



**FOR IMMEDIATE RELEASE**

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**INDYMAC COMPLETES ACQUISITION OF FINANCIAL FREEDOM**

Pasadena, Calif. – (July 16, 2004) – IndyMac Bancorp, Inc. (NYSE: NDE) (“IndyMac” or the “Company”), the holding company for IndyMac Bank® F.S.B., today announced the completion of its acquisition of Financial Freedom Holdings Inc.

“The acquisition of Financial Freedom makes us the largest provider of reverse mortgages in the U.S. and illustrates our strategy of growing market share through niche products that complement our core competency as a single-family residential mortgage lender,” commented Michael W. Perry, IndyMac’s Chairman and Chief Executive Officer. “With the maturing of the baby boom generation and the appreciation of home prices, the reverse mortgage market has the potential for very healthy growth in the years to come. Joining forces with Financial Freedom, the proven leader in this industry, positions IndyMac to prosper from this demographic wave,” continued Mr. Perry.

Reverse mortgages allow homeowners age 62 and older to convert home equity into cash. The product is becoming increasingly popular with senior citizens seeking to supplement their retirement income for home maintenance and repair, healthcare funding, estate planning and discretionary purposes. “IndyMac is pleased to provide reverse mortgages as another option for our senior customers to achieve their retirement objectives,” commented Mr. Perry

Reverse mortgages offered by IndyMac feature: no recourse to the borrower, no repayment during the borrower’s occupancy of the home and a repayment amount that cannot exceed the value of the home (after costs of sale). Equity may be withdrawn in a lump sum, as annuity-style monthly payments, as a credit line, or any combination thereof.

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Financial Freedom is a majority owned subsidiary of IndyMac Bank. The acquisition of Financial Freedom is expected to be a few cents dilutive to IndyMac's earnings in the third quarter due to purchase accounting issues, and accretive thereafter.

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IndyMac Bancorp, Inc. is the holding company for IndyMac Bank, the largest savings and loan in Los Angeles and the 10<sup>th</sup> largest nationwide (based on assets). Through its hybrid thrift/mortgage bank business model, IndyMac is in the business of designing, manufacturing, and distributing cost-efficient financing for the acquisition, development and improvement of single-family homes. IndyMac also provides financing secured by single-family homes to facilitate consumers' personal financial goals and strategically invests in single-family mortgage related assets.

IndyMac utilizes its award-winning e-MITS<sup>®</sup> technology platform to facilitate automated underwriting, risk-based pricing and rate lock of home loans on a nationwide basis via the Internet at the point of sale. IndyMac provides mortgage products and services through its business relationship division, IndyMac Mortgage Bank, and its consumer direct division, IndyMac Consumer Bank and invests in certain of its mortgage loan production and mortgage servicing for long-term returns through its Investment Portfolio and Home Equity Divisions. IndyMac's mortgage website is ranked the number one overall mortgage website by Watchfire<sup>®</sup> GomezPro<sup>™</sup>, an internet quality measurement firm, a position it has held for seven of eight measurement periods since Fall 2000.

IndyMac Bank also offers a wide array of Web-enhanced banking services, including deposits, competitive CD and money market accounts, and online bill payment services. IndyMac Bank is FDIC insured.

IndyMac's total annualized return to shareholders for the period 1993 through June 30, 2004 of 24%, under its current management team, has exceeded the comparable returns of 13% and 11% for the Dow Jones Industrial Average and S&P 500, respectively, for the same period.

For more information about IndyMac and its affiliates, or to subscribe to the Company's Email Alert feature for notification on Company news and events, please visit our Website at [www.indymacbank.com](http://www.indymacbank.com).

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## **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," 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; **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;** credit risks with respect to our loans and other financial assets; **the impact of changes in financial accounting standards;** 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 integration of Financial Freedom Holdings Inc. into the operations of IndyMac;** the impact of current, pending or future legislation and regulations; and other risk factors described in the reports that IndyMac files with the Securities and Exchange Commission, including the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and its reports on Form 8-K.

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