

Board of Governors of the Federal Reserve System



Annual Report of Bank Holding Companies—FR Y-6

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):
December 31, 2011
 Month / Day / Year

I, Hayes Parnell, III, President
 Name of the Bank Holding Company Director and Official

Reporter's Name, Street, and Mailing Address
Covenant Bancgroup, Inc.
 Legal Title of Bank Holding Company
P.O. Box 309

Title of the Bank Holding Company Director and Official

(Mailing Address of the Bank Holding Company) Street / P.O. Box
Leeds AL 35094
 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.

7924 Parkway Drive
 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:

Hayes Parnell, III, President
 Signature of Bank Holding Company Director and Official

Douglas B. Schauer, CPA Member
 Name Title

4/24/12
 Date of Signature

205-769-3474
 Area Code / Phone Number / Extension

205-979-6313
 Area Code / FAX Number

Doug.schauer@warrenaverett.com
 E-mail Address

N/A
 Address (URL) for the Bank Holding Company's web page

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

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

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

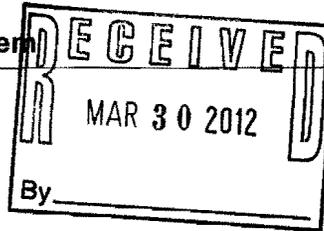
In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
 The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

For Federal Reserve Bank Use Only

RSSD ID _____
 C.I. _____

Board of Governors of the Federal Reserve System



2621294

Annual Report of Bank Holding Companies—FR Y-6

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 CFR 211.13(c)); and Section 225.5(b) of Regulation Y (12 CFR 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 CFR 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):
December 31, 2011

Month / Day / Year

1. Hayes Parnell, III, President

Name and Title of the Bank Holding Company Director and Official

Reporter's Name, Street, and Mailing Address

Covenant Bancgroup, Inc.

Legal Title of Bank Holding Company

P.O. Box 309

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

Leeds, Alabama 35094

City / State / Zip Code

7924 Parkway Drive

Physical location (if different from mailing address)

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.

Person to whom questions about this report should be directed:

Douglas B. Schauer, CPA Member

Name / Title

(205) 769-3474

Area Code / Phone Number

(205) 979-6313

FAX Number

Doug.schauer@warrenaverett.com

E-mail Address

N/A

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

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 CFR Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Bank Holding Company Director and Official

Date of Signature

3/29/12

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 Number

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

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

City / State / Zip Code

Physical location (if different from mailing address)

Legal Title of Subsidiary Bank Holding Company

(Mailing Address of the Subsidiary Bank 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)

Legal Title of Subsidiary Bank Holding Company

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

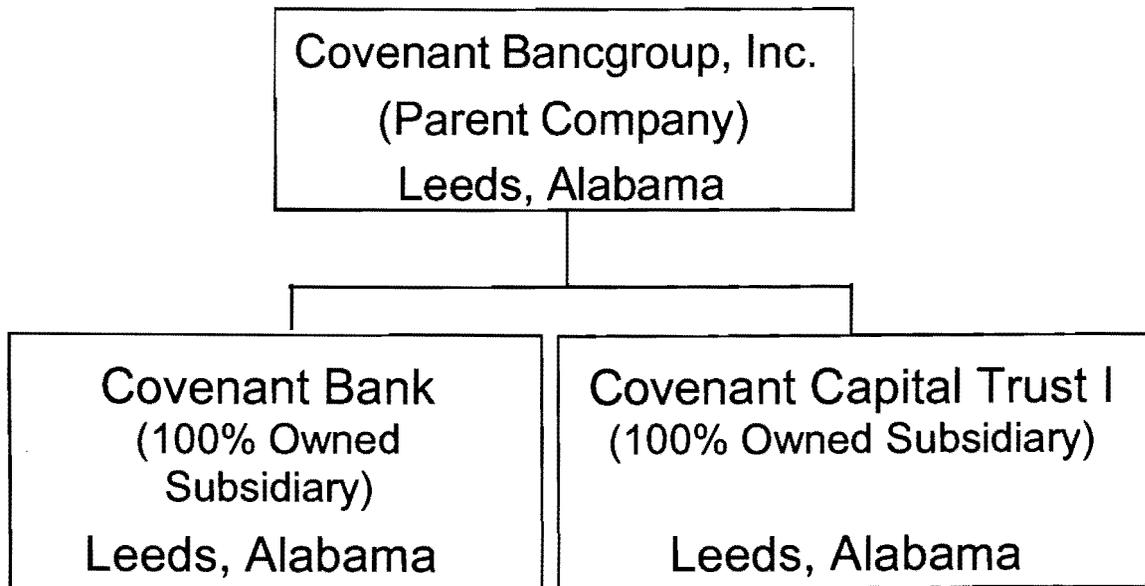
City / State / Zip Code

Physical location (if different from mailing address)

Form FR Y-6
Covenant Bancgroup, Inc.
Leeds, Alabama
Year Ending December 31, 2011

Report Item

- 1: See Cover Page
- 2a: Organization Chart
- 2b: Branch Listing - Electronically Filed on 03/05/12



Results: A list of branches for your depository institution: COVENANT BANK (ID_RSSD: 2621285).

