

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

RECEIVED

SEP 26 2013

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

June 30, 2013

Month / Day / Year

I, Anderson L. Smith

Name of the Holding Company Director and Official

President and CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Reporter's Name, Street, and Mailing Address

Jefferson Bancshares, Inc.

Legal Title of Holding Company

120 Evans Avenue

(Mailing Address of the Holding Company) Street / P.O. Box

Morristown

TN

37814

City

State

Zip Code

Physical location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:

Jane P. Hutton

CFO, Corporate Secretary

Name

Title

423-586-8421

Area Code / Phone Number / Extension

Area Code / FAX Number

jhutton@jeffersonfederal.com

E-mail Address

www.jeffersonfederal.com

Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—
 Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID 3821756
 C.I. _____

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.

The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

Legal Title of Subsidiary Holding Company

(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical location (if different from mailing address)

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City State Zip Code

Physical location (if different from mailing address)

RSSD Tiering for:
 JEFFERSON BANCSHARES, INC.
 Structure as of 20130926 and going downward

Seq Num	ID RSSD	Legal Name	AddL	City	State/Country	State/Country Inc	Dist FRS	ARDF	Ent Type	Actv Code	Basis of Relationship	PCT
TW 0001	3821756	JEFFERSON BANCSHARES, INC		MORRISTOWN	TENNESSEE		6	6	BHC	551111		
TW 0002	983671	JEFFERSON FEDERAL BANK		MORRISTOWN	TENNESSEE		6	6	SSB	52211	Vtg Eqty	100
0003	3831616	BEARDEN-KNOXVILLE REGIONAL HEADQUARTERS BR		KNOXVILLE	TENNESSEE		6	0	DBR	0		
0004	3743192	BOONES CREEK BRANCH		JOHNSON CITY	TENNESSEE		6	0	DBR	0		
0005	2978402	COLONIAL HEIGHTS BRANCH		KINGSPORT	TENNESSEE		6	0	DBR	0		
0006	3631531	EAST MAIN STREET BRANCH		MORRISTOWN	TENNESSEE		6	0	DBR	0		
0007	3631586	FARRAGUT BRANCH		FARRAGUT	TENNESSEE		6	0	DBR	0		
0008	3831595	MERCHANTS GREENE BRANCH		MORRISTOWN	TENNESSEE		6	0	DBR	0		
0009	2652908	OAKLAND AVENUE BRANCH		JOHNSON CITY	TENNESSEE		6	0	DBR	0		
0010	2409997	TR-CITIES REGIONAL HEADQUARTERS BRANCH		JOHNSON CITY	TENNESSEE		6	0	DBR	0		
0011	2530181	WEST CENTER BRANCH		KINGSPORT	TENNESSEE		6	0	DBR	0		
0012	3831540	WEST MORRIS BOULEVARD BRANCH		MORRISTOWN	TENNESSEE		6	0	DBR	0		
0013	2530172	WEST WALNUT BRANCH		JOHNSON CITY	TENNESSEE		6	0	DBR	0		
DE 0014	3651396	STATE OF FRANKLIN STATUTORY TRUST II		JOHNSON CITY	TENNESSEE		6	0	DEO	52599	Vtg Eqty	100

Total Number of Entities in the tree 14
 Total Number of Unique Entities in the tree 14

Tier Selection Criteria

RSSD Tiering for	3821756 JEFFERSON BANCSHARES, INC.
As of Date	20130926
Direction	Down
Selection Rule	All Entities
Branches - Domestic Institutions	All Branches
Branches - Foreign Institutions	All Branches

Explanatory Notes

Entity Type	Description
BHC	BANK HOLDING COMPANY
DBR	DOMESTIC BRANCH OF A DOMESTIC BANK
DEO	DOMESTIC ENTITY OTHER
SSB	STATE SAVINGS BANK

Two asterisks (**) next to the Seq Num indicates that confidentiality is pending or granted.
 An asterisk (*) next to the Addl Line Num denotes the Seq Num at which the offspring of this entity are listed.
 A dot dot dot notation (...) next to Legal Name denotes a circular relationship.
 Dist FRS is the district that denotes the physical location of the entity and ARDF is the regulating FRB.
 The ARDF is only applicable to BHCs, SLHCs, FBOs, DIs, and Edge/Agreement Corps.

