

**FIRST BERMUDA GROUP LTD.**

## Consolidated Balance Sheets

June 30, 2007 and 2006  
(Expressed in Bermuda Dollars)

	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash and demand deposits	\$ 8,027,591	\$ 7,512,667
Term deposits	<u>11,679,859</u>	<u>5,373,219</u>
Total cash and cash equivalents (Note 3)	19,707,450	12,885,886
Available-for-sale securities (Note 5)	1,310,266	950,247
Mortgages and loans receivable (Notes 3, 4 and 11(c))	118,353,005	97,223,082
Accounts receivable	619,365	354,787
Amount due from Corner Development Limited (Note 11(a))	72,000	72,000
Investment in Corner Development Limited	1,241,399	1,114,097
Property and equipment (Note 7)	476,818	544,727
Other assets (Note 11(b))	151,154	182,463
Goodwill	<u>300,000</u>	<u>300,000</u>
Total assets	\$ 142,231,457	\$ 113,627,289
<b>Liabilities</b>		
Demand deposits (Notes 6 and 11(d))	\$ 5,618,300	\$ 3,809,581
Term deposits (Notes 6 and 11(d))	<u>127,868,450</u>	<u>101,705,069</u>
Total deposits (Notes 6 and 11(d))	133,486,750	105,514,650
Subordinated debt (Note 9)	1,500,000	1,500,000
Accounts payable and accrued liabilities	279,860	658,579
Other liabilities (Note 11(b))	<u>1,083</u>	<u>1,246</u>
Total liabilities	135,267,693	107,674,475
<b>Shareholders' equity</b>		
Share capital (Note 10)	96,749	94,243
Share premium (Note 10)	2,683,188	2,527,309
Accumulated other comprehensive income (Note 5)	782,284	323,928
Retained earnings	<u>3,401,543</u>	<u>3,007,334</u>
Total shareholders' equity	6,963,764	5,952,814
Total liabilities and shareholders' equity	\$ 142,231,457	\$ 113,627,289

*See accompanying notes to consolidated financial statements*

Signed on behalf of the Board

*Jeffrey Conyers*

Director

*Michael Schroter*

Director