

**FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C. 20429**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OF
THE SECURITIES EXCHANGE ACT OF 1934**

February 1, 2013

Date of Report (Date of earliest event reported)

TOWNE BANK

(Exact name of registrant as specified in its charter)

<u>Virginia</u>	<u>35095</u>	<u>54-1910608</u>
(State or other jurisdiction of incorporation)	(FDIC Insurance Cert. No.)	(IRS Employer Identification No.)

5716 High Street, Portsmouth, Virginia
(Address of principle executive offices)

23703
(Zip Code)

(757) 638-7500
(Registrant's telephone number, including area code)

No Change
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 OTHER EVENTS

TowneBank (the “Company”) announced the acquisition of Insurance and Consulting Services of Greenville, Inc., d/b/a The Clement Companies (“Clement”) effective December 31, 2012. The Clement agency will affiliate with Towne Insurance Agency, a wholly owned subsidiary of TowneBank. A press release dated February 1, 2013 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 1, 2013.

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 4, 2013



News Release

FOR IMMEDIATE RELEASE

For more information contact:

G. Robert Aston, Chairman and CEO, (757) 638-6780

William D. Sessoms, Jr., President, Towne Financial Services Group, (757) 417-6452

F. Dudley Fulton, President & CEO, Towne Insurance, (757) 351-3154

TOWNEBANK ANNOUNCES INSURANCE ACQUISITION

Suffolk, Va. – Hampton Roads based TowneBank (NASDAQ: TOWN) announced that The Clement Companies, Inc., insurance agency will affiliate with Towne Insurance Agency, a wholly owned subsidiary of TowneBank. This continues Towne Insurance's expansion into North Carolina.

The Clement Companies, headquartered in Greenville, North Carolina is one of the most respected names in the insurance market place. The Company's insurance and risk management professionals provide a broad scope of insurance products and services to a distinguished client list from Eastern North Carolina to Raleigh, including Commercial Property and Casualty, Personal Lines, Contract and Surety Bonding, Group and Individual Health and Employee Benefits, and various Life products.

Jim Clement, President of The Clement Companies, Inc. commented, "We are excited for the opportunity to join the TowneBank family. TowneBank's focus on relationships and community spirit fits perfectly with our philosophy of superb personal service to our clients."

"We are pleased to welcome The Clement Companies to the Towne Family. The addition of these talented professionals will allow us to broaden our platform of services available to our bank and insurance clients while continuing our focus on providing exquisite service," added F. Dudley Fulton, President and CEO of Towne Insurance.

As one of the top community banks in Virginia and North Carolina, TowneBank operates 26 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. Through its strategic partnership with William E. Wood and Associates, the Bank also offers mortgage services in all of their offices in Hampton Roads and Northeastern North Carolina. 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 \$4.41 billion as of December 31, 2012, TowneBank is one of the largest banks headquartered in Virginia.

Cautionary Statement:

This release may contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements may address issues that involve significant risks, uncertainties, estimates and assumptions made by management. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include competitive pressures in the banking industry that may increase significantly, changes in the interest rate environment may reduce margins and/or the volumes and values of loans made or held as well as the value of other financial assets held, general economic conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit or other services, changes in the legislative or regulatory environment, including changes in accounting standards, may adversely affect our businesses, costs or difficulties related to the integration of the business and the businesses we have acquired may be greater than expected, expected cost savings associated with pending or recently completed acquisitions may not be fully realized or realized within the expected time frame, our competitors may have greater financial resources and develop products that enable them to compete more successfully, changes in business conditions,

changes in the securities market and changes in our local economy with regards to our market area and its heavy concentration of U.S. military bases and related personnel. We assume no obligation to update information contained in this release.

###