

Kearny Financial Corp.  
Form 11-K  
June 25, 2014

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

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

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

For the fiscal year ended December 31, 2013

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-51093

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

Kearny Financial Corp.  
120 Passaic Avenue  
Fairfield, NJ 07004

---

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

FINANCIAL STATEMENTS  
And  
SUPPLEMENTAL SCHEDULE  
December 31, 2013 and 2012

KEARNY FEDERAL SAVINGS BANK  
EMPLOYEES' SAVINGS & PROFIT SHARING PLAN AND TRUST  
TABLE OF CONTENTS  
December 31, 2013 and 2012

	Page
Reports of Independent Registered Public Accounting Firms	1
Financial Statements	
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5
Supplemental Schedule:	
Schedule H, Line 4(i) Schedule of Assets (Held at End of Year)	17



Report of Independent Registered Public Accounting Firm

To the Plan Administrator  
Kearny Federal Savings Bank Employees' Savings & Profit Sharing Plan and Trust  
Fairfield, New Jersey

We have audited the accompanying statement 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, 2013, and the related statement of changes in net assets available for benefits for the year 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 audit.

We conducted our audit 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2013, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted 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, 2013 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 audit 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.

/s/ BDO USA, LLP

New York, New York  
June 25, 2014



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statement 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, 2012, and the related statement of changes in net assets available for benefits for the year 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 audit.

We conducted our audit 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 audit provides 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, 2012, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ ParenteBeard LLC

Clark, New Jersey  
June 24, 2013





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

	December 31	
	2013	2012
Assets		
Investments at Fair Value:		
Investment in mutual fund, short-term fund	\$ 6,685	\$ 6,566
Employer common stock	6,310,729	5,329,408
Interest in common/collective trusts:		
Conservative Strategic Balanced SL Fund-Class 1	467,987	400,529
Moderate Strategic Balanced SL Fund-Class 1	764,375	662,898
Aggressive Strategic Balanced SL Fund-Class 1	375,725	309,706
S&P 500 Index NL Series Fund - Class A	1,806,667	1,198,549
Invesco Stable Value Fund-Pentegra Class	2,230,206	2,273,274
S&P Midcap Index NL Series Fund - Class A	2,182,929	1,462,465
S&P Large Cap Value Index SL Fund - Class 1	876,045	708,828
S&P Large Cap Growth Index SL Fund - Class 1	1,322,827	1,053,756
Russell Small Cap Index NL Series Fund - Class A	1,394,964	663,384
NASDAQ 100 Index Non-Lending Fund - Class A	902,928	982,092
International Index NL Series Fund - Class A	456,765	326,139
U.S. Long Treasury Index NL Series Fund - Class A	622,290	714,340
Tuckerman REIT Index NL Series Fund - Class A	397,277	329,553
Short-Term Investment Fund - Class A	1,109,050	1,139,474
Target Retirement Funds-Class A -2010-2055	336,843	642,003
U.S. Bond Index NL Fund-Class A	60,651	42,108
Total investments	21,624,943	18,245,072
Notes receivable from participants	803,174	675,642
Due from broker for sales of investments	7,782	7,546
Total assets	22,435,899	18,928,260
Liabilities		
Due to broker for purchase of investments	6,699	12,777
Other liabilities	7,626	-
Net assets available for benefits at fair value	22,421,574	18,915,483
Adjustments from Fair Value to Contract Value for		

Edgar Filing: Kearny Financial Corp. - Form 11-K

Fully Benefit-Responsive Investment Contracts	(27,384)	(81,700)
Net assets available for benefits	\$ 22,394,190	\$ 18,833,783

See accompanying notes to financial statements.