Jefferson Bancshares, Inc.

Form FR Y-6

Annual Report

Report Items Index

June 30, 2013

1. **Annual Report**
NA - Jefferson Bancshares is registered with the SEC.

 2. **Organization Chart**

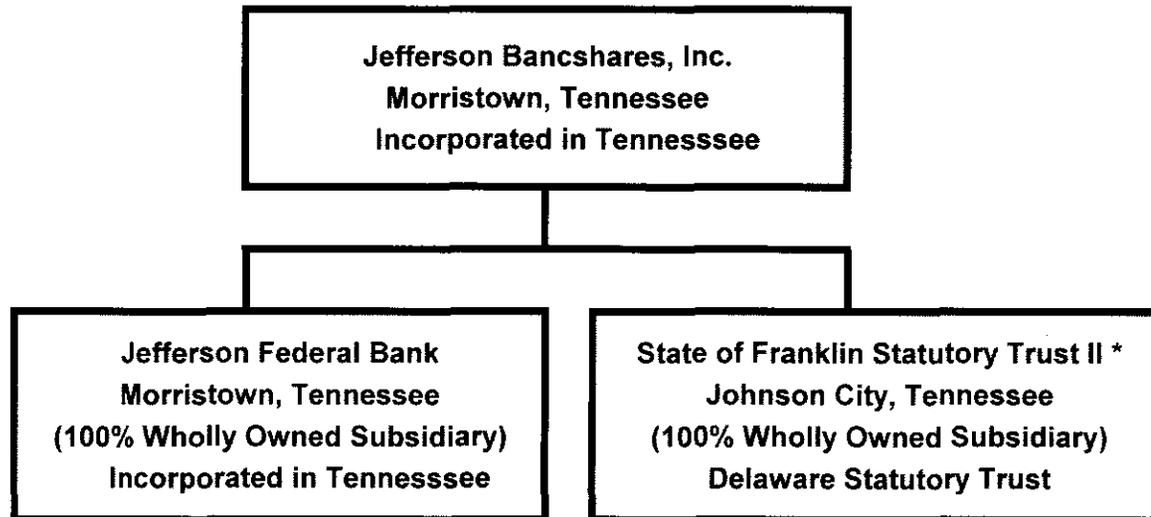
 3. **Shareholders**

 4. **Directors, Officers and Principal Shareholders**
-

Report item: 2

Jefferson Bancshares, Inc.
Organization Chart

June 30, 2013



* State of Franklin Statutory Trust II is a trust subsidiary of Jefferson Bancshares, Inc. with Wilmington Trust Company, Wilmington, Delaware, as the Trustee, Jefferson Bancshares, Inc. as Sponsor, and Anderson L. Smith as Administrator.

revised

Results: A list of branches for your depository institution: JEFFERSON FEDERAL BANK (ID_RSSD: 983671).
 This depository institution is held by JEFFERSON BANK HARES, INC. (9821799) of MORRISTOWN, TN.
 The data are as of 06/30/2013. Data reflects information that was received and processed through 07/09/2013.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the **Effective Date** column.

