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FR Y-6
OMB Number 7100-0297
Approval expires December 31, 2014
Page 1 of 2

Board of Governors of the Federal Reserve System



Annual Report of Bank Holding Companies—FR Y-6

3382891

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)). 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 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). 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 Bank Holding Companies* must be signed by one director of the top-tier bank holding company. This individual should also be a senior official of the top-tier bank holding company. In the event that the top-tier bank 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 bank holding company's fiscal year-end):
12/31/11
Month / Day / Year

I, Jon Kurtz
Name of the Bank Holding Company Director and Official
CEO & President
Title of the Bank Holding Company Director and Official

Reporter's Name, Street, and Mailing Address
Alarion Financial Services, Inc.
Legal Title of Bank Holding Company
One NE First Avenue
(Mailing Address of the Bank Holding Company) Street / P.O. Box
Ocala Florida 34470
City State Zip Code

attest that the *Annual Report of Bank Holding Companies* (including the supporting attachments) for this report date have 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.

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:
Matthew Ivers CFO
Name Title
(352) 547-1222
Area Code / Phone Number / Extension
(352) 547-1211
Area Code / FAX Number
matt.ivers@alarionbank.com
E-mail Address
alarionbank.com
Address (URL) for the Bank Holding Company's web page

[Signature]
Signature of Bank Holding Company Director and Official
03/30/12
Date of Signature

For bank 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 _____
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 Bank Holding Companies

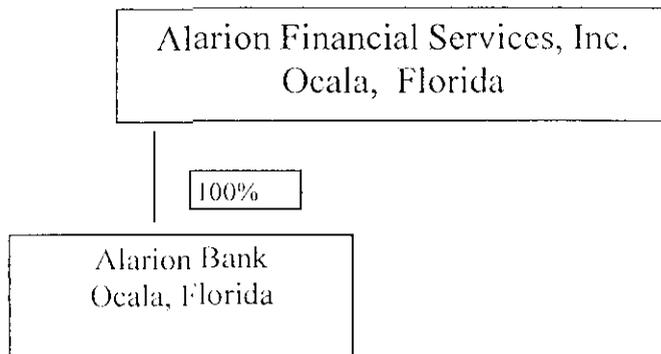
Top-tiered bank holding companies must list the names, mailing address, and physical locations of each of their subsidiary bank holding companies below.

Legal Title of Subsidiary Bank Holding Company	Legal Title of Subsidiary Bank Holding Company
(Mailing Address of the Subsidiary Bank Holding Company) Street / P.O. Box	(Mailing Address of the Subsidiary Bank Holding Company) Street / P.O. Box
City State Zip Code	City State Zip Code
Physical location (if different from mailing address)	Physical location (if different from mailing address)
Legal Title of Subsidiary Bank Holding Company	Legal Title of Subsidiary Bank Holding Company
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Physical location (if different from mailing address)	Physical location (if different from mailing address)

FORM FR Y-6
ALARION FINANCIAL SERVICES INC.
FISCAL YEAR ENDING DECEMBER 31, 2011

Report Item 1: Annual Report to Shareholders
Alarion Financial Services, Inc. is registered with the SEC.
An Annual Report is created for shareholders.

Report Item 2: Organization Chart



2,633,208

FORM FR Y-6
ALARION FINANCIAL SERVICES INC.
FISCAL YEAR ENDING DECEMBER 31, 2011

Report Item 3: Shareholders

Current shareholders with ownership, control or
holdings of 5% or more with power to vote as of fiscal
year ending

(a) NAME, CITY AND STATE/COUNTRY	(b) Country of citizenship	(direct & indirect)	Number of Shares	% of each class
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N/A

