Lending Fund Series A	N/A	632,091
* State Street Investors (SSG)	International Index NL Sries Fund- Class A	N/A	244,600
* State Street Investors (SSG)	U.S. Long Treasury Index SL Series Fund - Class A	N/A	656,908
* State Street Investors (SSG)	REIT Index Non-Lending Series Fund - Class A	N/A	220,113
* State Street Investors (SSG)	Short-term Investment Fund	N/A	1,075,139
* State Street Investors (SSG)	Security Lending-2015	N/A	128,656
* State Street Investors (SSG)	Target Retirement 2010	N/A	1,741
* State Street Investors (SSG)	Target Retirement 2020	N/A	13,783
* State Street Investors (SSG)	Target Retirement 2025	N/A	202,187
* State Street Investors (SSG)	Target Retirement 2030	N/A	780
* State Street Investors (SSG)	Target Retirement 2035	N/A	65,081
* State Street Investors (SSG)	Target Retirement 2040	N/A	57
* State Street Investors (SSG)	Target Retirement 2045	N/A	16,200
* State Street Investors (SSG)	Target Retirement 2050	N/A	2,976
* State Street Investors (SSG)	Target Retirement 2055	N/A	166
* State Street Investors (SSG)	Target Retirement Income non-lending	N/A	44,161
* State Street Investors (SSG)	Passive Bond	N/A	36,390
Participant loans	Interest Rates 4.25% to 9.25%		<u>607,743</u>
		<u>N/A</u>	<u>\$ 16,368,399</u>
* Party-in-interest			

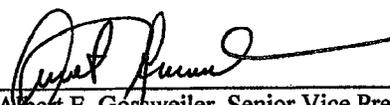
\*\* Historical cost has not been presented since all investments are participant-directed.

**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 27, 2012

By:   
\_\_\_\_\_  
Albert E. Gossweiler, Senior Vice President  
Chief Investment Officer and Treasurer  
Plan Administrator

**EXHIBIT 23.1**

**Consent of ParenteBeard LLC**

## Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (No. 333-130203) of Kearny Financial Corp. on Form S-8 of our report dated June 28, 2012, appearing in this Annual Report on Form 11-K of Kearny Federal Savings Bank Employees' Savings & Profit Sharing Plan and Trust for the year ended December 31, 2011.

*Parente Beard LLC*

Clark, New Jersey  
June 28, 2012