November 6, 2007

IndyMac Bancorp, Inc.
Third Quarter Review

imb IndymacBank℠

NYSE: IMB

Forward-looking Statements

Certain statements contained in this presentation 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, as well as future or conditional verbs, such as “will,” “would,” “should,” “could,” or “may,” are generally intended to identify forward-looking statements that are inherently subject to risks and uncertainties, many of which are beyond Indymac’s control or 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 or from historical results 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; Indymac’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 its loans and other financial assets including increased credit losses due to demand trends in the economy and in the real estate market and increased delinquency rates of borrowers; 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, including a reduction in secondary mortgage market investor demand; the execution of Indymac’s growth plans 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, its Quarterly Reports on Form 10-Q, and its reports on Form 8-K. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. Indymac does not undertake to update or revise forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made.

Outline

- Q3 07 Earnings Review
- Indymac's Risk Management
- Indymac's Action Plan And Prospects

The Big Picture Perspective On Indymac

- Indymac's loss this quarter was driven by deteriorating mortgage delinquencies and a declining housing market combined with an unprecedented collapse in the secondary market liquidity for non-GSE loans and securities…2nd quarterly loss in past 59 quarters (first loss was in Q4 98 during global liquidity crisis)
  - Indymac took charges of $575 million pre-tax, or $4.79 per share (after tax) in combined credit costs and spread widening in Q3 07
  - Indymac increased its total credit reserves[1] 47% during the quarter to $1.39 billion (56% of bank equity) from $0.95 billion at 6/30/07
- Indymac made $1.25 billion its first six years as a thrift – 2001-2006 – with an average ROE of 18%
- Indymac has given back through 9/30/07 $106 million or 8% of the $1.25 billion
- Indymac has not repurchased any shares since 2002. In fact, we prudently raised $644 million of equity capital this year through October (covering this year's loss to date by more than 6 times)
- Our operating liquidity is at an all time high of $6.3 billion at 9/30/07, up 54% from $4.1 billion at 6/30/07, and we have no reverse repurchase borrowings or extendable asset-backed commercial paper…95% of our borrowings are deposits, FHLB advances and long-term debt
- Our Tier 1 core capital at 9/30/07 is 7.48%, $823 million or 50% above the well capitalized requirement of 5% … higher than the 7.39% we had at 12/31/06
- We have an action plan in place (and are executing on it) focused on safety and soundness, maintaining strong liquidity, preservation of capital, and a return to profitability

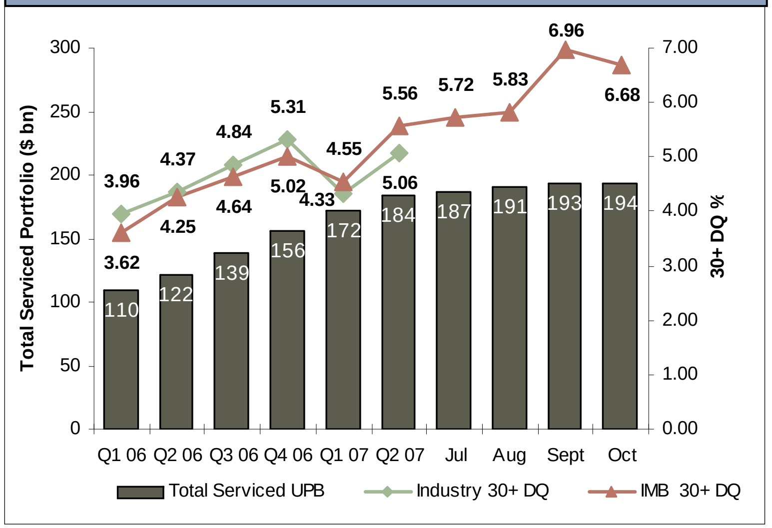
(1) Credit reserves include allowance for loan losses, credit mark-to-market on loans held-for-sale, undiscounted losses embedded in residual valuations and secondary market accrual.

The Following Facts Changed To Cause Our Actual Q3 07 EPS To Decline Materially From Our Forecast

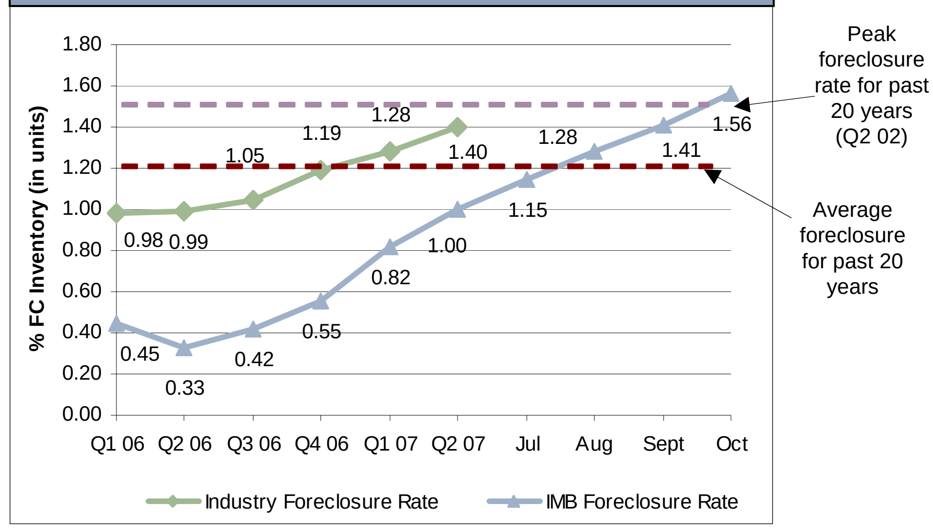
1. Delinquency trends in September rose sharply versus even August at Indymac and for the industry … especially for seconds and piggybacks…led us to "step up" our delinquency roll rate assumptions
2. Worsening existing and new housing sales trends led to a substantial rise in NPAs in our homebuilder portfolio and negatively impacted our assessment of inherent losses, including assumptions for future home price declines and loss severities
3. Rating agency downgrades of Industry MBS securities, including Indymac's securities … led us to increased writedowns
4. We accelerated our voluntary and involuntary severance to Q3 07 from Q4 07

Indymac's Single Family Delinquency And Foreclosure Trends Are Worsening At A Faster Rate Than Industry … Primary Reason Is Indymac's Servicing Portfolio Is Skewed To 2005-2007 (86%) Versus Industry At About 50% … With Larger % Being 2003

30+ % Delinquency Trends for Indymac vs. Industry



Foreclosure % Trends for Indymac vs. Industry



Source: Mortgage Banker's Association: National Delinquency Survey

ALT-A and Subprime Loss Experience

($ in millions)	ALT-A			Subprime		
	Orig Balance $	Loss Amt $	Loss (bps)	Orig Balance $	Loss Amt $	Loss (bps)
June 30, 2007						
Indymac	95,692	23	2.4	15,146	85	55.9
Industry	1,329,194	592	6.9	1,654,343	11,842	87.3
Largest Industry Participant	218,967	96	5.1	162,004	621	39.4
March 31, 2007						
Indymac	87,824	8	1.0	14,146	33	23.4
Industry	1,168,685	425	5.0	1,571,139	8,490	65.0
Largest Industry Participant	193,999	76	3.9	155,333	457	29.4

Source: First American Loan Performance (2002 – 2007 Vintages)

Industry Delinquency Rates as of June 30, 2007

Loan Type	30+ DQ (MBA units)	90+ DQ (MBA units)
Agency Conforming [1]	not reported	0.62%
Prime [2]	3.09%	0.94%
HELOC [3]	4.59%	2.04%
ALT-A (Indymac serviced Alt-A)	7.08%	2.42%
ALT-A (Industry)[4]	6.88%	2.78%
FHA [2]	14.55%	5.18%
Subprime [4]	24.18%	11.60%

Indymac Alt-A 30+ and 90+ DQ on a UPB basis were 6.50% and 2.09%, respectively, and lower compared to 6.98% and 2.84% for the industry on the same basis

Source: [1] FNMA Monthly Summary Report; [2] MBA National Delinquency Survey; [3] McDash Analytics, Inc; [4] First American Loan Performance

The Increase In NPLs Was Driven By Homebuilder Construction (Up 153% From Q2 07), Consumer Loans HFS* (Up 42%) And Consumer Loans HFI* (Up 11%)

	HFS						HFI						TOTAL LOANS					
($ in millions)	9/30/07			6/30/07			9/30/07			6/30/07			9/30/07			6/30/07		
Product	UPB	NPL	NPL/ UPB	UPB	NPL	NPL/ UPB	UPB	NPL	NPL/ UPB	UPB	NPL	NPL/ UPB	UPB	NPL	NPL/ UPB	UPB	NPL	NPL/ UPB
Consumer Loans																		
Reverse Mortgages	$ 1,420	$ -	0.0%	$ 412	$ 0.2	0.1%	$ 4	$ -	0.0%	$ -	$ -	-	$ 1,425	$ -	0.0%	$ 412	$ 00	0.1%
Prime 1st Lien	6,288	111	1.8%	6,339	70	1.1%	3,039	66	2.2%	2,912	69	2.4%	9,326	177	1.9%	9,251	139	1.5%
Option ARM	2,607	81	3.1%	1,749	48	2.7%	1,016	24	2.4%	988	20	2.0%	3,623	106	2.9%	2,738	68	2.5%
Piggyback 1st Lien	824	196	23.7%	978	157	16.0%	678	88	13.0%	709	84	11.9%	1,502	284	18.9%	1,688	241	14.3%
Subprime	515	32	6.2%	279	21	7.5%	81	6	6.9%	58	6	10.0%	596	38	6.3%	337	27	7.9%
Closed-end Seconds	592	54	9.1%	623	31	5.0%	10	0.3	3.0%	11	0	2.3%	602	54	9.0%	634	32	5.0%
HELOCs	1,459	13	0.9%	1,140	7	0.6%	21	1	5.1%	-	-	-	1,480	14	0.9%	1,140	7	0.6%
Consumer Lot Loans	249	1	0.3%	163	11	6.5%	8	2	22.4%	8	2	26.1%	257	3	1.0%	171	13	7.4%
Consumer Construction-to-Perm	-	-	-	-	-	-	2,175	43	2.0%	2,088	27	1.3%	2,175	43	2.0%	2,088	27	1.3%
Other Consumer	-	-	-	-	-	-	32	5	14.8%	32	3	8.9%	32	5	14.8%	32	3	8.9%
TOTAL CONSUMER LOANS	$ 13,953	$487	3.5%	$11,684	$344	2.9%	$ 7,065	$ 236	3.3%	$ 6,807	$212	3.1%	$ 21,017	$ 723	3.4%	$ 18,080	$ 556	3.1%
Commercial Loans																		
Homebuilder Construction	$ -	$ -	-	$ -	$ -	-	$ 1,383	$ 114	8.3%	$ 1,518	$ 45	2.9%	$ 1,383	$ 114	8.3%	$ 1,518	$ 45	2.9%
Warehouse Lines of Credit	-	-	-	-	-	-	47	0.6	1.2%	262	0.5	0.2%	47	0.6	1.2%	262	0.5	0.2%
Other Commercial	128	-	-	43	-	-	-	-	-	-	-	-	128	-	0.0%	43	-	-
Total Commercial Loans	$ 128	$ -	-	$ 43	$ -	-	$ 1,429	$ 115	8.0%	$ 1,781	$ 45	2.5%	$ 1,558	$ 115	7.4%	$ 1,823	$ 45	2.5%
TOTAL LOANS	$ 14,081	$487	3.5%	$11,727	$344	2.9%	$ 8,495	$ 351	4.1%	$ 8,588	$257	3.0%	$ 22,576	$ 838	3.7%	$ 19,903	$ 601	3.0%

- 73% of the growth in NPAs is driven by Subdivision Construction, Closed-end Seconds, Piggyback 1st Liens and Option ARMs loans, which we have almost entirely eliminated
- Secondary market disruption resulted in a further seasoning of the HFS loans (average age increased 2 months to 7.4 months at 9/30/07), which also contributed to the increase in NPAs

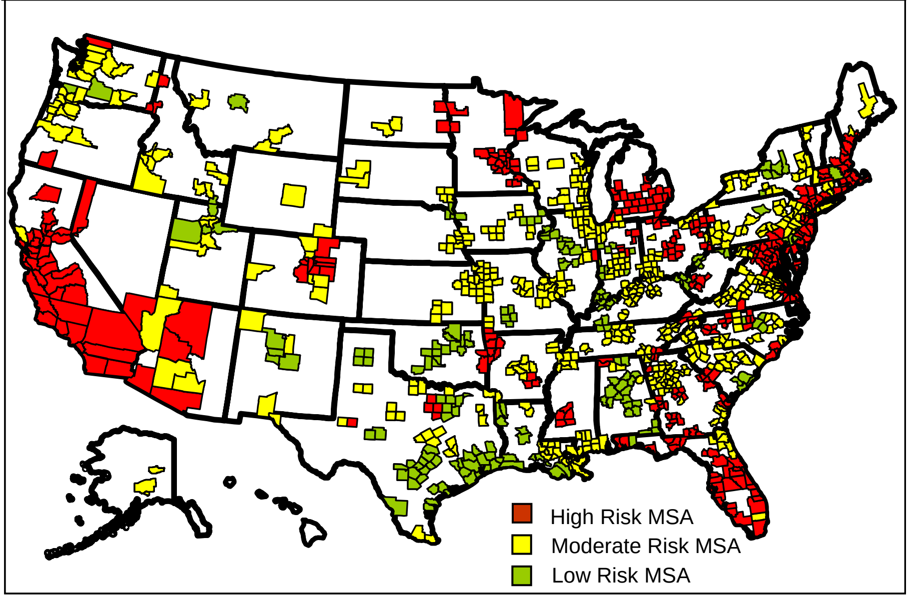
Q307 Reconciliation to Total NPAs

($ in millions)	UPB	Book Value
Total NPL	$ 838	$ 706
REO		123
Total NPA		$ 829
% of Total Assets		2.46%

