

NEWS RELEASE

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October 3, 2008



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Groundbreaking of TowneBank's Harbour View Banking Center *Despite Economy, Region's Largest Locally Owned Bank Continues to Grow*

Suffolk, VA –TowneBank is pleased to announce the groundbreaking of its new Harbour View Banking Center, located at the corner of Harbour View Boulevard and Harbour Towne Parkway in Suffolk. **The ceremony is set for Wednesday, October 8, 2008, beginning at 10:00 a.m.** Among the distinguished guests expected to attend the event are Mayor Linda Johnson and Delegate Chris Jones of Suffolk.

"I am glad to see TowneBank expand their retail banking presence within our community. This new facility will provide residents with more convenient banking options from a well-respected financial services provider," said Suffolk Mayor Linda T. Johnson. "It is exciting to see such a top ranking community bank become one of the new tenants in Harbour View. This investment shows confidence in our City and we look forward to a strong working relationship with TowneBank."

The 29,000 square-foot facility is expected to open in late 2009. "We are very excited about the groundbreaking for our new Harbour View Banking Center in Suffolk," says Bob Aston, TowneBank chairman and CEO. "This beautiful new office will offer a wide array of financial services to our friends and neighbors in Suffolk, including full-service banking, real estate, investment, and private banking services."

For more information on the event, please call David Brandt of Rubin Communications Group at 757-456-5212.

About TowneBank

As one of Virginia's top community banks, TowneBank now operates 17 banking offices in Chesapeake, Hampton, Portsmouth, Newport News, Virginia Beach, Norfolk, Williamsburg and York County. 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, GSH Real Estate Corporation, TowneBank 1031 Exchange, LLC, Corolla Classic Vacations and Corolla Real Estate. Through its strategic partnership with William E. Wood and Associates and Prudential McCardle, the bank also offers mortgage services in all of the offices of both companies 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 \$2.72 billion as of June 30, 2008, TowneBank is the largest bank headquartered in Hampton Roads.

www.townebank.com

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