-3-

---

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

	Years Ended December 31	
	2013	2012
Additions to Net Assets Attributed to Investment income		
Interest and dividends	\$ 2,193	\$ 30,773
Net appreciation in fair value of investments	3,473,205	1,268,933
Total investment income	3,475,398	1,299,706
Less: Investment expenses	(5,220)	(4,230)
Net investment income	3,470,178	1,295,476
Interest income on notes receivable from participants	30,316	27,531
Contributions:		
Participants	1,118,615	1,134,197
Employer	527,306	515,545
Rollover	-	143,229
Total contributions	1,645,921	1,792,971
Total additions	5,146,415	3,115,978
Deductions from Net Assets Attributed to		
Benefits paid to participants	1,492,133	507,616
Administrative expenses	93,875	85,448
Total deductions	1,586,008	593,064
Net increase in net assets available for benefits	3,560,407	2,522,914
Net Assets Available for Benefits		
Beginning of year	18,833,783	16,310,869
End of year	\$ 22,394,190	\$ 18,833,783

See accompanying notes to financial statements



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

## 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

Kearny Federal Savings Bank ("Employer Company") has voluntarily agreed to make a matching contribution of 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 ("Code"), which will not be matched by the Employer Company beyond the extent noted above. Compensation is defined as base salary plus overtime.

### Participant Accounts

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 Company contributions, including rollover contributions, and actual earnings thereon.

### 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. Participants may also receive distributions in the form of Kearny Financial Corp. common stock. Normal retirement age is 65.

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

1. DESCRIPTION OF THE PLAN (cont'd)

Disability

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 a lump sum distribution, 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 below at 1% increments. Fund balances may be transferred between the funds at the discretion of the participant without restriction. Participants may change their investment elections at any time.

A. Common/Collective Trusts.

1. Conservative Strategic Balanced SL Fund-Class 1 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- Class 1 portfolio is for the investor with a "moderate" risk profile. The fund seeks to offer a broad diversification and a disciplined rebalancing process by investing approximately 45% U.S. stocks, 10% in international stocks and 45% in U.S. bonds.
3. Aggressive Strategic Balanced SL Fund- Class 1 portfolio is for the investor with an "aggressive" risk profile. The fund seeks to offer a broad diversification and a disciplined rebalancing process by investing approximately 70% U.S. stocks, 15% in international stocks and 15% in U.S. bonds.
4. S&P 500 Index NL Series Fund –Class A - 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.





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

1. DESCRIPTION OF THE PLAN (cont'd)

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.
6. S&P Large Cap Growth Index SL Fund-Class 1 - The Fund seeks to offer 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 Mid Cap 400 Index over the long term.
8. Russell Small Cap Index NL Series 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 Non-Lending 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. 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 NL 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 Fund - Pentegra Class- 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

1. DESCRIPTION OF THE PLAN (cont'd)

14. U.S. Long Treasury Index NL Fund - Class A - 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 - Class A - 2010-2055 – The Funds seeks 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 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 (other than the SSgA Target Retirement Income 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 broadly diversified, 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. Short-term Fund this fund is held in a short-term mutual fund until investment trades can be placed.
- C. Employer Common Stock. Employer Common Stock consists of Kearny Financial Corp. common stock, the parent of the Employer 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).

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 in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value, which represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses, 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 present 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 and Income Recognition

The Plan's investments are stated at fair value. See Note 3 for discussion of fair value measurements.

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 bought 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.

### Notes Receivable from Participants

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.

### Payments of Benefits

Benefit payments are recorded when paid.

-9-

---

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

SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Administrative Costs

Significant administrative costs of the Plan, other than administrative and loan fees, 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 U.S. GAAP 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.

3. FAIR VALUE MEASUREMENTS

The Plan measures its investments at fair value on a recurring basis in accordance with U.S. GAAP.

Financial Accounting Standards Board ("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).

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. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

-10-

---

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

3. FAIR VALUE MEASUREMENTS (cont'd)

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 Invesco 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 fund: Valued at the net asset value 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. There have been no changes in the methodologies used as of December 31, 2013 and 2012.