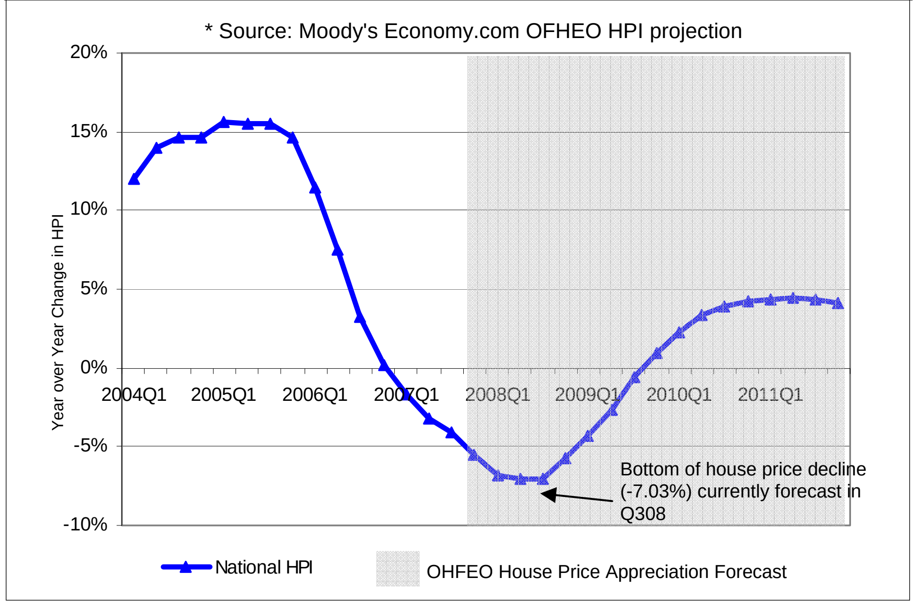
* HFS = held for sale; HFI = held for investment

Forecasted Home price depreciation ranging between 6% and 10% is factored into our loss expectations that drive valuation and reserves – average HPI declines expected to be around 9%

Housing Price Risk Assessment



National House Price Trends - Historical and Forecast *



($ in millions)	Housing Price Decline %	Total Servicing $	Total Servicing %	REO $	REO %	30+ DQ %	IMB Direct Credit* $	IMB Direct Credit* %	WA MLTV **	Credit Reserves
High Risk	-10%	$ 124,267	71%	$ 862	74%	7.36%	$ 27,296	70%	78	$ 828
Medium Risk	-8%	32,895	19%	160	14%	7.77%	7,248	19%	80	222
Low Risk	-6%	18,469	11%	143	12%	8.63%	4,270	11%	81	131
Total		175,632	100%	1,166	100%	7.57%	38,813	100%	79	1,180
Expected Housing Decline			-9.2%		-9.2%			-9.2%		

Reverse Mortgages	16,997
TOTAL SERVICED PORTFOLIO	$ 192,629

Other Reserves	207
TOTAL RESERVES	$ 1,388

* Includes HFI, HFS and loans where we hold residual and NIG securities

** MTM LTV for 1st Lien Loans and MTM CLTV for 2nd Lien

- **Indymac's forecast of housing price declines are based on risk grades from PMI, MGIC and AIG/United Guaranty**
- **Expected home price declines used in our reserves and valuations are slightly higher than average US home declines as predicted by Moody's economy.com**

Industry Downgrades Of MBS Securities Resulted In Additional $17.1 Million Loss On Securities … Yet The Percent Of Indymac Bonds Downgraded Were Lower Than Our Securitized Market Share

Total Mortgage Backed Bonds Downgraded Industrywide Q3/Q4 2007		Moody's	S&P	Fitch
	Alt-A	277	1,637	188
	Subprime	2,983	3,198	1,393
	Seconds/Other	2,338	2,838	1,402
	Total	5,598	7,673	2,983

Total Indymac Issued Mortgage Backed Bonds Downgraded	Moody's	S&P	Fitch
	82	216	102
	2.5% of Total Industry Downgrades		

Other Industrywide Issued Mortgage Backed Bonds Downgraded	Moody's	S&P	Fitch
	5,516	7,457	2,881
	97.5% of Total Industry Downgrades		

Total Retained by Indymac			Moody's	S&P	Fitch
	Inv Grade	Number	-	15	-
		Fair Mkt Value	-	$ 108,952,495	-
	Non-Inv Grade	Number	3	34	6
		Fair Mkt Value	$ 5,190,533	$ 94,141,372	$ 7,858,809
	14.5% of Indymac Downgrades				

Total Not Retained by Indymac	Moody's	S&P	Fitch
	79	167	96
	85.5% of Indymac Downgrades		

- Indymac does not own any CDOs, SIVs, etc…only mortgage backed securities
- Rating agencies downgraded on average 2.5% of Indymac mortgage backed bonds…less than Indymac's securitized market share of 3.6%(1)
- Indymac owns 14.5% of its issued mortgage backed bonds that were downgraded
- Nevertheless, Indymac took $17.1 million in writedowns during Q3, or 5% of the bonds' value

(1) Based on data from First American Loan Performance 2005-2007 private label securitizations, taking into consideration the majority of rating agency downgrades involved securitizations from these vintages

Severance Costs Expected In Q4 07 Were Moved Up To Q3 07 Due To Success Of The Voluntary Program … Indymac's Directly Revenue Generating Workforce Has Reached 48.0% Vs. 32.4% At 1/1/07

($ in millions)	Headcount	Severance Costs	Estimated Annual Savings
Voluntary program	682	$17.7	$51.8
Involuntary reduction in force	580	9.9	39.7
Offshore/temp reduction	285	-	9.4
Total	1,547	$27.6 *	$100.9

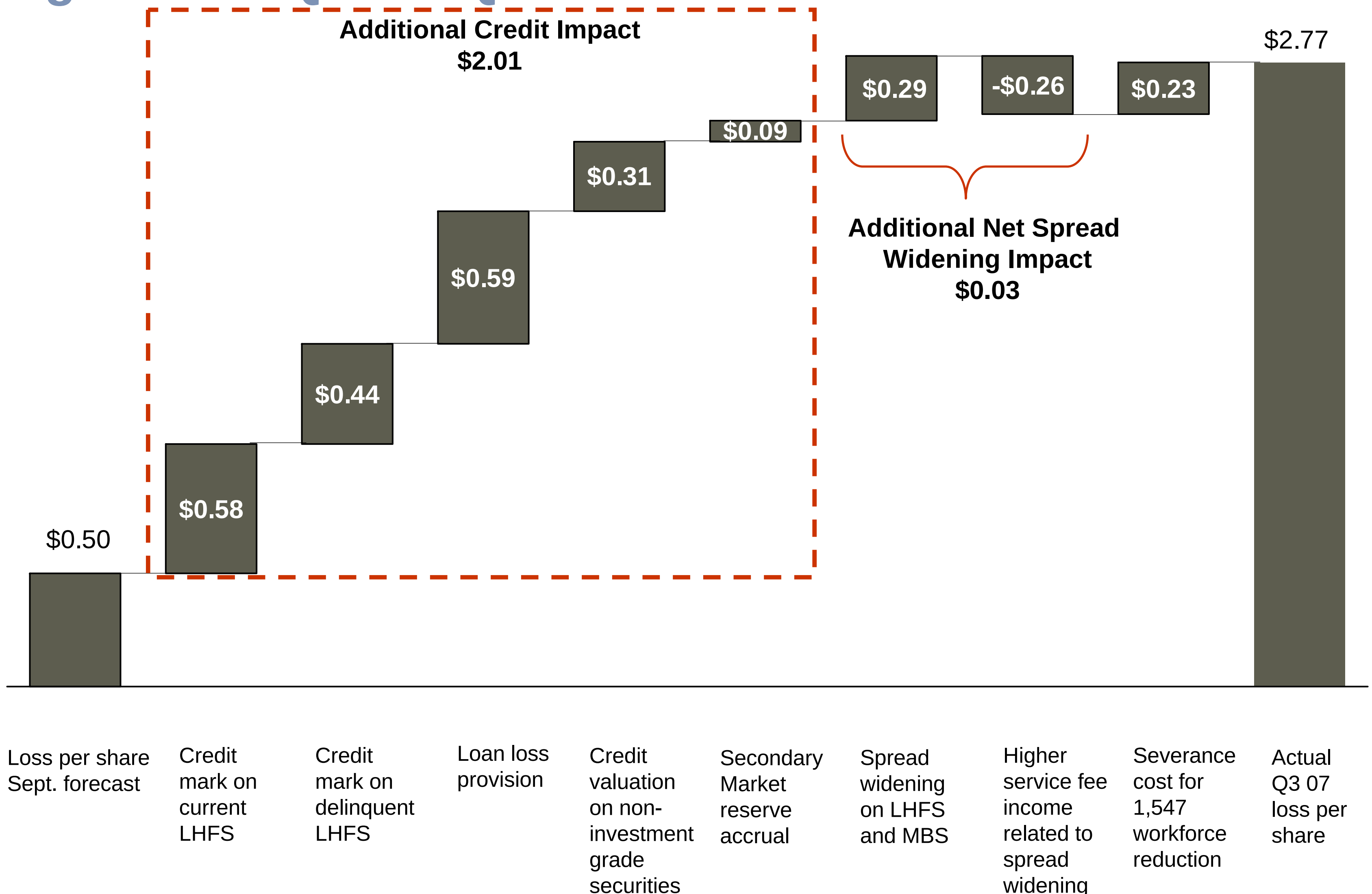
Payback period for severance costs is 3.3 months

	Composition of Workforce				
	1/1/07 Headcount	Percent of Workforce	Current Headcount**	Percent of Workforce	Variance
Directly Revenue Generating	2,842	32.4%	4,600	48.0%	48%
Indirectly Revenue Generating - Servicing	575	6.6%	678	7.1%	8%
Indirectly Revenue Generating - Non-Servicing	3,304	37.7%	2,602	27.1%	-28%
Revenue Supporting	1,090	12.4%	915	9.5%	-23%
Corporate Overhead	964	11.0%	797	8.3%	-24%
Total	8,775	100.0%	9,592	100.0%	

* Average severance per employee was $20,400 which is equal to an average of 3.7 months of salary

** Increase in total headcount is due to approximately 1,900 employees hired from New York Mortgage Trust and American Home Mortgage to build our retail lending platform… excluding these employees current workforce would be approximately 7,700, down 12.25% from 1/1/07

Q3 07 Loss Higher Than Previously Forecast Due To Significantly Higher Credit Costs; And Severance Costs Recognized In Q3 Vs. Q4



Key Driver Of The Q3 07 Loss Was Increased Provisions For Future Credit Losses … Credit Reserves Up 47% To $1.4 Billion

Q3 07 EPS as reported	($2.77)
Total credit costs	3.40
Spread widening in private-label secondary market	1.39
Servicing portfolio hedge out-performance	(1.24)
Net spread widening and servicing hedge out-performance	0.15
Cost of voluntary and involuntary severance	0.23
Gain from sale and leaseback of office building	(0.20)

($ in thousands, except per share amounts)

CREDIT COSTS	Q2 07	Q3 07	% increase
Mortgage Banking			
1a. Held-for-Sale - Delinquent Loans	$36,939	$124,257	236%
1b. Held-for-Sale - Current Loans	-	69,717	nm
2. Secondary Market Reserve	24,235	32,008	32%
Total Production Costs	**$61,174**	**$225,982**	**269%**
Thrift			
3. Loans Held-for-Investment	$17,204	98,279	471%
4. Non-Investment Grade and Residual Securities	20,824	72,815	250%
5. Real Estate Owned	4,290	10,639	148%
Total Pre Tax Credit Costs	**$103,492**	**$407,715**	**294%**
Total Credit Costs After Tax	$63,027	$248,298	
Per Share Impact of Credit Costs	**$0.85**	**$3.40**	

($ in millions)

	Reserve Type	Q3 07 Balance Sheet	Q3 07 "Reserve" Balance	Q3 07 Collateral	Q3 07 Reserve/ Collateral	Q2 07 Balance Sheet	Q2 07 "Reserve" Balance	Q2 07 Collateral	Q2 07 Reserve/ Collateral
	Mortgage Banking								
1a	**Held-For-Sale - Delinquent Loans**	$1,116	228	$1,344	16.9%	$831	$113	$944	12.0%
1b	**Held-For-Sale - Current Loans**	12,906	70	12,737	0.5%	10,931	0	$10,783	0.0%
1c	**Held-For-Sale - Total Loans**	14,022	298	14,081	2.1%	11,762	113	11,727	1.0%
2	**Secondary Market Reserve**	N/A	57	173,915	0.033%	N/A	47	167,710	0.028%
	Thrift								
3	**Loans Held-For-Investment**	8,553	162	8,495	1.9%	8,648	77	8,589	0.9%
4	**Non-Investment Grade and Residual Securities**	416	835	22,770	3.7%	443	698	21,002	3.3%
5	**Real Estate Owned**	123	36	159	22.6%	64	12	76	16.1%
	Total Credit "Reserves"		**1,388**				**$947**		
	Bank Capital		**$2,482**				**$2,511**		
	Reserves / Bank Capital		**56%**				**38%**		

Up 47%

Indymac's Credit Reserves Are Now More Than Two Years Of Current Quarterly Charge-Offs

- 74% of current period credit costs related to future periods
- Total charge-offs in Q3 07 were $146 million … the total credit reserve of $1.39 billion is 9.5 times this amount
- The beginning credit reserve for non-investment grade and residual securities was $698 million, with $90 million in losses forecast for Q3 07 compared with actual losses of $91 million (only 1% higher)
- After these losses, the remaining non-investment grade and residual credit reserve was $607 million … which we increased by $191 million ($73 million present value P&L impact) or 31% in Q3 07, plus we added $37 million related to new non-investment grade and residual securities
- Excluding non-investment grade and residual securities, total Q3 07 charge-offs were $55 million … and the total related credit reserve at 9/30 was $553 million … 10 times this amount

Assets/Activities That Are Susceptible To Spread Widening Include Mortgage Backed Securities, Loans Held For Sale, And Loans Sold … Total Q3 07 P&L Impact Was $167.2 Million Pre-Tax

		Q3 07 P&L Impact		
	UPB	Credit Costs	Spread Widening	Total
	($ in billions)	($ in millions, except per share amounts)		
Investment grade MBS securities	$ 4.84 *	$ -	$ 34.40	$ 34.40
Non-investment grade MBS securities	0.4	72.8 **	0.0	72.8
Loans held for sale	14.1	194.0	100.5	294.5
Total	$ 19.4	$ 266.8	134.9	$ 401.7
MBS spread widening recognized through OCI (shareholders' equity)			(25.2)	
Impact of spread widening on loans sold in Q3 07 ($13.0 billion x 44 bps)			57.5	
			$ 167.2	
Per share impact			$1.39	