Actions

OK: If the branch information is correct, enter 'OK' in the **Data Action** column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
Close: If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	983671	JEFFERSON FEDERAL BANK	120 EVANS AVENUE	MORRISTOWN	TN	37814	HAMBLEN	UNITED STATES	56280	0	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	3831586	FARRAGUT BRANCH	11916 KINGSTOWN PIKE	FARRAGUT	TN	37934	KNOX	UNITED STATES	479954	8	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	3740192	BOONES CREEK BRANCH	4718 NORTH ROAN STREET	JOHNSON CITY	TN	37615	WASHINGTON	UNITED STATES	442500	5	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	2652908	OAKLAND AVENUE BRANCH	1000 WEST OAKLAND AVENUE	JOHNSON CITY	TN	37604	WASHINGTON	UNITED STATES	490946	14	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	2409997	TRI-CITIES REGIONAL HEADQUARTERS BRANCH	1907 NORTH ROAN STREET	JOHNSON CITY	TN	37601	WASHINGTON	UNITED STATES	482618	13	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	2530172	WEST WALNUT BRANCH	612 WEST WALNUT STREET	JOHNSON CITY	TN	37604	WASHINGTON	UNITED STATES	290411	1	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	2978402	COLONIA, HEIGHTS BRANCH	4409 FORT HENRY DRIVE	KINGSPORT	TN	37663	SULLIVAN	UNITED STATES	360975	4	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	2530181	WEST CENTER BRANCH	240 WEST CENTER STREET	KINGSPORT	TN	37660	SULLIVAN	UNITED STATES	290412	2	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	3831616	BEARDEN-KNOXVILLE REGIONAL HEADQUARTERS BR	6501 KINGSTON PIKE	KNOXVILLE	TN	37919	KNOX	UNITED STATES	481894	9	JEFFERSON FEDERAL BANK	983671	
OK		Limited Service	3831531	EAST MAIN STREET BRANCH	143 EAST MAIN STREET	MORRISTOWN	TN	37814	HAMBLEN	UNITED STATES	481897	12	JEFFERSON FEDERAL BANK	983671	
OK		Full Service	3831595	MERCHANTS GREENE BRANCH	123 MERCHANTS GREENE BLVD	MORRISTOWN	TN	37814	HAMBLEN	UNITED STATES	479953	7	JEFFERSON FEDERAL BANK	983671	
OK		Limited Service	3831540	WEST MORRIS BOULEVARD BRANCH	1960 WEST MORRIS BLVD	MORRISTOWN	TN	37814	HAMBLEN	UNITED STATES	481896	11	JEFFERSON FEDERAL BANK	983671	

Form FR Y-6
 Jefferson Bancshares, Inc.
 Fiscal Year Ending June 30, 2013

Report Item 3: Securities Holders

**Current securities holders with ownership, control or holdings of 5%
 or more with power to vote as of fiscal year ending June 30, 2013**

(1)a	(1)b	(1)c
Name city, State	Country of Citizenship	Number and Percent of common Stock Outstanding
Jefferson Federal Bank Employee Stock Ownership Plan Morristown, TN	USA	627,171 - 9.51%
Stillwell Group New York, NY	USA	409,740 - 6.21%

**Securities holders with ownership, control or holdings of 5%
 or more during the fiscal year ending June 30, 2013**

Friendlander & Co., Inc. Milwaukee, Wisconsin	USA	403,683 - 6.09%
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Form FR Y-6
Jefferson Bancshares, Inc.
Fiscal Year Ending June 30, 2013

Report Item 4: Insiders

<u>Name</u>	<u>Position with Jefferson Bancshares, Inc.</u>	<u>Position with Jefferson Federal Bank</u>	<u>Position with State of Franklin Statutory Trust</u>	<u>Principal Occupation</u>	<u>% of voting shares in Jefferson Bancshares, Inc.</u>	<u>Names of companies or partnerships if 25% or more of voting securities are held</u>
Terry Brimer Morristown, TN	Director	Director	None	President and majority owner Doctor's Hospital Pharmacy, Inc.	2.05%	Doctor's Hospital Pharmacy, Inc. - 100%
Jack Campbell Whitesburg, TN	Director	Director	None	President Emeritus Walters State Community College	1.50%	NA
William Hale Morristown, TN	Director	Director	None	Employed by PFG-Hale, Inc.	1.27%	NA
Scott Reams Morristown, TN	Director and Chairman	Director and Chairman	None	Partner in the law firm of Taylor, Reams, Tilson and Harison	2.14%	Taylor, Reams, Tilson & Harison - 38% RTA (partnership) - 38%
Anderson Smith Morristown, TN	President and CEO, Director	President and CEO, director	Administrator	Banking	2.27%	NA
Janet Ketner Morristown, TN	None	EVP of Retail Banking	None	Banking	0.25%	NA
Douglas Rouse Morristown, TN	None	SVP - Lending	None	Banking	1.14%	NA
Jane Hutton Greeneville, TN	Corp. Sec. and Treas.	SVP and CFO	None	Banking	0.84%	NA
Eric McDaniel Jefferson City, TN	None	SVP - Chief Information Officer	None	Banking	0.73%	NA
Anthony J. Carasso Knoxville, TN	None	President - Knoxville Region	None	Banking	0.28%	NA
John W. Beard, Jr. Kingsport, TN	None	Executive Vice President and Chief Credit Officer	None	Banking	0.07%	NA
Gary L. Keys Kingsport, TN	None	Executive Vice President and Manager, Special Assets	None	Banking	0.04%	NA