



## **ITEM 8.01 OTHER EVENTS**

TowneBank declares quarterly cash dividend on its common stock and its preferred stock issued to the U.S. Department of the Treasury under the Small Business Lending Fund Program. TowneBank also announced its annual shareholder meeting date. A press release dated February 26, 2014 is attached as Exhibit 99 to this Current Report on Form 8-K and is incorporated herein by reference.

## **ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS**

Exhibit 99: News Release dated February 26, 2014.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TOWNE BANK  
(Registrant)

/s/ Clyde E. McFarland, Jr. \_\_\_\_\_

Clyde E. McFarland, Jr.  
Senior Executive Vice President & Chief Financial Officer

Date: February 26, 2014



## *News Release*

**For more information contact:**

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***FOR IMMEDIATE RELEASE***

### **TOWNEBANK ANNOUNCES QUARTERLY CASH DIVIDENDS AND ANNUAL SHAREHOLDER MEETING DATE**

**Suffolk, Va.** – Hampton Roads based TowneBank (NASDAQ: TOWN) announced today that its Board of Directors on February 26, 2014 declared its first-quarter shareholder cash dividend of \$0.10 per common share payable on April 11, 2014 to shareholders of record on March 28, 2014.

Also, on February 26, 2014 the Board of Directors declared a cash dividend of \$2.50 per share on its Series C Fixed-Rate Non-Cumulative Perpetual Preferred Stock. This preferred dividend is payable on April 1, 2014, to the shareholder of record as of March 17, 2014. This is the tenth quarterly dividend payment to the U.S. Department of the Treasury, the shareholder of record, on the preferred stock issued to it by TowneBank under the Small Business Lending Fund Program.

The amount and declaration of future cash dividends are subject to Board of Directors' approval in addition to regulatory restrictions.

**Annual Meeting of Shareholders:**

TowneBank announced that its 2014 Annual Meeting of Shareholders would be held at 11:30 a.m. on Wednesday, May 21, 2014 at the Virginia Beach Convention Center, 1000 19<sup>th</sup> Street in Virginia Beach, Virginia.

As one of the top community banks in Virginia and North Carolina, TowneBank operates 27 banking offices serving Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach, Williamsburg, James City County and York County in Virginia along with Moyock, Grandy, Camden, Southern Shores, Corolla and Kill Devil Hills in North Carolina. Towne also offers a full range of financial services through its controlled divisions and subsidiaries that include Towne Investment Group, Towne Insurance Agency, TFA Benefits, TowneBank Mortgage, TowneBank Commercial Mortgage, Prudential Towne Realty, Towne 1031 Exchange, LLC, and Corolla Classic Vacations. Local decision-making is a hallmark of its hometown banking strategy that is delivered through the leadership of each group's President and Board of Directors. With total assets of \$4.67 billion as of December 31, 2013, TowneBank is one of the largest banks headquartered in Virginia.

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