Note: Investment grade MBS were marked to market utilizing third party dealer quotes. In determining the fair value of loans held for sale, the company considered all relevant market information including recent execution prices of similar assets, quoted market bids, other market color from street firms, etc. Non-investment grade and residual securities were marked to market using models…see detailed assumptions in Appendix

* 85% is AAA and 8.5% is AA prime and Alt-A MBS securities. No AAA or AA Alt-A securities have been downgraded by any of the rating agencies during their August and October downgrades

**Represents discounted P&L impact…undiscounted credit costs totaled $191 million

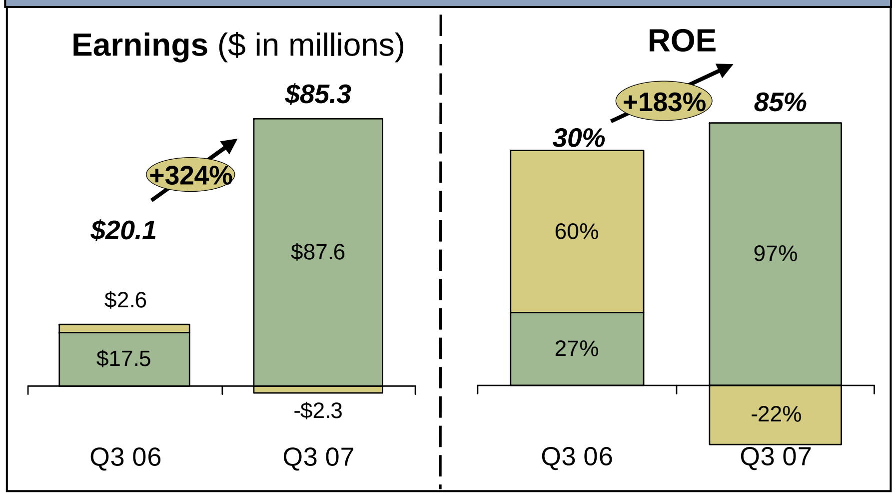
With Large Credit Reserves And Unprecedented Spread Widening There Was A Bright Spot … Loan Servicing, As Our Predominantly Non-GSE Portfolio Benefited From Widening Spreads And Reduced Liquidity

($ in millions, except per share amounts)	Q3 07 Earnings	Q3 07 Avg. Capital	Q3 07 ROE	Q2 07 Earnings	Q2 07 Avg. Capital	Q2 07 ROE	Q3 06 Earnings	Q3 06 Avg. Capital	Q3 06 ROE
By Business Segment									
Mortgage production	$ (124)	$ 736	-67%	$ 38	$ 735	21%	$ 69	$ 509	54%
Mortgage servicing and retention	85	399	85%	32	348	37%	20	269	30%
Commercial & Overhead	(12)	23	N/A	(11)	17	N/A	(9)	11	N/A
Mortgage Banking total	(51)	1,158	-17%	59	1,100	22%	80	789	40%
Thrift	(104)	914	-45%	15	898	7%	46	820	22%
Treasury & Deposits	(5)	11	N/A	(5)	2	N/A	(5)	2	N/A
Eliminations	(4)	-	N/A	(7)	-	N/A	(8)	-	N/A
Total Operating Results	(164)	2,083	-31%	63	2,000	13%	113	1,611	28%
Corporate Overhead	(24)	(29)	N/A	(24)	78	N/A	(27)	260	N/A
Other*	(15)	-	N/A	6	-	N/A	-	-	N/A
Total Earnings, Capital and ROE	**$ (203)**	**$ 2,054**	**-39%**	**$ 45**	**$ 2,078**	**9%**	**$ 86**	**$ 1,871**	**18%**
Total Company EPS	**$ (2.77)**			**$ 0.60**			**$ 1.19**		

* Included in Other in Q3 07 are severance costs totaling $16.8 million, preferred dividend payment of $12.4 million, and the gain on sale of an office building totaling $14.6 million. In Q2 07, Other included the pension curtailment gain of $6 million. (All amounts shown net of tax).

Indymac's Largely Non-GSE Servicing Portfolio Benefited By Slowing Prepayment Speeds And Hedge Out-Performance … Yet GAAP Valuation Remains Reasonable Relative To Economic Cash Flows And Peers

Earnings and ROE – Q3 07 vs. Q3 06



Cap Rates	IMB	WM	WFC	USB	CFC	JPM	BAC
September 30, 2007	1.43	1.47	1.35	1.61	1.51	1.52	1.30
June 30, 2007	1.42	1.52	1.42	1.84	1.54	1.66	1.41
September 30, 2006	1.31	1.43	1.46	1.67	1.34	1.44	1.27
% Change Year over Year	9%	3%	-8%	-4%	13%	6%	2%

Note: Indymac's agency servicing value declined 4 bps, or 2%, from June 30th to Sept 30th

($ in millions)	9/30/2007 Collateral $	9/30/2007 Collateral %	Prepayment Speeds Q3 07	Sep-07	Aug-07	Jul-07	Q2 07	Jun-07	May-07	Apr-07
Agency	$ 49,852	29%	9.2%	7.1%	10.2%	10.4%	13.6%	12.0%	14.3%	14.8%
Non-agency	77,297	44%	9.0%	7.0%	12.2%	14.6%	15.4%	15.5%	17.0%	15.2%
Option ARM	28,565	16%	19.7%	13.6%	25.4%	28.4%	27.3%	26.6%	30.0%	29.9%
HELOC	2,629	2%	31.2%	26.8%	33.0%	35.3%	37.9%	35.8%	38.4%	33.5%
Reverse	15,572	9%	10.4%	7.6%	14.5%	9.2%	10.1%	10.7%	11.0%	10.6%
Total MSR Portfolio	**$ 173,915**	**100%**	**12.0%**	**8.5%**	**14.8%**	**16.3%**	**18.1%**	**17.0%**	**19.1%**	**18.4%**
Projected CPR (same quarter)			**18.3%**				**23.7%**			
Projected CPR (remaining life)			**20.1%**				**20.7%**			

CPR used to value servicing at 9/30/07

Assuming Prepayment Speeds Ramp From September 2007 Rate Of 8.5% To 20% Over The Next 2 Years, The MSR Asset's Economic Value Increases By $276 Million Pre-tax, Or $2.30 Per Share (After-Tax)

($ in millions)	9/30/2007 Book Value	9/30/2007 Economic Value
MSR	**$ 2,490**	**$ 2,766**
Capitalization rate	**1.43%**	**1.59%**
Projected Life CPR	**20.1%**	**16.3%**

All Financial Institutions Manage Four Basic Risks

	Indymac's Absolute Performance	Indymac's Relative Performance to Mortgage Industry
Liquidity Risk	Good	Good
Interest Rate Risk*	Good	Good
Credit Risk	Poor	Above Average
Acquisition Risk	Good	Good
Overall	**Poor**	**Above Average**

"Taking risk is crucial for our survival. You have to be willing to use your capital."

David H. Sidwell, CFO, Morgan Stanley, September 19, 2007

* Servicing returns this quarter and historically speak for themselves; Thrift net interest margin is 2.39% in Q3 07, up from 2.29% in Q2 07 … and if we had higher short-term credit ratings, our thrift NIM would be 2.95% as we had a Q3 07 average of $1.7 billion in custodial balances held at another bank

Indymac's Overall Risk Management Has Kept Us "Safe and Sound", But Credit Risk Management Needs To Improve… Overall Q3 07 Loss Is Driven Mostly By Our Business Model Focused Solely On USA Single-Family Housing

What We Got Right

- After 1998, we purchased a Federal Thrift and put our entire business inside the Thrift…no liquidity issues
- We have repurchased no shares since 2002, and in fact raised $644 million of Bank capital in 2007 alone
- We held virtually no subprime, closed-end seconds, or HELOCs for investment purposes ($112 million or 0.3% of 9/30 total assets)
- We were not a major subprime lender, ranking 32nd of lenders*…our volume in 2006 was $2.7 billion or 0.39% of total subprime market
- We originated $43 billion of Option ARMs from 2005-Q3 07 and sold all but $1.0 billion (HFI), $2.7 billion (HFS) and retained no non-investment grade or residual securities
- We laid off virtually all Alt-A 2005/2006 credit into the secondary market…only $7.0 million in non-investment grade and residual securities retained
- We have no CDO's or SIVs…only mortgage backed securities…93.5% of our investment grade securities are rated AAA and AA and none have been downgraded
- We made one of the only successful acquisitions this decade in the mortgage business

What We Could Have Done Better

- Like most, we underestimated the length and severity of the housing downturn…and in hindsight we could have expanded more cautiously from 2005 to 2007
- Like our major competitors, we went too far in expanding our product guidelines (mispriced credit risk) during the housing boom
  - Seconds/HELOCs
  - Piggybacks
  - Subprime
- Our underwriting procedures, like all in the industry, failed to detect speculators entering high CLTV purchase transactions
- We could have "pulled back" substantially and earlier in homebuilder lending
- We could have had some of the newer credit hedges (ABX Index) in place

* Per NMN survey, 2006

Indymac Has Intentionally Focused Solely On USA Home Lending And Mortgage Banking … Diversification Was Not A Realistic Alternative

- Historically we were a mortgage bank and have only been a depository financial institution since mid-2000
- While our business is cyclical and earnings volatile, the long-term prospects for housing and mortgage lending are good. Mortgage debt outstanding has grown 8-10% per year for decades
- Diversify into what? Commercial or other consumer credit?
  - Building from scratch would not have resulted in meaningful diversification in time for this cycle
  - Purchasing our way into those businesses would have been substantially dilutive given our low P/E multiple
  - Commercial and consumer credit is likely to be next in suffering credit losses

Clearly, In Hindsight, We Could Have “Pulled Back” Sooner … But Scale Is Critical For Success; We Were “Following” Major Financial Institutions And Like Most Thought The Downturn Would Not Be This Severe

Even with this severe downturn, Indymac’s business model should outperform the average thrift over the long run

($ in millions)	Net Earnings	EPS	Average Capital	ROE	Weighted Capital
2001	$116	$2.00	$762	15.3%	$762
2002	132	2.27	870	15.2%	870
2003	161	2.88	949	17.0%	949
2004[(1)]	202	3.27	1,167	17.4%	1,167
2005	293	4.43	1,381	21.2%	1,381
2006	343	4.82	1,796	19.1%	1,796
Cumulative 2001-2006	1,247	19.67	1,154	18.0%	6,925
YTD 9-30-07	(106)	(1.46)	2,055	-6.9%	1,541
Total cumulative results 2001-2007	$1,141	$18.21	$1,209	13.5%*	$8,466

*** Top 37 thrift peer group achieved an ROE of 8.7% for first 6 months of 2007, down from a 3 year average ROE through 2006 of 11.9% (Source: Uniform Thrift Performance Report, OTS; median values)**

(1) Earnings presented on a proforma basis; excluding impact of adoption of SEC Staff Accounting Bulletin No. 105, and purchase accounting adjustments related to the company’s acquisition of Financial Freedom.

The Average Cumulative Lifetime Losses of Our Alt-A Production is Only 41 Bps (0.41%) Thru 2004…..But Annual Vintages Vary by Over 12 Times…2005-2007 Vintages Will be Some of The Industry's Worst

($ in millions) Funding Year	Remaining Balance of Loans by Vintage as of 9/30/07	Funding Year % of Total	Original Principal Balance of Loans by Vintage	Remaining Balance as % of Original Balance	% of Loans that enter Foreclosure Process to Total Loans*	% of Foreclosure Loans that go to Loss*	% of Foreclosure Loans Still in Foreclosure*	% of Foreclosure Loans that Subsequently Cured*	% of Originated Loans that go to Loss	Average Loss Severity**	Cumulative Losses to Date (in bps)
1993	$ 12	0.01%	$ 2,823	0.4%	2.2%	51.8%	0.7%	47.5%	1.1%	19%	22
1994	32	0.02%	6,009	0.5%	7.0%	53.4%	0.2%	46.4%	3.7%	21%	77
1995	26	0.02%	4,154	0.6%	9.8%	49.5%	0.3%	50.1%	4.8%	23%	112
1996	37	0.02%	4,088	0.9%	6.3%	40.8%	0.0%	59.2%	2.6%	22%	56
1997	94	0.06%	5,983	1.6%	2.7%	30.6%	0.2%	69.2%	0.8%	39%	32
1998	192	0.11%	12,080	1.6%	3.6%	29.0%	0.7%	70.3%	1.1%	39%	42
1999	85	0.05%	4,136	2.1%	7.7%	40.7%	1.5%	57.8%	3.1%	32%	99
2000	235	0.14%	8,789	2.7%	11.3%	37.4%	1.7%	60.9%	4.2%	31%	129
2001	733	0.43%	15,621	4.7%	7.0%	34.6%	2.6%	62.8%	2.4%	25%	62
2002	2,033	1.19%	18,763	10.8%	3.1%	24.4%	5.5%	70.1%	0.7%	31%	23
2003	7,665	4.47%	26,557	28.9%	2.2%	18.6%	9.1%	72.3%	0.4%	26%	11
2004	12,053	7.03%	33,665	35.8%	3.0%	21.1%	17.9%	61.0%	0.6%	24%	15
1993-2004 SubTotal	$ 23,197	13.5%	$ 142,668	16.3%	4.4%	33.0%	5.1%	62.0%	1.5%	28%	41
2005	$ 33,834	19.7%	$ 54,698	61.9%	4.4%	25.1%	32.1%	42.8%	1.1%	22%	25
2006	65,650	38.3%	82,057	80.0%	4.7%	20.1%	46.5%	33.4%	0.9%	27%	25
2007	48,821	28.5%	55,664	87.7%	1.2%	3.3%	63.6%	33.1%	0.04%	23%	1
2005-2007 SubTotal	$ 148,305	86.5%	$ 192,419	77.1%	3.6%	16.7%	43.1%	36.7%	0.7%	24%	18
1993 - 2007 TOTAL	$ 171,502	100.0%	$ 335,087	51.2%	4.0%	26.3%	24.9%	48.7%	1.0%	26%	28

1.45% of loans have resulted in the borrower losing their house. The average severity from 1993-2004 was 28.3%, resulting in total losses through 2004 of $588 million (41 bps of cumulative loss)

The 2005-2007 vintages are relatively unseasoned, but based on significantly higher delinquency and foreclosure trends, along with expected house price declines, we are anticipating higher losses on these vintages. We have adjusted our valuation models to reflect the worsening credit environment.