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, 2013			
	Level 1	Level 2	Level 3	Total
Mutual fund:				
Short term	\$ 6,685	-	\$ -	\$ 6,685
funds				
Common/collective trusts:				
Balanced	-	1,608,087-		1,608,087
Growth	-	1,322,827-		1,322,827
Growth and Income	-	7,620,298-		7,620,298
Real estate	-	397,277-		397,277
U.S. Government securities	-	622,290-		622,290
Short-term	-	1,109,050-		1,109,050
debt				
Stable value	-	2,230,206-		2,230,206
Other	-	397,494-		397,494
Common stock:				
Financial	6,310,729-	-		6,310,729
	\$ 6,317,414	\$ 15,307,529	-	\$ 21,624,943

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Mutual fund:				
Short term	\$ 6,566	-	\$ -	\$ 6,566
funds				
Common/collective trusts:				
Balanced	-	1,373,133-		1,373,133
Growth	-	1,053,756-		1,053,756
Growth and Income	-	5,341,457-		5,341,457
Real estate	-	329,553-		329,553
U.S. Government securities	-	714,340-		714,340
Short-term	-	1,139,474-		1,139,474
debt				

Edgar Filing: Kearny Financial Corp. - Form 11-K

Stable value	-	2,273,274-	2,273,274
Other	-	684,111-	684,111
Common stock:			
Financial	5,329,408-	-	5,329,408
	\$ 5,335,974	\$ 12,909,098	\$ -
			\$ 18,245,072

-12-

---

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. Additionally, certain employees and officers of the Company, who are also participants in the plan, perform administrative services for the Plan at no cost. Participants pay for administrative fees and loan fees to Reliance Trust Company, Pentegra Retirement Services, and State Street Investor Services.

5. INVESTMENTS

The following table presents the fair values of investments.

Investments at December 31, 2013 and 2012 consist of the following. (Investments that represent 5% or more of net assets available for benefits are separately identified.)

Kearny Financial Corp. common stock	\$ 6,310,729	\$ 5,329,408
Invesco Stable Value Fund-Pentegra Class	2,230,206	2,273,274
S&P Midcap Index NL Series Fund-Class A	2,182,929	1,462,465
S&P 500 Index NL Series Fund-Class A	1,806,667	1,198,549
S&P Large Cap Growth Index SL Fund-Class 1	1,322,827	1,053,756
Russell Small Cap Index NL Series Fund - Class A	1,394,964	-
Short-Term Investment Fund-Class A	-	1,139,474
NASDAQ 100 Index Non-Lending Fund-Class A	-	982,092
Other	6,376,621 *	4,806,054 *
	\$ 21,624,943	\$ 18,245,072

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

The net appreciation in fair market value of investments (including gains and losses on investments bought 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:

2013	2012
\$ 1,020,115	\$ 124,625

Edgar Filing: Kearny Financial Corp. - Form 11-K

Employer common stock		
Common/collective trusts	2,453,090	1,144,308
	\$ 3,473,205	\$ 1,268,933

-13-

---

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

6. NOTES RECEIVABLE FROM PARTICIPANTS

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 8.25% 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.

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. Disbursements to participants would be made in accordance with the Plan Agreement and applicable ERISA regulations.

8. INCOME TAX STATUS

The Plan has adopted a prototype non-standardized 401(k) profit sharing plan prepared by Pentegra Retirement Services, Inc. The prototype plan obtained its latest determination letter dated March 31, 2008, in which the Internal Revenue Service stated that the prototype plan, as then designed, complied with the applicable requirements of the Code. 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 Code. Therefore, they believe that the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires 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, 2013, 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 the Plan is no longer subject to income tax examinations for years prior to 2010.

9. RISKS AND UNCERTAINTIES

The Plan holds investments in Kearny Financial Corp. common stock, mutual funds shares and common/collective trusts 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. SUBSEQUENT EVENTS

Effective March 1, 2014, the Plan amended the eligibility requirement for plan participation such that all employees are eligible to participate in the Plan after performance of 250 hours of service in a 3 consecutive month period and attainment of the age of 21.

