



**FOR IMMEDIATE RELEASE**

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**INDYMAC EXPANDS ITS RETAIL LENDING GROUP NATIONWIDE  
-- Hires Over 600 Former American Home Mortgage Retail Lending Professionals --**

PASADENA, Calif. – Aug. 28, 2007 – Indymac Bank, F.S.B. (“Indymac Bank<sup>®</sup>” or the “Company”), the principal subsidiary of Indymac Bancorp, Inc. (NYSE: IMB, “Indymac<sup>®</sup>”), today announced that it has hired over 600 former American Home Mortgage Investment Corp. (“AHM” or “American Home”) retail lending professionals who were recently terminated by them. These retail lending professionals specialize in prime conforming, FHA/VA and other agency eligible single-family mortgage products. The Company is in discussions to hire additional former AHM employees and anticipates that it will end up hiring 750 to 850 former AHM employees in total. Roughly 75 percent of the staff consists of retail loan officers, with the balance being in operations, marketing and recruiting. Roughly 83 percent of the new staff will be located in the western United States, with the balance being located in the East. Among the new hires are Ron Bergum and John Johnston, the former AHM co-CEOs of retail lending in its Western region. Additionally, Indymac has entered into a license agreement to use over 90 of AHM’s offices and is in the process of assuming the leases on these offices and purchasing the related furniture and equipment.

The new employees are being hired into Indymac Bank’s Retail Lending Group (RLG), and are expected to generate quarterly production of roughly \$1 billion for the Company, once they are fully integrated. “The addition of 750 to 850 former AHM retail lending professionals provides a strong complement to the acquisition of the retail lending division of New York Mortgage Company on the East Coast which we completed in the second quarter of 2007,” commented Frank Sillman, CEO of the Company’s mortgage bank. “That acquisition added 440 retail lending professionals operating out of 29 branches. In addition, we are set to close on the purchase of certain assets of Barrington Capital in Newport Beach, California at the end of August, which will add 90 more retail loan officers operating from six branches in California and Nevada. These recent moves will bring our total RLG workforce to

almost 1,500 employees, up from 13 one year ago. In this market, we made a prudent trade by cutting out roughly \$5 billion per quarter of low margin, Alt-A conduit business to make room for growth in higher margin retail business, and we anticipate the total quarterly loan production of the RLG will reach roughly \$1.5 billion by the fourth quarter of this year.”

The table below provides a summary of the expected composition of Indymac’s Retail Lending Group following the hiring of former AHM employees and the Barrington Capital asset purchase:

	<b>Branches</b>	<b>States</b>	<b>State Count</b>	<b>Sales FTE's</b>	<b>Operations / Other FTE's</b>	<b>Total FTE's</b>
<b>Existing Indymac Retail</b>	9	CA, NV, WA	3	102	24	126
<b>Retail Lending Division of New York Mortgage</b>	29	CT, DE, FL, MA, MD, NH, NJ, NY, PA, RI	10	345	95	440
<b>Former American Home Mortgage Employees</b>	90+	AZ, CA, CO, FL, HI, IA, ID, LA, MD, MN, MT, NC, NM, NV, NY, OR, SC, SD, TX, WA	20	600	200	800
<b>Barrington Capital</b>	6	CA, NV	2	90	10	100
<b>Total</b>	<b>134+</b>		<b>27</b>	<b>1,137</b>	<b>329</b>	<b>1,466</b>

Commenting on Indymac’s overall operations in light of current conditions in the secondary market for mortgages, Michael W. Perry, Chairman and CEO, stated, “We are very fortunate to be structured as a federally-insured depository with all of our assets and loan production harbored within Indymac Bank. With this structure, more than 90% of our funding is currently composed of deposits, Federal Home Loan Bank advances, long term debt and equity, and Indymac has limited exposure to the current market-related liquidity issues that many other mortgage lenders are experiencing. We had \$3.5 billion of operating liquidity at June 30, 2007, and we expect that our operating liquidity will be over \$4 billion at September 30 as we continue to grow our deposit base. Nonetheless, we have rapidly shifted the mix of our mortgage production in light of the current secondary market. Whereas in Q207 40 percent of our production was sold to the GSEs, the SFR permanent mortgage loans we are originating today are 90 percent GSE-eligible. In addition, we continue to originate high quality jumbo mortgages through all our channels.

“While we project that our overall mortgage volumes will be down substantially in the fourth quarter as we and all lenders have tightened guidelines, our fourth quarter mortgage banking revenue margins are presently forecasted to increase. That said, while we have significantly staffed up our retail lending platform, which we expect will quickly contribute to profitability, we will need to carefully monitor our overall production volumes to see where they settle in light of mortgage market conditions and ensure that our overall staffing levels are in alignment with our production levels.”

### **About Indymac Bank**

IndyMac Bank, F.S.B. (Indymac Bank®), the 7th largest savings and loan in the nation, is the principal subsidiary of IndyMac Bancorp, Inc. (NYSE:IMB, Indymac®). Indymac Bank, operating as a hybrid thrift/mortgage banker, provides fair and competitive home financing products. All of the assets and operations of IndyMac are held or conducted within the federally-insured, thrift depository institution, Indymac Bank, whose primary funding consists of bank deposits, Federal Home Loan Bank advances, long term debt and equity. Indymac Bank’s home mortgage products consist primarily of single family, first lien mortgages, 90% of which are saleable to the GSEs (Fannie Mae, Freddie Mac, or Ginnie Mae) today. In addition, Indymac Bank offers jumbo, full-documentation home loans (loans that exceed the current GSE loan size limits) and home equity lines of credit to prime credit quality borrowers. The prime home equity loans are subject to a maximum 90% CLTV. Indymac Bank does not offer any subprime loans which are not saleable to the GSEs. Indymac Bank also provides FDIC-insured retail banking products to facilitate consumers' personal financial goals.

For more information about Indymac and its affiliates, or to subscribe to Indymac’s Email Alert feature for notification of company news and events, please visit <http://about.indymacbank.com/investors>. To visit Indymac’s corporate blog, please visit <http://www.theimbreport.com>.

### **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this press release may be deemed to be forward-looking statements within the meaning of the federal securities laws. The words "anticipate," "believe," "estimate," "expect," "project," "plan," "forecast," "intend," "goal," "target," and similar expressions identify forward-looking statements that are inherently subject to risks and uncertainties, many of which cannot be predicted or quantified. Actual results and the timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including, the effect of economic and market conditions including industry volumes and margins; the level and volatility of interest rates; the Company’s hedging strategies, hedge effectiveness and asset and liability management; the accuracy of subjective estimates used in determining the fair value of financial assets of Indymac; the credit risks with respect to our loans and other financial assets; the actions undertaken by both current and potential new competitors; the availability of funds from Indymac's lenders and from loan sales and securitizations to fund mortgage loan originations and portfolio investments; the execution of Indymac's growth plans and ability to gain market share in a significant market transition; the impact of disruptions triggered by natural disasters; the impact of current, pending or future legislation, regulations or litigation; and other risk factors described in the reports that Indymac files with the Securities and Exchange Commission, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and its reports on Form 8-K.

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