*Based on original principal value. Population excludes reverse mortgages of $17 billion and HELOCs of $4.1 billion.

** Based on severity rates of loans placed into private securitizations and expected severity for loans in foreclosure at 9/30/07

Indymac's Rise In Delinquencies And Foreclosures This Year Has To Do With The Fact That Relative To The MBA Statistics, We Did Not Become A Major Lender Until We Completed Our Transition To A Thrift Structure In The Mid-2000's. As A Result, We Don't Have A Large Servicing Book Filled With Low Rate, Higher Credit Quality 2002-2004 Refinance Transactions

	9/30/2007				3/31/2007				12/31/2006			
Origination Vintage	UPB ($ in millions)	% of Total	30+ DQ %	FCL %	UPB ($ in millions)	% of Total	30+ DQ %	FCL %	UPB ($ in millions)	% of Total	30+ DQ %	FCL %
2004 and Before	27,359	14%	5.07%	1.16%	31,071	18%	4.08%	0.98%	29,958	19%	5.05%	0.72%
2005 to 2007	165,269	86%	7.13%	1.77%	140,884	82%	4.44%	0.87%	125,698	81%	4.84%	0.49%
TOTAL SERVICED PORTFOLIO	192,629	100%	6.84%	1.69%	171,955	100%	4.37%	0.88%	155,656	100%	4.88%	0.54%
TOTAL SERVICED PROFORMA *			6.10%	1.46%			4.26%	0.93%			4.95%	0.61%
INDUSTRY (1)			not available				4.33%	1.28%			5.31%	1.19%

(1) Source: MBA Quarterly Delinquency Survey

* A March 2007 MBA Vintage Survey indicated that 52% of the industry is comprised of loans originated prior to 2005 and 48% originated in 2005 -2007. The above Indymac Total Serviced pro-forma delinquencies assumes a vintage mix similar to the industry of 50% pre-2005 loans and 50% 2005-2007 loans.

Given Indymac's Relatively Small Size, Low Credit Ratings, And Lack Of Diversification … We Have Maintained Strong Capital Levels Relative To Regulatory Limits And Other Industry Players

	Indymac 9/30/07(1)	Well-Capitalized Minimum	Percent Indymac Exceeds Well-Capitalized Minimum	Capital Cushion Over Well-Capitalized Minimum (in thousands)
Tier 1 Core Capital	7.48%	5.00%	50%	$823,114
Total Risk-Based Capital (adjusted for additional subprime weighting)	11.79%	10.00%	18%	$360,630

	Regulatory Capital Definitions						
Capital Ratios	Adequately Capitalized		Well Capitalized				
Thrift / Bank HC	Thrift	Bank HC	Thrift	Bank HC	Indymac	Average of Top 3 USA Banks	Top USA Thrift
Tier 1 Core / Leverage	4.00%	4.00%	5.00%	4.00%	7.48%	5.43%	6.40%
Tier1 Risk-Based / Tier 1 Capital	4.00%	4.00%	6.00%	4.00%	11.06%	8.01%	7.47%
Total Risk-Based / Total Capital	8.00%	8.00%	10.00%	8.00%	11.79%	11.69%	11.07%

(1) Note: Even if we were to write-off the entire $416 million book value of non-investment grade and residual securities, our tier 1 core capital would be 6.8%, or 36% above the well-capitalized minimum, and our total risk-based capital would remain roughly the same at 11.76%

With 100% Of Our Activities In The Federal Thrift … We Did Not Experience Any Meaningful Liquidity Issues … Ramped Up Operating Liquidity 54% To A Record $6.3 Billion In The Quarter And Paid Off All Repo Loans And Our Extendable Commercial Paper Facility

	6/30/07			9/30/07		
($ in billions)	Balance	Pledged	Operating Liquidity	Balance	Pledged	Operating Liquidity
Deposits	$11.7	-	-	$16.8	-	-
Borrowings						
Federal Home Loan Bank	$10.9	$11.5	$0.6	$11.1	$15.2	$4.1
ABCP – North Lake Capital Funding	1.8	2.0	0.2	-	-	-
ABCP – Multi Seller	1.1	1.3	0.2	1.5	1.5	-
Reverse Repurchase Agreements	0.9	2.8	1.9	-	0.8	0.8
Structured Notes / Trust Preferred Securities	0.7	-	-	0.6	-	-
Total Borrowings	**27.1**		**$2.9**	**30.0**		**$4.9**
Other Liabilities	2.0			1.3		
Preferred Stock in Subsidiary	0.5			0.5		
Common Equity	2.1			1.9		
Total Liabilities and Equity	**$31.7**			**$33.7**		
Liquidity Analysis						
Short Term Liquidity (Cash)			$0.6			$0.8
Operating Liquidity			2.9			4.9
Total Operating Liquidity			$3.5			$5.7
Federal Reserve Bank [(1)]			0.6			0.6
Total "Available" Operating Liquidity			**$4.1**			**$6.3**

(1) Federal Reserve Capacity assumed by pledging assets of approximately $0.8 billion with a 75% advance rate (i.e. HBD, Warehouse Lending, CTP)

Despite The Unprecedented Disruption In Liquidity For Secondary Markets and ABCP, Indymac Was Able To Grow Deposits While Maintaining Similar Cost Of Funds

($ in billions)	As of 6/30/07		As of 9/30/07		Delta
	Balance	W/A Coupon	Balance	W/A Coupon	W/A Coupon
Deposits (1)	$11.7	4.77%	$16.8	4.92%	0.15%
Federal Home Loan Bank	10.9	5.11%	11.1	5.06%	(0.05%)
Repo / ABCP (2)	3.8	5.93%	1.5	6.38%	0.46%
Structured Notes / Trust Preferred	0.7	6.26%	0.6	6.37%	0.11%
Total Borrowings	**27.1**	**5.11%**	**30.0**	**5.08%**	**(0.03%)**
Other Liabilities	2.0		1.3		
Preferred Stock in Subsidiary	0.5		0.5		
Common Equity	2.1		1.9		
Total Liabilities and Equity	$31.7		$33.7		

	Q2 07		Q3 07	
	Average	Spot 6/30	Average	Spot 9/30
Deposits (1)	4.77%	4.77%	4.87%	4.92%
Federal Home Loan Bank	5.25%	5.11%	5.24%	5.06%
Repo / ABCP (2)	5.89%	5.93%	6.25%	6.38%
Structured Notes / Trust Preferred	6.54%	6.26%	6.44%	6.37%
Total Borrowings	**5.20%**	**5.11%**	**5.21%**	**5.08%**

(1) Deposits include non interest bearing custodial accounts
(2) Includes commitment fees and other related costs

With Existing Financing Alternatives Indymac Can Grow Its Thrift Assets At Attractive Returns

Pro forma Investment Returns & Marginal Impact on the NIM	Non Agency AAA MBS	Jumbo Prime SFR Loans
Yield	5.99%	6.36%
Cost of Funds (duration matched)	(4.45%) (1)	(4.50%) (2)
Hedging Costs	(0.30%)	(0.30%)
Credit Costs (annualized)	-	(0.20%)
Net Spread	**1.24%**	**1.56%**
Net Interest Margin	**1.33%**	**1.78%**
Targeted ROE (3)	40%	19%

(1) Assumes funding comprised of 93% FHLB advances, 5% deposits, and 2% of total risk-based capital
(2) Assumes funding comprised of 80% FHLB advances, 15% deposits, and 5% total risk-based capital
(3) Based on Well Capitalized Total Risk Based Capital Levels

We Learned The Lessons Of The 1998 Global Liquidity Crisis … The Q3 07 Capital Markets Disruption Exposed Others Who Had Not

- Mortgage REITS:
  - American Home files for bankruptcy during Q3 … wiping out $1.0 billion in market capitalization for the quarter and $1.8 billion for the year
  - Thornburg had liquidity-induced asset sales of $21.9 billion resulting in a $1.1 billion loss, or 40% of capital
- Others:
  - MGIC and Radian funded special servicer and mortgage investor C-BASS with short-term repo facilities; margin calls caused them to lose their $1 billion investment in this jointly owned entity
  - Bear Stearns managed two large mortgage funds into the ground, losing essentially 100% of $1.6 billion of investor funds
  - Largest USA mortgage lender leaves holding company exposed and requires significant intervention from bankers and regulators and investment from B of A
  - Largest independent U.K. home lender, Northern Rock, has similar liquidity issues and Bank of England has come to the rescue … $7 billion in market capitalization (or 83%) lost this year

Innovative Mortgage Lending Has Served A Legitimate And Useful Role For American Consumers

"Owning a home in this country has been a principal source of wealth creation for low- and moderate-income people"

Nicolas P. Retsinas, Director of the Joint Center for Housing Studies at Harvard University

- Median net wealth for homeowners was $184,400 in 2004, 46 times the median for renters of $4,000
- Net household wealth nearly doubled from 1995 to 2005 from $27.6 trillion to $51.8 trillion … the home was a key driver of this increase
- The homeownership rate increased to 69.3% in 2004, up from 64% a decade earlier … it has fallen back to 68.3% in most recent quarter
- Atlanta Fed Study attributed as much as 70% of the increase in the homeownership rate to the introduction of new mortgage products

Note: CRA lending goals encouraged financial institutions to expand products to provide more opportunities for low- and moderate-income households

Source: Federal Reserve

Every Major Financial Institution Chose To Provide Innovative Mortgage Loans … Indymac Chose To Focus On The Safest Parts Of This Market … Alt-A, Reverse Mortgages, & Option ARMs

Top Alt-A Lenders in Q2 07

($ in millions) Organization Name	Alt-A Lenders Q2 07	Alt-A Lenders Q2 06	% Change	Market Share
1 IndyMac Bancorp, Inc.	$15,303	$14,881	3%	14.10%
2 Countrywide Financial Corp.	10,413	8,888	17%	9.59%
3 Lehman Bros.	10,332	8,626	20%	9.52%
4 Washington Mutual	5,374	581	825%	4.95%
5 JP Morgan Chase	3,814	2,568	49%	3.51%
6 Morgan Stanley	3,471	n/a	n/a	3.20%
7 First Magnus Financial Corp.	3,198	3,790	-16%	2.95%
8 Wachovia	2,994	1,494	100%	2.76%
9 Wells Fargo	2,972	11,303	-74%	2.74%
10 Capital One	2,816	4,565	-38%	2.59%
	$60,687	$56,696	7%	

Top Residential Second Lien Lenders in Q2 07

($ in millions) Organization Name	Seconds Volume Q2 07	Seconds Volume Q2 06	% Change	Market Share
1 Bank of America	$22,746	$21,082	8%	17.34%
2 JP Morgan Chase	14,617	14,049	4%	11.14%
3 Countrywide Financial Corp.	10,596	12,461	-15%	8.08%
4 Washington Mutual	9,880	8,251	20%	7.53%
5 Citigroup, Inc.	8,240	10,988	-25%	6.28%
6 Wells Fargo	7,796	10,637	-27%	5.94%
7 National City Bank	6,392	5,000	28%	4.87%
8 Wachovia	5,852	5,520	6%	4.46%
9 GMAC	2,748	2,709	1%	2.09%
10 National City Mortgage	1,611	501	222%	1.23%
13 IndyMac Bancorp, Inc.*	876	1,860	-53%	0.67%
	$91,354	$93,058	-2%	

*Indymac erred in originating the small amount of seconds and subprime volume that it did and has now eliminated all non-GSE subprime and seconds and reduced the HELOC maximum CLTV to 90%

Source: NMN Survey

Top Residential Option ARMs Lenders in Q2 07

($ in millions) Organization Name	Option ARMs Volume Q2 07	Option ARMs Volume Q2 06	% Change	Market Share
1 Washington Mutual	$8,442	$11,256	-25%	16.89%
2 Countrywide Financial Corp	7,405	15,000	-51%	14.82%
3 American Home Mortgage Investment	5,292	5,293	0%	10.59%
4 Wachovia	4,365	n/a	n/a	8.73%
5 IndyMac Bancorp, Inc.	2,476	4,267	-42%	4.95%
6 Capital One	1,611	3,826	-58%	3.22%
7 Deutsche Bank	1,149	2,132	-46%	2.30%
8 GMAC	999	4,998	-80%	2.00%
9 Lehman Bros.	745	n/a	n/a	1.49%
10 Luminent Mortgage Corp	540	1,308	-59%	1.08%
	$33,024	$48,080	-31%	

Subprime Residential Lending Volume Leaders Q2 07

($ in millions) Organization Name	Subprime Volume Q2 07	Subprime Volume Q2 06	% Change	Market Share
1 Countrywide Financial Corp	$5,721	$11,206	-49%	9.74%
2 Merrill Lynch	5,304	6,711	-21%	9.03%
3 HSBC Finance	4,707	8,463	-44%	8.01%
4 H&R Block	4,500	8,273	-46%	7.66%
5 Wells Fargo	4,106	6,844	-40%	6.99%
6 JP Morgan Chase	3,305	2,884	15%	5.63%
7 Washington Mutual	3,280	7,280	-55%	5.59%
8 CitiFinancial	3,000	6,500	-54%	5.11%
9 Bear Stearns	2,560	1,749	46%	4.36%
10 GE	1,501	8,380	-82%	2.56%
17 IndyMac Bancorp, Inc.*	751	505	49%	1.28%
	$38,735	$68,795	-44%	

Top Reverse Mortgage Lenders

($ in millions) Organization Name	Q2 07 Volume**	Market Share***
1 Indymac (Financial Freedom)	$1,258	45%
2 Wells Fargo	559	20%
3 Bank of America	475	17%
4 Genworth	168	6%
5 Vertical Lend	112	4%
6 EverBank	84	3%
7 JB Nutter & Company	84	3%
8 Others	56	2%
	$2,796	100%

** Indymac actual; others based on August market share

*** Banc of America Securities analyst report dated 10/5/07; based on August 2007 production

Until The 2007 Secondary Market Disruption Indymac Was Able To Sell Into The Secondary Market Its Alt-A And Option ARM Credit Risk Exposure … Even So, We Took Too Much Exposure From Seconds, HELOC And Subprime

Fair Value of Non-investment Grade Securities							
($ in thousands) Vintage	Alt-A	Option ARM	Subprime	HELOC	Closed End 2nds	Consumer Lot	Total
2000	$ -	$ -	$ 650	$ -	$ -	$ -	**$ 650**
2001	-	-	-	-	-	-	**-**
2002	736	-	863	-	-	-	**1,598**
2003	-	-	1,243	-	-	2,509	**3,752**
2004	6,481	-	34,885	31,543	-	19,651	**92,560**
2005	1,370	-	18,820	-	-	30,597	**50,787**
2006	5,557	-	4,546	42,895	19,311	33,019	**105,327**
2007	76,209	-	57,482	13,508	8,731	5,489	**161,420**
Total	$ 90,352	$ -	$ 118,489	$ 87,946	$ 28,042	$ 91,265	$ 416,094

The above securities have $835 million of embedded future credit losses, with 16.6% of those losses expected in Q4-07, 28.9% expected in 2008, 20.6% expected in 2009, and 33.8% thereafter. Also, these bonds are valued at a 18.0% weighted average discount rate.