Also effective March 1, 2014, the Plan was amended to limit the number of participant loans outstanding to an individual participant at a given time to three loans.

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

11. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	2013	2012
Net assets available for benefits per the financial statements	\$ 22,394,190	\$ 18,833,783
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	27,384	81,700
Net assets available for benefits per the Form 5500	\$ 22,421,574	\$ 18,915,483

A reconciliation of net income according to the financial statements consists of the following for the years ended of December 31:

	2013	2012
Net increase in net assets available for benefits	\$ 3,560,407	\$ 2,522,914
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(54,316)	16,423
Net income per the Form 5500	\$ 3,506,091	\$ 2,539,337





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, 2013

(a) Identity of Issuer or Borrower (b)	Description (c)	Cost (d) **	Fair Value (e)
* Kearny Financial Corp	Employer Common Stock	N/A	\$ 6,310,729
Mutual Fund, Short-term Fund: Federated Investors, Inc	Federated Government Obligations Funds	N/A	6,685
Common/Collective Trusts:			
* State Street Investors (SSG)	Conservative Strategic Balanced SL Fund-Class 1	N/A	467,987
* State Street Investors (SSG)	Moderate Strategic Balanced SL Fund-Class 1	N/A	764,375
* State Street Investors (SSG)	Aggressive Strategic Balanced SL Fund-Class 1	N/A	375,725
* State Street Investors (SSG)	S&P 500 Index NL Series Fund - Class A	N/A	1,806,667
* Invesco	Invesco Stable Value Fund-Pentegra Class	N/A	2,230,206
* State Street Investors (SSG)	S&P Midcap Index NL Series Fund - Class A	N/A	2,182,929
* State Street Investors (SSG)	S&P Large Cap Value Index SL Fund - Class 1	N/A	876,045
* State Street Investors (SSG)	S&P Large Cap Growth Index SL Fund - Class 1	N/A	1,322,827
* State Street Investors (SSG)	Russell Small Cap Index NL Series Fund - Class A	N/A	1,394,964
* State Street Investors (SSG)	NASDAQ 100 Index Non-Lending Fund - Class A	N/A	902,928
* State Street Investors (SSG)	International Index NL Series Fund - Class A	N/A	456,765
* State Street Investors (SSG)	U.S. Long Treasury Index NL Series Fund - Class A	N/A	622,290
* State Street Investors (SSG)	Tuckerman REIT Index NL Series Fund - Class A	N/A	397,277
* State Street Investors (SSG)	Short-Term Investment Fund - Class A	N/A	1,109,050
* State Street Investors (SSG)	Target Funds 2010	N/A	4,172
* State Street Investors (SSG)	Target Funds 2015	N/A	51,686
* State Street Investors (SSG)	Target Funds 2020	N/A	45,427
* State Street Investors (SSG)	Target Funds 2025	N/A	119,520
* State Street Investors (SSG)	Target Funds 2030	N/A	10,679
* State Street Investors (SSG)	Target Funds 2035	N/A	61,021
* State Street Investors (SSG)	Target Funds 2040	N/A	1,867
* State Street Investors (SSG)	Target Funds 2045	N/A	17,793

Edgar Filing: Kearny Financial Corp. - Form 11-K

* State Street Investors (SSG)	Target Funds 2050	N/A	14,616
* State Street Investors (SSG)	Target Funds 2055	N/A	4,132
* State Street Investors (SSG)	Target Retirement Income Non-Lending	N/A	5,930
* State Street Investors (SSG)	U.S. Bond Index NL Fund-Class A	N/A	60,651
* Participant loans	Interest Rates 4.25% to 8.25%	0	803,174

\$ 22,428,117

\* Party-in-interest

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

SIGNATURES

The Plan. Pursuant to the requirements 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 25, 2014

By: /s/ Eric B. Heyer  
Name: Eric B. Heyer  
Title: Executive Vice President and Chief  
Financial Officer