This depository institution is held by COVENANT BANKGROUP, INC. (2621284) of LEEDS, AL.

The data are as of 12/31/2011. Data reflects information that was received and processed through 01/05/2012.

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 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)	2621285	COVENANT BANK	7924 PARKWAY DRIVE, S.E.	LEEDS	AL	35094	JEFFERSON	UNITED STATES	57224	0	COVENANT BANK	2621285	
OK		Full Service	2814359	MOODY PARKWAY BRANCH	2460 MOODY PARKWAY	MOODY	AL	35004	ST. CLAIR	UNITED STATES	290656	1	COVENANT BANK	2621285	

Form FR Y-6
 Covenant Bancgroup, Inc.
 Year Ending December 31, 2011

Report Item 3: Shareholders

(1)(a), (1)(b), (1)(c) and (2)(a)(2)(b)(2)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of 12-31-2011.

Shareholders not listed in (3)(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2011.

(1)(a) Name & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percent of Each Class of Voting Securities	(2)(a) Name & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percent of Each Class of Voting Securities
Bob Smith Birmingham, AL	USA	33,305 - 8.83% common stock 17,731 - 4.49% options on common stock	David Hill Moody, AL	USA	15,652 - 4.15% common stock
Hayes Parnell III Leeds, AL	USA	30,851 - 8.18% common stock 11,730 - 3.01% options on common stock	Jim McClendon, Jr. Moody, AL	USA	9,346 - 2.48% common stock
John Patterson Leeds, AL	USA	15,096 - 4.00% common stock 17,731 - 4.49% options on common stock	Hampton S. Schauer Birmingham, AL	USA	21,491 - 5.70% common stock 17,731 - 4.49% options on common stock
Schauer Family Irrevocable Trust Dated December 19, 2011 Daniel A Schauer, Trustee Birmingham, AL	USA	21,491 - 5.70% common stock 17,731 - 4.49% options on common stock			
Joseph White Leeds, AL	USA	2,875 - 0.76% common stock 17,731 - 4.49% options on common stock			

Form FR Y-6
Covenant Bancgroup, Inc.
Year Ending December 31, 2011

Report Item 4: Directors and Officers

(1) (2) (3) (a) (b) (c) and (4) (a) (b) (c)

(1) Name & Address (City, State, Country)	(2) Principal Occupation if other than Bank Holding Company	(3) (a) Title & Position with Bank Holding Company	(3) (b) Title & Position with Subsidiaries (Include name of subsidiaries)	(3) (c) Title & Position with Other Businesses (include names of other businesses)	(4) (a) Percentage of Voting Shares in Bank Holding Company	(4) (b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)	(4) (c) List names of other companies (including partnerships) if 25% or more of voting securities held (List names of companies and percentage of voting securities held)
Hayes Parnell III Leeds, AL USA	Banker	Director, Chairman President & CEO	Director, Chairman President & CEO Covenant Bank President - Covenant Capital Trust I	Partner S&P Properties, LLC	8.18%	N/A	S&P Properties, LLC - 50%
John R. Patterson Leeds, AL USA	Pharmacist	Director	Director Covenant Bank	Owner Patterson Pharmacy	4.00%	N/A	Patterson Pharmacy - 98%
Bob Smith Birmingham, AL USA	Forestry Mfg.	Director	Director Covenant Bank	Owner - Precision Husky Partner - S&P Properties, LLC	8.83%	N/A	Precision Husky - 100% S&P Properties - 25%
Joe White Leeds, AL USA	Contractor	Director	Director Covenant Bank	Owner - Curtis White Co Partner - Curtis White Dev., LLC Partner - Wynn Lake Dev., LLC	0.76%	N/A	Curtis White Co. - 50% Curtis White Dev., LLC - 45% Wynn Lake Dev., LLC - 50%
Johnny Dutton Leeds, AL USA	Banker	N/A	Director Covenant Bank		1.22%	N/A	