2005 Through Q3 2007 Loan Production													
($ in thousands)	Alt-A		Option ARM		Subprime		HELOC		Closed End 2nds		Consumer Lot		Total
Produced	$ 102,516,344	100%	$ 40,691,583	100%	$ 6,922,869	100%	$ 5,027,922	100%	$ 6,111,896	100%	$ 1,917,832	100%	$ 163,188,447
Transferred to HFI	4,013,684	4%	1,148,338	3%	64,967	1%	9,393	0%	8,738	0%	-	0%	5,245,120
Securitized w/ Credit Risk Retained*	9,084,032	9%	-	-	4,006,047	58%	3,235,936	64%	2,596,458	42%	1,614,399	84%	20,536,872
Remain in HFS	2,920,610	3%	1,137,188	3%	520,711	8%	1,183,898	24%	471,465	8%	270,828	14%	6,504,700
Total with retained Credit Risk	16,018,326	16%	2,285,526	6%	4,591,725	66%	4,429,227	88%	3,076,661	50%	1,885,227	98%	32,286,691
Sold with no retained Credit Risk	86,498,018	84%	38,406,057	94%	2,331,144	34%	598,695	12%	3,035,235	50%	32,605	2%	130,901,755
* P&L Exposure of Retained Securities	$ 83,135		$ -		$ 80,849		$ 56,403		$ 28,042		$ 69,105		$ 317,534

Alt-A Delinquency And Loss Trends Have Worsened Considerably As A Result Of Credit Cycle And Housing Downturn, But Still Strongly Support Product's Viability And Our Decision To Focus On It

First American Loan Performance Securitization Data for 2002-2007 Vintages as of June 30, 2007

($ in millions)	Original Balance $	Current Balance $	30+ DQ %	Foreclosure %	REO %	Cumulative Loss bps (loss/orig bal)	Cumulative Loss $
ALT-A							
Indymac	95,692	64,494	7.33%	1.29%	0.42%	2.4	23
Industry	1,329,194	885,585	6.85%	1.22%	0.58%	6.9	592
Subprime							
Industry	1,654,343	798,936	23.90%	4.02%	2.54%	87.3	11,842

30+ delinquencies for FHA loans were 14.6% at 6/30/07*

Subprime losses are 12.7 times higher than ALT-A in basis points.

- In August 2007, S&P reaffirmed ratings on 99.8% of Alt-A bonds issued in 2005 and 2006…no AAA or AA bonds were downgraded
- In October 2007, S&P changed their Alt-A methodology and reaffirmed ratings on 95.3% of 2007 Alt-A bonds…again, no AAA or AA bonds were downgraded

* Source: MBA National Delinquency Survey

And, Many Major Financial Institutions Paid A Substantial Premium To Participate In Innovative Mortgage Lending … Indymac's Acquisition Of Financial Freedom Appears To Be One Of The Only Ones That Created Value For Shareholders

($ in millions) **Indymac Acquisitions Since 2000**

Company	Business Line	Acq. Date	Price	P/B	Premium
Financial Freedom	Reverse Mortgage	Jul 04	125	2.6	78
NYMC	Retail Alt-A/Govt	Apr 07	13	6.9	12
AHM loan officers	Retail Alt-A/Govt	Aug 07	0		

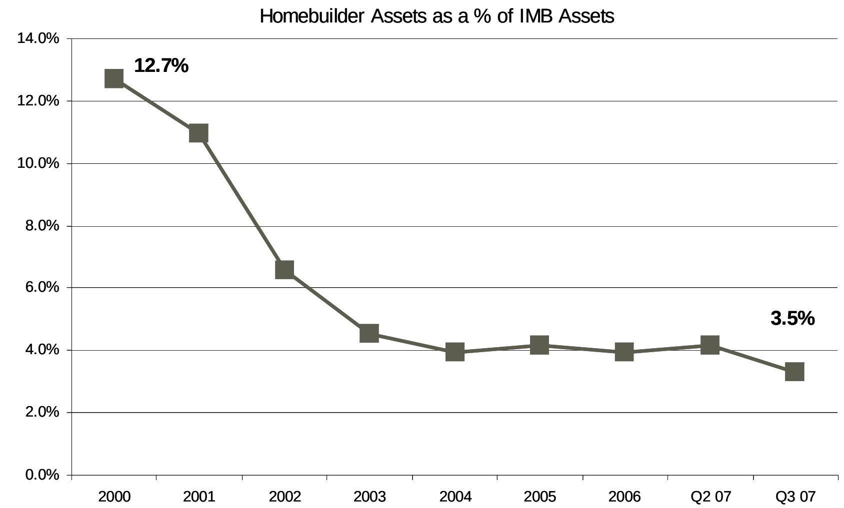
- Financial Freedom purchase of $125 million has already been earned back with cumulative earnings to date of $135 million … We could sell Financial Freedom even today for substantially more than our investment
- Building retail platform from 13 to 1,900 people and expect to be profitable by 1Q 08

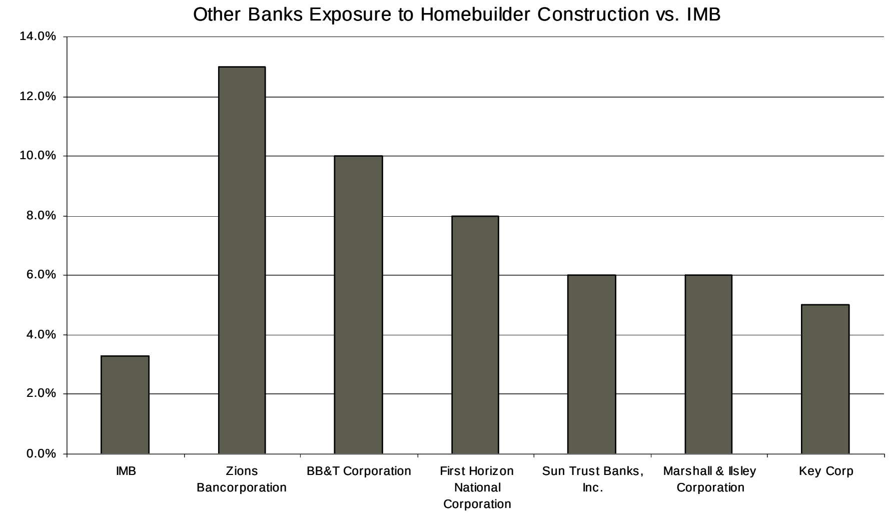
($ in millions) **Competitor Acquisitions Since 2000**

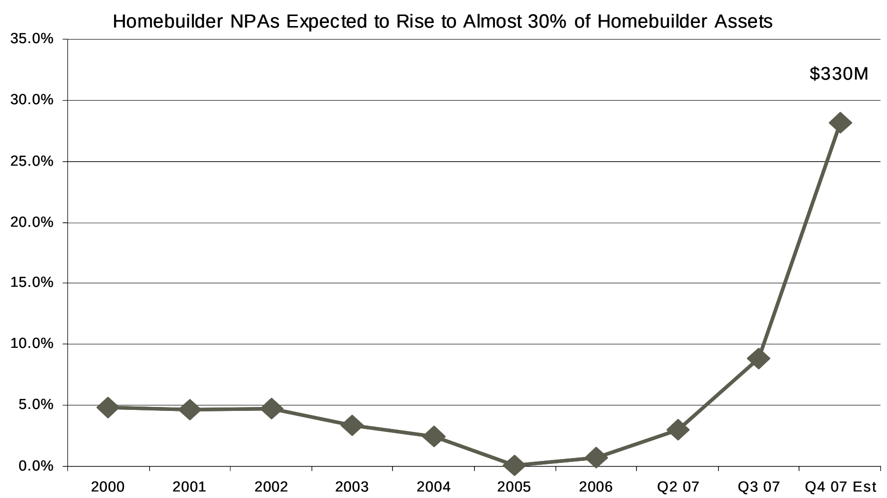
Company	Business Line	Acquirer	Acq. Date	Price	P/B	Premium	Remarks
North Fork (GreenPoint)	Prime/Alt-A	Capital One	Mar 06	$14,600	1.4	$4,433	Shut down Greenpoint Mortgage due to illiquidity in secondary markets and takes $860 million in after-tax charges
ABN AMRO's Mort group	Agency	Citi	Jan 07	9,000	ND	ND	$6.5 billion in credit losses and write-downs reported in Q3 07 ($3 billion consumer loan defaults, $1.6 billion subprime mortgage, $1.4 billion LBO loans, $0.6 billion fixed income trading loss)
Ameriquest	Subprime	Citi	Aug 07	ND	ND	ND	
Associates	Subprime	Citi	Sep 00	31,100	2.5	18,595	
MortgageIT	Prime/Alt-A	Deutsche Bank	Jul 06	429	1.3	98	Write-downs of $2.1 billion for US MBS
WMC	Subprime	GE	Apr 04	ND	ND	ND	GE seeks buyer for WMC. 1H 07 cumulative loss of $600 million
GMAC (ResCap)	Subprime	Cerberus Consortium (51% Stake)	Nov 06	7,400	ND	ND	ResCap 1Q-3Q 07 cumulative losses of $3 billion
Household (Decision One)	Subprime	HSBC	Nov 02	14,200	1.4	4,277	Closing Decision One on subprime problems. 2007 cumulative charges/write-downs of $7.3 billion
First Franklin	Subprime	Merrill Lynch	Sep 06	1,310	4.2	$999	$5 billion write-downs reported in Q3 07
Saxon	Subprime	Morgan Stanley	Aug 06	706	1.3	152	Q3 07 credit trading revenue (MBS) dropped $1billion & write-down of HFI is $877 million
Golden West	Western Thrift/Option ARM Lender	Wachovia	May 06	25,500	2.5	15,449	Q3 07 write-downs of $1.3 billion and record provision expense of $408 million

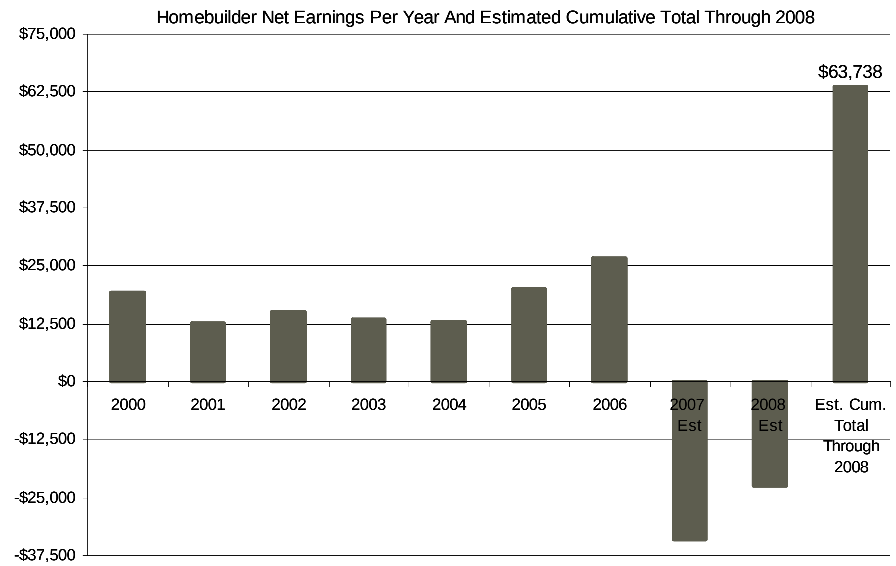
Homebuilder Division

- Even though we reduced our exposure (as a percentage of assets) to Homebuilders…we should have reduced it even further.









- We will NOT originate any new Builder loans until the cycle turns

Given The Housing Downturn And Secondary Market Disruption, None Of The Top 25 Mortgage Lenders Avoided Q3 07 Losses In Their Mortgage Segment … How Does Indymac's Loss Compare?