Report Item 3 {section 2}

N/A

ALARION FINANCIAL SERVICES INC.
FORM FR Y-6
FISCAL YEAR ENDING DECEMBER 31, 2011

Report Item 4: Insiders

Name & Address (City, State, Country)	Principal Occupation if other than with Co.	Title & Position w. BHC	Title & Position w. Subs (sub name)	Title & Positions Other Busi (Bus. Name)	% of Voting Shares in BHC	% of Voting Shares in Subs	List names of other companies (partn) if 25% or more of voting securities held
Carol R. Bosshardt Gainesville, FL	Realtor	Director	Director (Alarion Bank)	Chief Executive Officer of Bosshardt Realty Services	3.62%	N/A	STACAR, LLP – 75% Bosshardt Realty Services of Gulf Coast, Inc. – 50% Bosshardt Realty Services, Inc. – 100% Bosshardt Property Management, Inc. – 100% Waterford Title Insurance Company, Inc. – 75% Rockford-Gainesville, LLC – 50% Bosshardt Group, LLC – 70% A High Yield, LLC Gainesville - 79% SW 34th Street Mini Storage, LLC - 95% Waldo Road Investments, Inc. – 25% Bella Vista of Gainesville, LLC - 44% Smart Media, LLC-Gainesville - 100%
Gloria W. Fletcher Gainesville, FL	Attorney	Director	Director (Alarion Bank)	Attorney with Gloria W. Fletcher, P.A.	2.37%	N/A	Gloria W. Fletcher, P.A. – 100% Legacy Realty & Property, LLC – 30% Legacy Property Development, Inc. – 25% W Group Property Management, LLC - 25%
Jon M. Kurtz Ocala, FL	N/A	Director	Director (Alarion Bank)	President and CEO of Alarion Bank and Alarion Financial Services, Inc.	3.56%	N/A	K4 Ventures, Inc. – 50% KayJon, LLC – 50% Palm Cay Utilities, Inc. – 50% Whithill, LLC – 50% B&K Partnership – 50% Pine Run, LLC – 45% K2D2, LLC - 45% Waldo Road Partner, LLC - 25% K4 Partners, LLC - 50%
Ignacio L. Leon Ocala, FL	Veterinarian	Director	Director (Alarion Bank)	Manager, Haras Santa Maria De Araras. S.A	1.13%	N/A	NONE
Loraiee W. Hutchinson Gainesville, FL	Realtor and independent contractor	Director and Chairperson	Director & Chairperson (Alarion Bank)	Realtor and independent contractor with Bosshardt Realty Services, Inc.	3.59%	N/A	NONE
Job E. White	Accountant	Director	Director (Alarion Bank)	Accountant with Reddish and White. CPA	0.85%	N/A	Reddish and White. CPA. Starke – 50% Job White. LLC Starke, FL - 100%

ALARION FINANCIAL SERVICES INC.
 FORM FR Y-6
 FISCAL YEAR ENDING DECEMBER 31, 2011

Report Item 4: Insiders

Name & Address (City, State, Country)	Principal Occupation if other than with Co.	Title & Position w. BHC	Title & Position w. Subs (sub name)	Title & Positions Other Bus. (Bus. Name)	% of Voting Shares in BHC	% of Voting Shares in Subs	List names of other companies (partn) if 25% or more of voting securities held
Gainesville, FL							
Thomas W. Williams, Jr. Gainesville, FL	Real estate developer and builder	Director	Director (Alarion Bank)	Owner, T.W. Williams Jr., Inc.	2.98%	N/A	T.W. Williams, Jr., Inc., Archer – 100% Restaurants of Tifton, Inc., Tifton, GA – 50% Archer Road Properties, Inc., Archer – 50% Davis and Williams Partnership, Gainesville – 50% Glaeser Tract Investments, LLC, Gainesville – 25% Longleaf Development, LLC, Gainesville – 25% WWB Real Estate, LLC - 52% A Cash Flow, LLC - 70% Williams Family Investments, LLC Gainesville - 30% Williams Heritage, LLLP Gainesville - 30%

Results: A list of branches for your depository institution: ALARION BANK (IC_RSSD 3333848)
 This depository institution is held by ALARION FINANCIAL SERVICES, INC (3382891) of Ocala, FL
 The data are as of 12/31/2011. Data reflects information that was received and processed through 21/05/2012

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 available in the Effective Date column.
Delete: 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.
Add: If a response 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 it 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 spreadsheet or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>

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

Data Action	Effective Date	Branch ID	RSSD*	Popular Name	Street Address	City	State	Zip Code	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID	RSSD*	Comments
CORRECT		3333848	ALARION BANK	ONE NORTH EAST FIRST AVENUE	OCALA	FL	34471	MARION	UNITED STATES	428073		0	ALARION BANK	3333848	
CORRECT		3557359	ALACHUA BRANCH	1604 NW 17TH DRIVE	ALACHUA	FL	32513	ALACHUA	UNITED STATES	457884		4	ALARION BANK	3333848	
CORRECT		344377	34TH STREET BRANCH	4205 SW 34TH STREET	GAINESVILLE	FL	32608	ALACHUA	UNITED STATES	450571		2	ALARION BANK	3333848	
CORRECT		3388709	GAINESVILLE BRANCH	4373 NEWBERRY ROAD	GAINESVILLE	FL	32605	ALACHUA	UNITED STATES	444363		2	ALARION BANK	3333848	
CORRECT		3507316	17TH STREET BRANCH	2510 MARICAMP ROAD	OCALA	FL	34471	MARION	UNITED STATES	462795		5	ALARION BANK	3333848	
CORRECT		3813446	SR20C BRANCH	7635 SW HIGHWAY 200	OCALA	FL	34476	MARION	UNITED STATES	478400		6	ALARION BANK	3333848	