



FOR IMMEDIATE RELEASE

Contact: mktgcomm@balboacapital.com

July 1, 2005 - Balboa Capital Expansion Plans For 2005

(Irvine, CA) Balboa Capital is in the process of completing an ambitious expansion of its operations in 2005. The company plans to increase its workforce by 30% across the U.S. The newly created positions will include roles in management, sales, and operations.

Balboa Capital emerged from the recent flurry of consolidation in the financial services sector to remain a thriving independent finance company. Their expansion comes on the heels of an eventful 2004 when the company added two new sales channels and expanded its two current sales operations. The momentum continued into the first quarter of 2005 when Balboa announced the completion of a \$ 75 million Note Purchase Facility, financed by RBS Greenwich Capital.

Balboa Capital provides equipment leasing and financing to small and mid-sized business in the United States. The company markets its products through its direct sales force, vendor channel, and broker partnerships. The company offers leases in the range of \$ 5,000 to \$ 5,000,000. Balboa is a private company, wholly owned by its founder, Patrick Byrne.

Balboa was established in 1988 by Patrick Byrne. Patrick worked together for another well-established leasing company when he realized that there was a funding void for small businesses seeking equipment lease financing. Through hard work, determination, and creative niche marketing, the company built a strong base of clients in high tech centers including the entertainment and computer industries. Balboa grew steadily through the 1990s. They added a number of offices including San Francisco and Phoenix. The Company was twice recognized on the Inc. 500 List of Fastest Growing Private Companies. The Orange County Business Journal, in conjunction with NASDAQ, Ernst & Young and USA Today named Byrne Entrepreneur of the Year in 1997.

The new century brought many changes in the financing industry. Consolidation was rampant as the major banks acquired many of the larger independent lenders. The Internet boom brought a rush of investment into on-line business models. Although Balboa explored new opportunities, the Company never lost site of its core business. As a result, Balboa weathered the recent industry changes and believes they are well positioned for another growth period.

2004 marked a number of milestones for the company. Patrick Byrne acquired the remaining equity he did not own giving him 100% ownership of Balboa Capital. He then went about adding new managers in almost every department including a new Chief Risk Officer, VP of Capital Markets, and VP of Vendor Services. Balboa then secured the \$ 75 million Note Purchase Facility to provide adequate funding for their expansion. Said Byrne, I am very excited about the team we have assembled. We have a great combination of experience, energy, and creativity.

Over the course of the year, the Companys portfolio grew by over 30%. The growth was fueled by the contribution of new sales channels, increased repeat business, and new successes in Balboas existing channels.

Balboas strategy in 2005 is to achieve growth by targeting all four components of small and mid-ticket leasing. Balboa is adding 25 new sales reps to its Direct Marketing team by mid-2005. They are adding eight new reps in their Vendor Services Division, which provides leasing programs that equipment vendors can offer directly to their business customers. The division is

also establishing a new Vendor Call Center. Balboas Commercial Division, which specializes in structured financing solutions for larger companies, is adding five new positions. The Capital Markets Group, which provides purchase transactions from other equipment lease brokers, started with 50 new brokers in 2004 and expects to reach 150 brokers by the end of 2005.

Balboa also introduced Compass in the first quarter of 2005. Compass is Balboas most advanced eBusiness application. Compass was designed to help foster the growth of the four sales channels by appealing to users who want to manage their relationship on-line. Channel partners can submit applications, obtain credit decisions, check status, and download contracts on-line. Direct customers can view statements and apply for new transactions. Balboa will be investing heavily in Compass in 2005 and plans four new releases updates by the end of the year. Patrick Byrne adds, EBusiness has been somewhat of a controversial topic in our industry as companies have debated its value in a B2B environment, as well as the implications it has on personal relationships. We have been investing in this technology for many years and we are seeing a significant increase in transaction originated on-line.

Still, Balboa faces a number of challenges in 2005. The increased presence in the leasing industry of large banks and financing companies changed the competitive landscape over the last several years. Competition and competitive pressures forced many of Balboas former competitors to sell or exit the market entirely. Balboa has focused on personal service and relationships as their silver bullet to win and maintain customers. There remains a fundamental demand from small business to have a relationship with a lender. We have never lost sight of that. As a result, we continue to receive positive feedback from our customers. Over 95% of our customers have said they would consider us for their next lease, added Byrne. Balboa Capital attributes much of its success to the ability to identify new opportunities, combined with the discipline to never lose focus of its core competencies. The Companys growth plans over the next few years reflect this strategy. While Balboa is investing heavily in building new sales channels, it continues to aggressively grow its core direct business. Balboa Capital is one of the largest independent leasing companies in the U.S. and is expecting double its lease originations over the next five years.

.###

About Balboa Capital Corporation

Balboa Capital provides equipment leasing and financing to small and mid-sized business in the United States. The company markets its products through its direct sales force, vendor channel, and broker partnerships. The company offers leases in the range of \$ 5,000 to \$ 5,000,000. Balboa Capital is privately held and based in Irvine, CA.