86% of industry production

33 companies analyzed: Top mortgage bankers, mortgage insurers, and Wall Street investment banks

Industry pre-tax loss totals 1.01% of production (past 18 mos)

Q3 07 Mortgage Related Pre-tax Loss Estimate
Total: $35.1 billion
Average: $1.1 billion

Indymac's pre-tax loss totals 0.23% of production (past 18 mos)

Indymac

- 3.95% share of analyzed production over past 18 months
- 0.89% share of analyzed mortgage losses
- $313 million pre-tax loss…71% below the Average

See Appendix for complete listing of mortgage losses by company

23% of Indymac's 2005-2007 Production Caused 79% of Q3 07 Credit Costs … We Have Substantially Eliminated These Products. As a Result, Our New Production Credit Costs Should Be Substantially Lower Going Forward

($ in millions) Loan Type	Q3 07 Credit Costs	Q3 07 % of Credit Costs	% of 2005 - 9/30/07 Production	Production (2005 - 9/30/07)
Closed-end Seconds	$ 100	24%	3%	$ 6,573
HELOC	80	20%	3%	7,468
Subdivision Construction	78	19%	2%	4,641
Subprime	32	8%	3%	7,382
Higher Risk Piggyback 1st	31	8%	12%	26,709
Total Higher Credit Risk Production	**320**	**79%**	**23%**	**52,773**
Option ARMs	22	5%	19%	42,394
All Other Production	65	16%	58%	129,841
TOTAL	**$ 408**	**100%**	**100%**	**$ 225,008**

Indymac Cut 31% Of Q1 07 Production Promptly For Credit Quality At End Of Q1 07 … Including Liquidity-Related Production Cuts In Q3 07, 66% of Q1 07 Production Would Have Been Eliminated

August 2007 Product Cuts

- Eliminated all subprime loans except those saleable to GSEs
- Eliminated all closed-end seconds and piggybacks
- Eliminated traditional option ARM loans
- Substantially cut other non-conforming production
- Closed our conduit channel
- Focused correspondent and warehouse lending business on community financial institutions and retail mortgage bankers with captive lines
- No new homebuilder construction loans … focus group on workouts

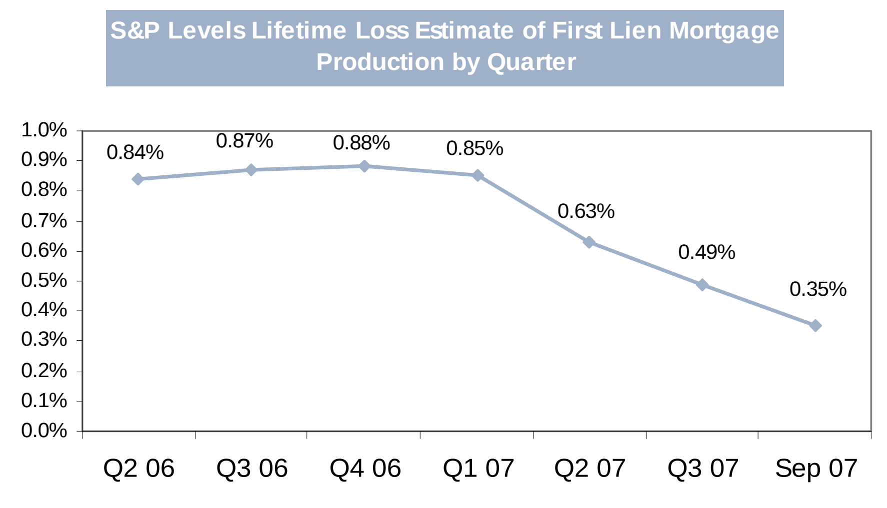
By September 2007, Indymac's Product Cuts Have Reduced Credit Risk On S&P Production By 60% vs. Q3 06

S&P Evaluated Quarterly Production Loan Characteristics	Q3 2006	Q2 2007	Q3 2007	Sep 2007
Evaluated Production ($MM)*	$ 20,092	$ 19,287	$ 14,228	$ 2,108 **
Avg Loan Size	$ 299,892	$ 308,637	$ 308,313	$ 267,089
S&P Lifetime Loss	**0.87%**	**0.63%**	**0.49%**	**0.35%**
LTV	74	74	75	76
CLTV	81	78	78	77
FICO	702	705	705	704
Product				
Prime/Alt-A 1st Liens	47%	78%	87%	98%
Traditional Option ARM	25%	3%	1%	0%
Flexpay Option ARM	2%	8%	8%	1%
Piggyback 1st Liens	21%	7%	1%	0%
Subprime **	5%	5%	3%	0%
Total	100%	100%	100%	100%
Occupancy Type				
Primary Home	89%	83%	84%	87%
Second Home	3%	3%	4%	5%
Investment	8%	14%	12%	8%
Total	100%	100%	100%	100%
Geographic				
No. California	9%	17%	9%	5%
So. California	30%	29%	27%	22%
Other	61%	54%	64%	73%
Total	100%	100%	100%	100%

**Agency flow production is classified as Prime/Alt-A.

60% Decline

Indymac Total Production Reconciled to Loans Evaluated by S&P LEVELS Model	Balance ($ in millions)	FICO	CLTV
Total Q3 07 Production	**$ 17,062**	**N/A**	**N/A**
Less:			
Home equity line of credit/Seconds	(637)	731	80%
Reverse mortgages	(1,080)	N/A	58%
Consumer construction	(871)	728	75%
Homebuilder construction commitments	(121)	N/A	77%
Commercial Real Estate	(125)	732	66%
Subtotal	**(2,834)**	729	76%
Total Production Evaluated by S&P LEVELS Model	**$ 14,228**	**705**	**78%**



****Indymac funded $3.9 billion of mortgage production in October, of which $3.3 billion represented S&P evaluated production with S&P estimated lifetime loss of 34 bps. We expect to fund roughly $12.4 billion of mortgage production in Q4 07.**

While our production is evaluated using the Standard & Poor's ("S&P") Levels model, the data is not audited or endorsed by S&P.

96% Of Indymac's "Upfront" Credit Losses Have Now Been Eliminated Based On Our GSE-Oriented Product Model

($ in millions)	Q3 07 Production			Q3 07 Net HFS Credit Costs			
Production Group	Q3 07 Production	Production Outside Current Guidelines		Net HFS Credit Costs	Credit Costs as bps of Production	Credit Costs Related to Production Outside Current Guidelines	
Residential Lending							
Prime 1st Liens	$ 13,570	$ 6,421	47%	$ 41.8	31	$ 36.5	87%
Prime/Alt-A	12,137	5,121	42%	20.5	17	15.4	75%
Option ARM	1,433	1,300	91%	21.3	149	21.1	99%
Piggybacks 1st Liens	183	183	100%	18.4	1,008	18.4	100%
Subprime*	494	494	100%	23.2	469	23.2	100%
2nd Liens (CES and HELOCs)	619	438	70%	110.1	1,779	108.1	98%
Closed-End-Second	84	84	100%	71.0	8,502	71.0	100%
HELOCs	536	354	66%	39.1	730	37.1	95%
Reverse Mortgages	1,080	-	0%	-	-	-	-
Consumer Construction/Lots	871	576	66%	0.4	5	0.4	99%
Commercial Lending							
Home Builder Construction	121	-	0%	-	-	-	-
Commercial Real Estate	125	-	0%	-	-	-	-
Q307 Total	$ 17,062	$ 8,112	48%	$ 193.9	114	$ 186.6	96%

*Agency flow production is classified as Prime/Alt-A.

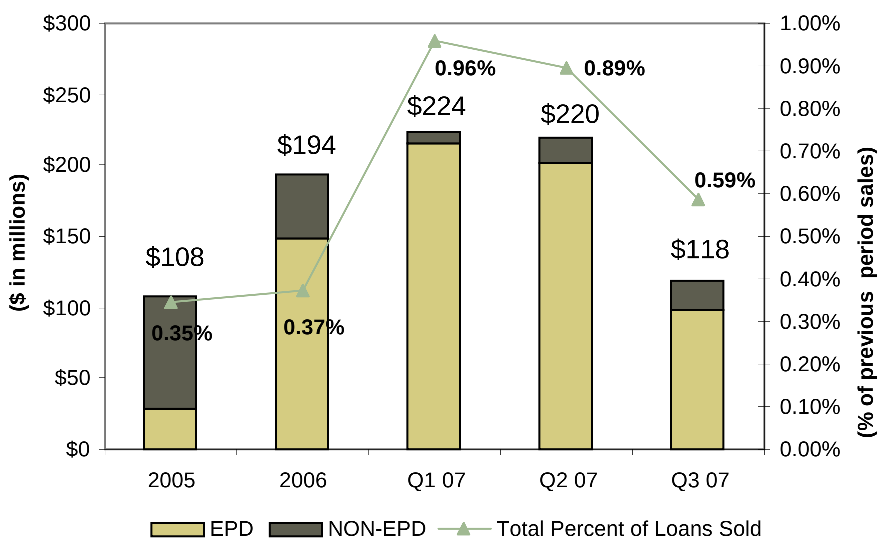
Total Production / Credit Costs							
Q307	**$ 17,062**	**$ 8,112**	**48%**	**$ 193.9**	**114**	**$ 186.6**	**96%**
Q207	**23,023**	**13,324**	**58%**	**41.1**	**18**	**40.4**	**98%**
Q107	**25,929**	**17,083**	**66%**	**24.1**	**9**	**21.5**	**89%**
2007 Total	**$ 66,014**	**$ 38,520**	**58%**	**$ 259.1**	**39**	**$ 248.5**	**96%**

Period	Remaining Production Within Guidelines	Credit Costs on Production Within Guidelines	Bps of Credit Costs in Remaining Production
Q307	$ 8,954	$ 7.30	8.2
Q207	9,705	0.72	0.7
Q107	8,858	2.57	2.9

Approximately 41% of credit losses currently within Indymac's production guidelines were originated through our conduit channel, which was closed in Q3 07

Our Credit Quality Product Cuts Are Having A Major Impact On Repurchases… Repurchase Demands Have Declined 72% From Their Peak In Q1 07…Non-EPD Repurchases Will Likely Increase, As Delinquencies Rise

Repurchase Volume



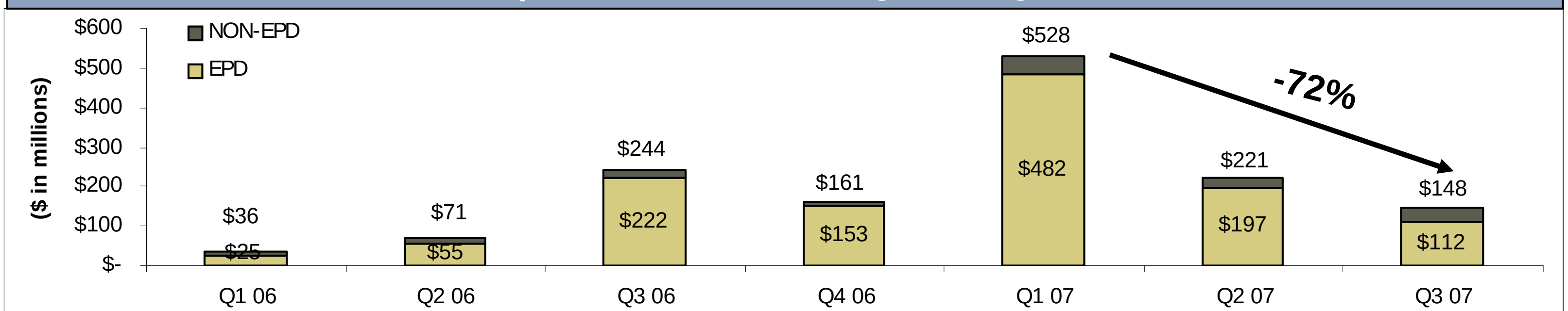
Secondary Market Reserve Rollforward

($ in millions)	Q3 06	Q2 07	Q3 07
Beginning Reserve Balance	$35.4	$50.6	$46.6
Additions to Reserve	9.4	24.2	32.0
Charge-offs / Transfers to HFS MTM	14.6	28.2	21.5
Ending Reserve	30.2	46.6	57.1

$6.4 million = EPD Reserve
$50.7 million = Non-EPD Reserve

25 bps of Q3 07 loans sold

Repurchase Demands Q1 06 – Q3 07



Product Guideline Tightening Will Also Improve Long-term Credit Performance Through Lower Delinquencies And Foreclosure Levels

Total Single Family Mortgage Loans Serviced	UPB ($ in billions)	30+	60+	90+	FCL	REO
Q3 07	$193	6.84%	3.12%	1.59%	1.69%	0.58%
Q2 07	184	5.34%	2.33%	1.14%	1.14%	0.40%
Q1 07	172	4.37%	1.78%	0.88%	0.88%	0.21%
Q4 06	156	4.88%	1.75%	0.88%	0.54%	0.17%
Q3 06	139	4.53%	1.57%	0.74%	0.37%	0.13%

Total Serviced Portfolio	UPB ($ in billions)	30+	60+	90+	FCL	REO
Prime 1st Lien	$102.0	5.03%	1.98%	0.91%	0.96%	0.30%
Option ARM	36.1	7.84%	3.33%	1.57%	1.63%	0.44%
Piggyback 1st Lien	23.1	12.01%	6.18%	3.27%	5.14%	2.15%
Subprime	5.8	25.42%	13.05%	6.88%	7.57%	2.47%
Closed-end Seconds	3.1	18.91%	12.46%	9.16%	0.01%	0.00%
HELOCs	4.1	5.00%	2.89%	1.83%	0.02%	0.00%
Consumer Construction Lots	1.3	8.12%	4.29%	2.82%	2.20%	0.59%
Reverse Mortgages	17.0	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	**$192.6**	**6.84%**	**3.12%**	**1.59%**	**1.69%**	**0.58%**

Total Single Family Mortgage Loans Serviced (Pro-forma excluding loans that do not meet current guidelines)	UPB ($ in billions)	30+	60+	90+	FCL	REO
Q3 07 (Actual)	$193	6.84%	3.12%	1.59%	1.69%	0.58%
Q3 07 (Pro forma)	81	3.28%	1.25%	0.58%	0.52%	0.18%

Pro forma reduction of 48% from Q3 07 actual delinquencies

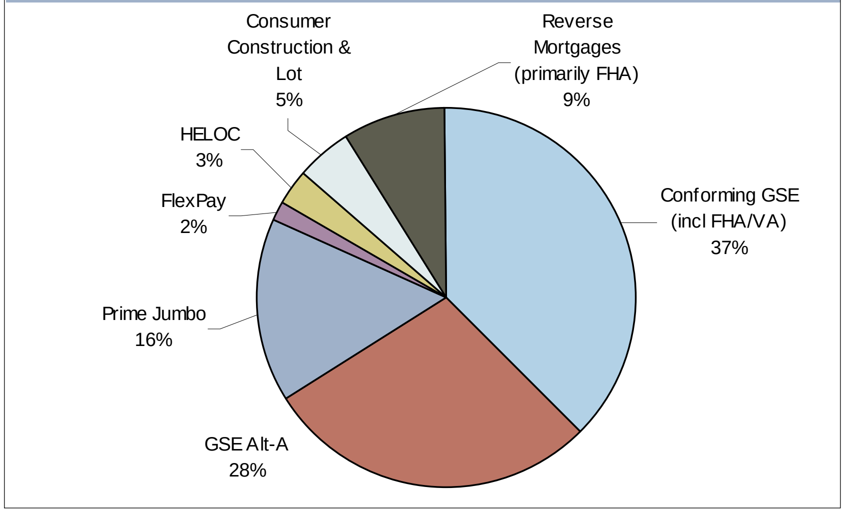
Indymac Has Also Taken Appropriate Steps To Make The Hard Lessons Learned About Credit Risk Permanent

