



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
340 Madison Avenue, Fifth Floor
New York, New York 10017

Licensing Office
(212) 790-4055

Conditional Approval #740
May 2006

April 21, 2006

Mr. Richard P. Rosa
Chief Financial Officer
Grand Bank, National Association
P. O. Box 940
Route One South
Monmouth Junction, NJ 08852-0940

Re: Application by Grand Bank, N. A., to issue subordinated debt
CAIS Control Number: 2006-NE-12-0109

Dear Mr. Rosa:

The Comptroller of the Currency (OCC) has conditionally approved Grand Bank, National Association's plans (the Bank), as outlined in your application of April 17, 2006, to issue \$2 million in subordinated debt qualifying as Tier 2 capital. This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the Bank's representatives. Please refer to the Comptroller's Corporate Manual for complete instructions for approval of the change in capital.

This approval is subject to the following condition:

1. Without prior written approval of the OCC, Grand Bank will not:
(1) prepay the \$2 million subordinated debt, nor (2) make changes to the terms and conditions of the subordinated debt.

The condition of this approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818. As such, the condition(s) is enforceable under 12 USC 1818.

Prior to issuance of the subordinated debt you must:

- Comply with the securities offering disclosure requirements under 12 CFR 16, as applicable.
- Notify the OCC within 10 days following issuance of the subordinated debt that you have completed the increase and complied with all requirements of 12 CFR 5.47.

The issuance of subordinated debt should be completed within one year of the date of this letter.

If you have questions, please contact the undersigned at (212) 790-4055.

Sincerely,

signed

Beverly L. Evans
Director for District Licensing