- While credit tightening (guideline cuts and underwriting improvements) will substantially reduce losses for a time … memories and fear will fade and the credit cycle will reoccur … but not at Indymac (at least not in as material a way)
  - We have created and are implementing companywide a "Principles of Credit Underwriting" … management, underwriters, and others involved in credit process must sign
  - We have established an early detection and accountability system for current production and new products… that are designed to prevent credit mistakes from becoming major costs
  - Our Chief Investment Officer, who is independent of production and secondary marketing, is now solely responsible for all non-GSE products, guidelines, and risk-based pricing, because the Thrift might own them any time the secondary market becomes disrupted
  - We have reorganized and upgraded our regional CEOs, and will now hold them fully accountable for both production **and** credit quality

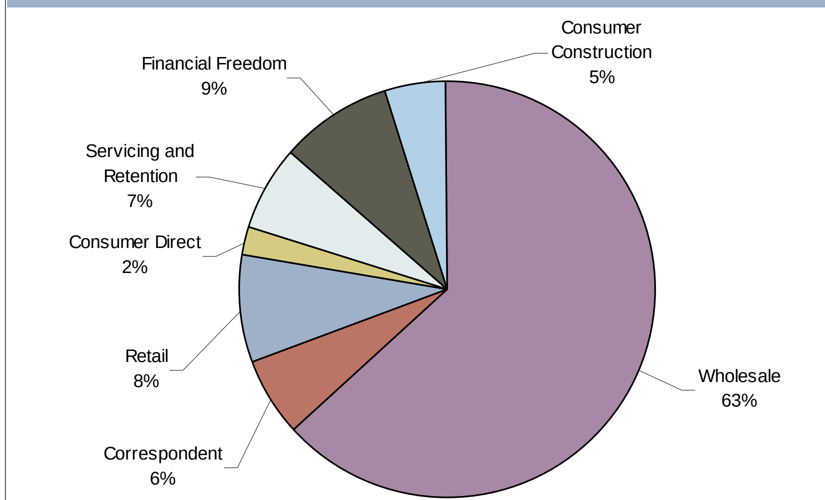
Can Indymac's New Lending Profile Make A Profit?

1. Conforming GSE, FHA/VA lender
2. Negotiated GSE lender (conforming high credit quality Alt-A loans)
3. Prime and Alt-A jumbo lender
4. "Flexpay" Option ARM*
5. Prime HELOC with maximum CLTV of 90%
6. Prime consumer construction and lot loans
7. Reverse mortgage lender (~ 90% FHA insured)

Estimated Q4 07 mortgage production by product

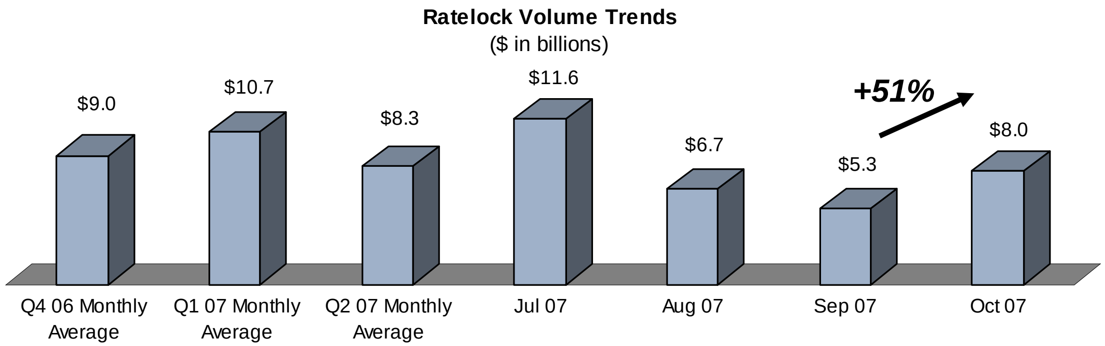


Estimated Q4 07 mortgage production by channel



* Option ARM production is limited to our "Flexpay" product, which has several features that limit credit risk. The rate is fixed for at least 5 years, LTV is capped at 90%, DTI limited to 40% for loans over 80% LTV, and anything over 80% has MI and we only offer full and stated income documentation types. Payment shock for the borrower at recast is minimized as the loan would only go to an IO payment, not a fully amortizing payment

Indymac Bank's October Rate Locks Of $8 Billion Are Up 51% From September And Down 12% From Q4 06 Monthly Average …



Product	Q4 06 Monthly Average		Q1 07 Monthly Average		Q2 07 Monthly Average		Jul 07		Aug 07		Sep 07		Oct 07	
	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total
Prime Agency Flow 1st Lien	$210	2.3%	$401	3.8%	$571	6.9%	$911	7.9%	$2,339	35.0%	$2,888	54.8%	$3,879	48.6%
Prime Agency Alt-A 1st Lien	1,163	12.9%	1,677	15.7%	1,980	23.8%	2,673	23.1%	1,948	29.2%	1,253	23.8%	1,789	22.4%
Prime Non-Agency 1st Lien	3,570	39.5%	4,842	45.2%	3,795	45.7%	5,641	48.7%	1,718	25.7%	889	16.8%	1,949	24.4%
OptionARM/FlexPay	1,687	18.6%	1,057	9.9%	1,024	12.4%	1,304	11.2%	335	5.0%	82	1.6%	150	1.9%
Subprime 1st Lien	1,574	17.5%	1,769	16.6%	481	5.8%	524	4.5%	35	0.5%	1	0.0%	-	0.0%
CES	464	5.1%	538	5.1%	79	1.0%	61	0.5%	3	0.0%	1	0.0%	-	0.0%
Helocs	311	3.5%	337	3.2%	315	3.8%	418	3.6%	254	3.8%	150	2.8%	202	2.5%
Lot Loans	53	0.6%	50	0.5%	64	0.8%	58	0.5%	47	0.7%	12	0.2%	16	0.2%
Total Ratelocks	**$9,032**	**100.0%**	**$10,672**	**100.0%**	**$8,308**	**100.0%**	**$11,590**	**100.0%**	**$6,681**	**100.0%**	**$5,274**	**100.0%**	**$7,986**	**100.0%**

Channel	Q4 06 Monthly Average		Q1 07 Monthly Average		Q2 07 Monthly Average		Jul 07		Aug 07		Sep 07		Oct 07	
	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total	UPB (Mil)	% of Total
Wholesale	$3,359	37.2%	$4,392	41.2%	$4,246	51.1%	$5,955	51.4%	$4,062	60.8%	$3,532	67.0%	$5,597	70.1%
Correspondent	1,591	17.6%	1,960	18.4%	1,600	19.3%	2,260	19.5%	1,044	15.6%	679	12.9%	1,005	12.6%
Consumer Construction	291	3.2%	298	2.8%	355	4.3%	320	2.8%	209	3.1%	277	5.3%	371	4.6%
Retail	195	2.2%	198	1.9%	275	3.3%	330	2.8%	539	8.1%	461	8.7%	595	7.4%
Retention & Cross Sell	275	3.0%	409	3.8%	379	4.6%	522	4.5%	486	7.3%	324	6.2%	419	5.2%
Subtotal	**5,711**	**63.2%**	**7,258**	**68.0%**	**6,854**	**82.5%**	**9,388**	**81.0%**	**6,340**	**94.9%**	**5,274**	**100.0%**	**7,986**	**100.0%**
Conduit	3,321	36.8%	3,415	32.0%	1,454	17.5%	2,203	19.0%	340	5.1%	-	0.0%	-	0.0%
Total Ratelocks	**$9,032**	**100.0%**	**$10,672**	**100.0%**	**$8,308**	**100.0%**	**$11,590**	**100.0%**	**$6,681**	**100.0%**	**$5,274**	**100.0%**	**$7,986**	**100.0%**

Note: Rate locks exclude reverse mortgages which are ARMs and do not rate lock before funding … applications in October 2007 were $463 million, up 8.5% from September 2007 and down 7.8% from Q4 06 monthly average.

… But Indymac Has Absorbed 2007's Credit And Secondary Market "Blows" And Made Solid Progress In Converting To A More Direct, Value-Added GSE Lending Model

- We closed the low margin, high credit cost conduit, which generated 37% of Q4 06 rate locks ... the conduit lost $59 million after-tax in Q3 07
- We reduced Option Arms, Subprime, Closed End Seconds, and HELOCs (higher credit risk products) from 45% of Q4 06 ratelocks to 4% of October 07 ratelocks; a 90% reduction
- Non-conduit ratelocks are up 40% in October 07 vs. Q4 06 monthly average
  - Retail is up 205%
  - Wholesale is up 67%
  - Cross-sell and retention is up 52%
- We almost quadrupled the mix of our GSE business... GSE ratelocks increased from 15% of average monthly Q4 06 rate locks to 71% of October 07 rate locks

… However, The Rapid Transition To A GSE Model Is Not Without Its Challenges:

- Ratelock fallout is projected to be up from 25% to roughly 45%, due to the elimination of conduit (100% mandatory), more stringent underwriting, and broker arbitrage
- As a result, we are projecting Q4 07 fundings of $11.5 to $13.5 billion, down about 50% from Q4 06 (including conduit) and down about 25% (excluding conduit) … blended MBR margin is expected to be roughly the same as Q4 06
- We must rapidly drive our production costs down significantly … given the likely low margins in GSE loans … we have a plan and are executing on it to further reduce them by 30-35% by mid 2008
- As a result of start up costs and a worse housing market, the retail lending group is projected to lose roughly $10.4 million pre-tax in Q4 07 versus acquisition forecast of $2.8 million pre-tax income … we are projecting retail to make a profit in Q1 08

What Can We Say About Our Prospects Given We Are Likely In The “Eye Of The Storm” Right Now?

- Given our new, predominantly GSE business model, the illiquidity and spread widening costs we suffered are not likely to reappear at anywhere near the levels of Q3 07
- Given the large credit reserve build this quarter, we would expect our credit costs to remain high ($100 – 150 million per quarter) through this credit cycle, but down substantially from Q3 07
- We expect our new, more GSE-oriented business model will be profitable in Q4 07, excluding credit costs from discontinued products, and start up costs related to the retail platform, which is expected to be profitable by Q1 08
- We expect servicing will continue to provide strong returns, although not likely at the level we saw this quarter
- We could be modestly profitable over the next 5 quarters or we could struggle and have additional losses, depending on credit costs, volumes, margins and additional staff restructuring charges, although we believe any quarterly loss would be substantially lower than the Q3 07 loss…Our book value per share is $24.31 at 9/30/07 and the market appears to be factoring in bigger losses and more erosion of book value per share than we believe warranted
- We have strong capital and liquidity to see us through this industry downturn and expect that our long term returns on capital will be at or above 15% once this current down cycle ends
- With the above said, while we are declaring and paying the $0.25 dividend this quarter, and intend to pay a dividend in normal times, a significant cut would be prudent and warranted if we are not profitable in Q4 07

Innovation In Mortgage Lending Went Too Far … But Once It Is "Cleaned Up" … It Will Be Beneficial For Consumers And Profitable For Lenders

"Many press commentators have suggested that we throw out the whole (subprime) market and go back to the constricted situation of the early nineties. But again going back to the boom-and-bust story, that seems exactly the wrong message to take from the experience. The subprime mortgage market was a valid innovation, and it did enable 12 million households to become homeowners, a large majority of these would have been denied mortgage credit in the early nineties. Some have excruciating debt burdens and are highly vulnerable to loss, it is true, but according to the Fed's Survey of Consumer Finances, a large share of these subprime borrowers are actually increasing their net worth through capital gains, the standard American way for building wealth. Structurally also it would be very strange to bring back usury laws, and get rid of securitization and automated underwriting."

"The Subprime market, for all its warts, is a promising development, permitting low-income and minority borrowers to participate in credit markets. It does have to be cleaned up, but that cleanup should not be so hard. Let's get cracking on fixing the problems …", August 31, 2007

Edward Gramlich, Former Federal Reserve Board Governor and author of

Booms and Busts, The Case of Subprime Mortgages

Market Forces Are At Work Fixing Most Of The Mortgage Market Issues, But Additional Public Policy Changes Could Help

"Credit market innovations have expanded opportunities for many households. Markets can overshoot, but, ultimately, market forces also work to rein in excesses. For some, the self-correcting pullback may seem too late and too severe. But I believe that, in the long run, markets are better than regulators at allocating credit." --- Fed Chairman, Ben S. Bernanke, speech dated May 17, 2007

The markets are doing their job:

- Over 170 mortgage companies have failed this year and everyone connected to the mortgage market is taking significant losses; only regulated financial institutions have survived…regulators now have more control of the mortgage market
- Industry lending standards have tightened and credit spreads widened affecting: lenders, rating agencies, and investors
- Speculators have left the market due to the housing bust
- Indymac and other lenders are working with non profits like NeighborWorks America and the government (including FHA) to help struggling consumers stay in their homes

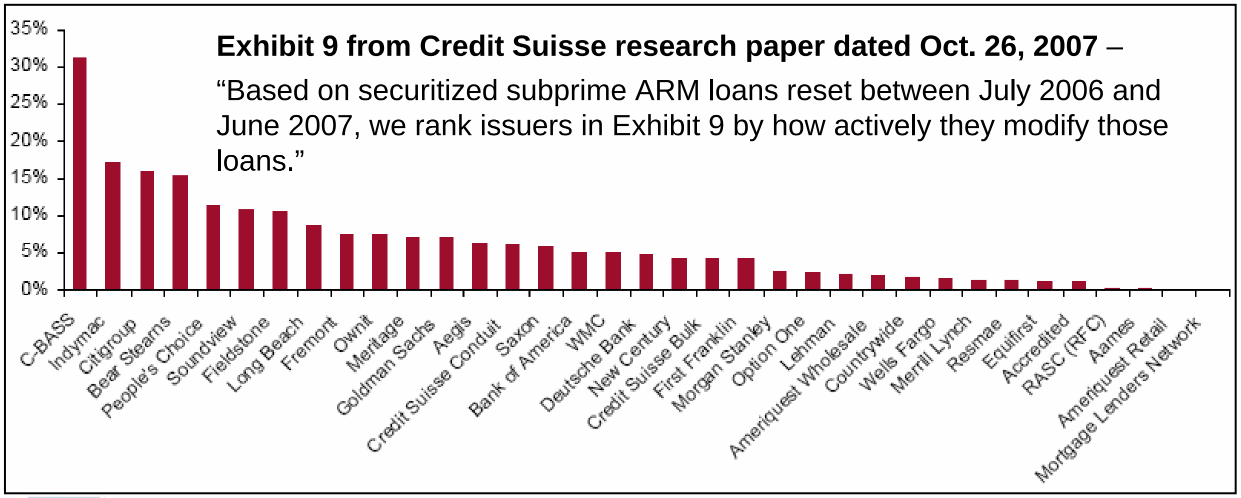
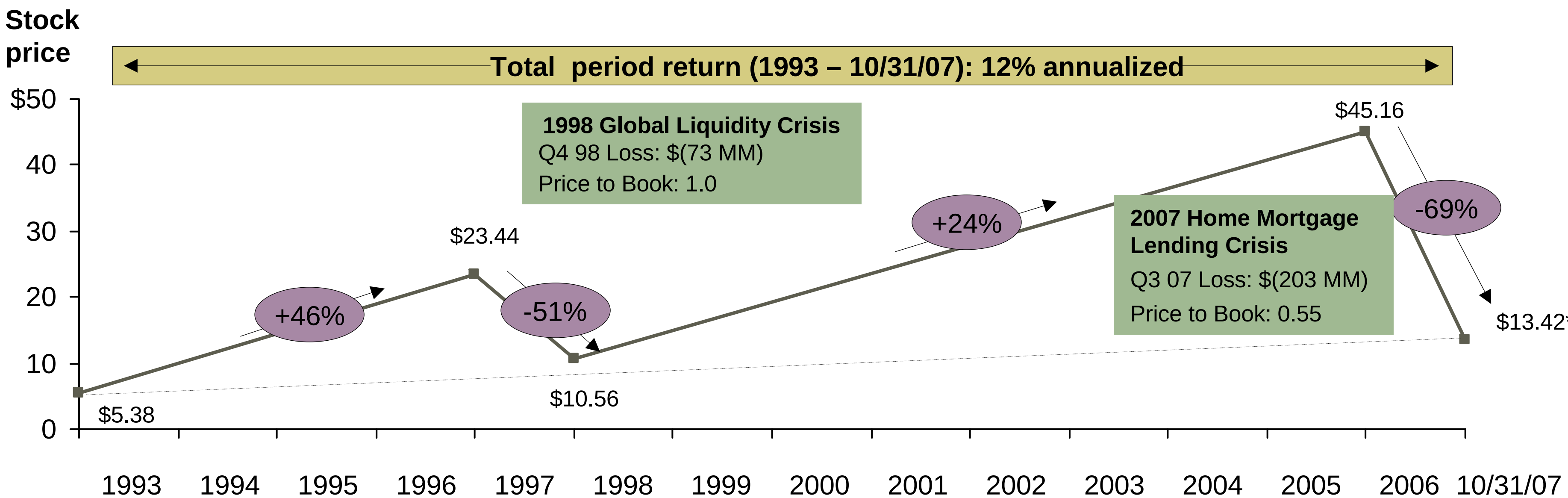


Exhibit 9 from Credit Suisse research paper dated Oct. 26, 2007 –
"Based on securitized subprime ARM loans reset between July 2006 and June 2007, we rank issuers in Exhibit 9 by how actively they modify those loans."

Public Policy Changes That Could Help

- We do not support all aspects of HR 3915 "Mortgage Reform and Anti-predatory Lending Act of 2007"
  - Banning of limited documentation loans … this will severely limit the self employed and small business owners
  - Elimination of YSPs for mortgage brokers … consumers should "shop the APR"
- We strongly oppose HR 3609 "Emergency Home Ownership and Mortgage Equity Protection Act of 2007"
  - Bankruptcy "cram-downs" on mortgages…if passed would further disrupt mortgage lending
- But we do support the following:
  - Greater regulation; oversight and licensing of mortgage brokers
  - Greater oversight and regulation of the rating agencies and private securitization markets
  - Uniform consumer suitability system for home mortgages
  - And a law to protect servicers (who want to modify loans) from ambiguous language in pooling and servicing agreements

Mortgage Banking Is Cyclical … Once The Current "Bust" Period Is Behind Us, We Expect Indymac's Returns To Again Exceed The Market Returns … Indymac's Book Value Per Share At Sept. 30, 2007 Is $24.31



Total Return to Shareholders (annualized)

		Indymac	S&P 500	Dow
1993 – 1997	Boom	46%	20%	22%
1993 – 1998	Boom/Bust	22%	22%	21%
1999 – 2000	Boom	78%	5%	10%
1999 – 10/31/07	Boom/Bust	6%	4%	7%
1993 – 10/31/07	2 Booms/2 Busts (since inception)	12%	11%	13%

** As of 10/31/07*

A Recent Analyst Report Noted That Most Mortgage Related Companies Will Trade Between 50-70% Of Book Value Until The Current Credit Cycle Stabilizes … Similar To Large Financial Institutions In The Last Major Credit Cycle In The Early 1990's

What this analysis did not highlight was the fact that these companies produced very strong shareholder returns in the period following the "bust"…

		Annualized Return (%)			Cumulative Return (%)		
	Price/Book (%) 12/31/90	3 Year 12/31/90 - 12/31/93	5 Year 12/31/90 - 12/31/95	7 Year 12/31/90 - 12/31/97	3 Year	5 Year	7 Year
Wells Fargo	136%	36%	29%	35%	152%	263%	727%
Bank of America	84%	33%	29%	30%	134%	258%	544%
Washington Mutual	52%	68%	43%	45%	373%	508%	1265%
Countrywide	107%	64%	42%	42%	342%	467%	1041%

Current Low Price To Book Valuations On Thrifts Like Indymac Will Likely Be Followed By Strong Returns When The Housing And Mortgage Market Stabilize And The Next Upcycle Begins

NYSE: IMB

Appendix

Most Diversified Financial Institutions … Even With Substantial Exposure To Mortgages and the Capital Markets … Avoided An Overall Loss … Non-Diversified Financial Institutions (Focused Solely On Home Lending) Or Poor Risk Managers Did Not

Q3 07 Mortgage Losses	Q3 07 Consolidated Results: Profit	Q3 07 Consolidated Results: Loss
Over $ 2 billion	Citigroup – D	Merrill Lynch (incl. First Franklin) – D UBS Securities – D GMAC – ND
$ 1 - 2 billion	Deutsche (MortgageIT) – D	Countrywide – ND Capital One (Greenpoint) – D American Home (BK) – ND Radian Group – ND Thornburg – ND
$ 0.5 - 1 billion	HSBC – D Chase – D Wachovia – D Bear Stearns – D Washington Mutual – D	Nomura Securities – D
$ 250 - 500 million	Lehman (Aurora, BNC Mort.) – D GE (WMC) – D Wells Fargo – D	CIT Group – D MGIC Investment – ND E*Trade – D **Indymac ($313 million) – ND**
Under $250 million	National City – D Morgan Stanley (Saxon) – D Suntrust – D Bank of America – D Sovereign – D	PMI Group – ND Downey – ND First Horizon – D Flagstar – ND Triad Guaranty – ND
	(15)	**(18)**

Pre-tax Loss	
Total	$35,125 million
Average	$1,064 million
Indymac	$313 million

D=Diversified
ND=Non-Diversified

Indymac Has Managed Mortgage Risk More Effectively Than Other Industry Players...
7th Largest Mortgage Lender, But Ranks 22nd for Q3 07 Mortgage Related Losses

Credit Loss Rank	18 Month Production Rank	$ in millions, except per share	Mortgage Origination Jan - 06 to Jun -07 (18 Month)	Q3 EPS First Call/ Actual (A)	Est. Q3 07 Related Losses Mortgage (pre-tax)	Losses as % 18 Month Vol.
1	16	Merrill Lynch (incl. First Franklin)	$50,134	($2.85) A	($7,900)	-15.8%
2	6	Citigroup	284,984	0.47 A	(5,176)	-1.8%
3	28	UBS Securities	-	(0.42) A	(3,600)	
4	8	GMAC (ResCap)	119,107	n/a A	(2,300)	-1.9%
5	1	Countrywide	700,765	(2.85) A	(1,968)	-0.3%
6	17	Capital One (Greenpoint)	47,517	(0.21) A	(1,382)	-2.9%
7	18	Deutsche (MortgageIT)	41,659	4.76 A	(1,350)	-3.2%
8	11	American Home (BK)	93,461	n/a	(1,200)	-1.3%
9	31	Radian Group	-	(8.78) A	(1,124)	
10	25	Thornburg	8,997	(8.83) A	(1,072)	-11.9%
11	14	HSBC (incl. HSBC Finance)	84,280	n/a	(980)	-1.2%
12	3	Chase	285,037	0.97 A	(962)	-0.3%
13	9	Wachovia	124,322	0.89 A	(755)	-0.6%
14	10	Bear Stearns (EMC)	111,822	1.16 A	(650)	-0.6%
15	29	Nomura Securities	-	(0.05) A	(630)	
16	4	WaMu	279,115	0.23 A	(510)	-0.2%
17	27	CIT Group Consumer Finance	3,985	(0.24) A	(438)	-11.0%
18	30	MGIC Investment	-	(4.60) A	(435)	
19	23	E*Trade	10,139	(0.14) A	(384)	-3.8%
20	15	Lehman (incl. Aurora, BNC Mort.)	70,916	1.54 A	(350)	-0.5%
21	21	GE (WMC)	38,063	0.54 A	(350)	-0.9%
22	**7**	**Indymac**	**138,025**	**(2.77) A**	**(313)**	**-0.2%**
23	2	Wells Fargo	442,000	0.68 A	(309)	-0.1%
24	13	National City	69,286	0.18 A	(244)	-0.4%
25	20	Morgan Stanley (Saxon)	39,397	1.44 A	(171)	-0.4%
26	32	PMI Group	-	(1.04) A	(163)	
27	12	Suntrust	89,572	1.18 A	(138)	-0.2%
28	26	Sovereign	8,541	0.11 A	(90)	-1.1%
29	22	Flagstar	30,568	(0.53) A	(48)	-0.2%
30	19	First Horizon	47,173	(0.11) A	(46)	-0.1%
31	33	Triad Guaranty	-	(2.13) A	(44)	
32	24	Downey	10,065	(0.84) A	(43)	-0.4%
33	5	Bank of America	262,529	0.82 A	-	0.0%

HSBC also had 1H 07 loan impairments and other credit costs of ($6,346) million

CIT also had 1H 07 credit driven losses in the Home Lending segment of ($729) million

GE also had 1H 07 operating losses and writedowns of ($555) million

Total	$3,491,459
MBA	$4,051,000
% Industry	86%

Total loss	($35,125)
Average loss	($1,064)
Median loss	($438)

MBR Margin Detail

(in basis points unless noted)	Loans Sold ($ in millions)	Gross MBR	Pipeline Hedging	(a) MBR After Hedging	Net HFS Credit Losses	Secondary Market Warranty Accrual	(b) Total Production Credit Costs	(b/a) Production Credit Costs/ MBR After Hedging	Net MBR After Credit Costs	FASB 91 Deferred Cost	Net MBR Reported
Q3 2007	13,009	75	(27.1)	48.3	(149.1)	(24.6)	(173.7)	359.9%	(125.5)	(28.2)	(153.7)
Q2 2007	20,194	91	39.7	130.8	(18.3)	(12.0)	(30.3)	23.2%	100.6	(20.1)	80.4
Q1 2007	24,537	112	(0.9)	110.7	(9.8)	(12.9)	(22.7)	20.6%	87.9	(19.7)	68.2
FY 2006	79,049	150	(9.3)	140.7	(7.4)	(5.1)	(12.5)	8.9%	128.2	(22.5)	105.7
Q4 2006	23,417	145	(19.8)	125.2	(7.5)	(5.8)	(13.3)	10.7%	111.8	(21.0)	91.2
Q3 2006	19,508	116	16.1	132.1	(3.5)	(4.8)	(8.3)	6.3%	123.8	(20.8)	103.0
Q2 2006	19,415	196	(28.9)	167.1	(13.5)	(6.1)	(19.6)	11.7%	147.5	(24.8)	122.7
Q1 2006	16,708	143	(1.4)	141.6	(4.6)	(3.0)	(7.7)	5.4%	134.0	(23.6)	110.4

($ in millions)	Loans Sold	Gross MBR	Pipeline Hedging	MBR After Hedging	Net HFS Cr Losses	Secondary Market Warranty Accrual	Total Production Credit Costs	Production Credit Costs/ MBR After Hedging	Net MBR After Credit Costs	FASB 91 Deferred Cost	Net MBR Reported
Q3 2007	13,009	98	(35)	63	(194)	(32)	(226)	359.9%	(163)	(37)	(200)
Q2 2007	20,194	184	80	264	(37)	(24)	(61)	23.2%	203	(41)	162
Q1 2007	24,537	274	(2)	272	(24)	(32)	(56)	20.6%	216	(48)	167
FY 2006	79,049	1,187	(73)	1,114	(58)	(40)	(98)	8.8%	1,016	(177)	839
Q4 2006	23,417	340	(46)	294	(18)	(14)	(31)	10.6%	263	(49)	214
Q3 2006	19,508	226	32	258	(7)	(9)	(16)	6.3%	242	(41)	201
Q2 2006	19,415	381	(56)	325	(26)	(12)	(38)	11.7%	287	(48)	239
Q1 2006	16,708	239	(2)	237	(8)	(5)	(13)	5.3%	224	(39)	184

Additional Detail On Credit Costs And Reserves

All Of Our Credit Risk Derives From Our Servicing Portfolios, But As A Result Of Loan Sales And Securitizations, We Hold The Credit Risk On Only 22% Of The Serviced Portfolio

($ in billions)

Consumer Lending	Balance $	30+ DQ	FCL	REO
Single Family Mortgage Lending	$192.6	6.84%	1.69%	0.58%
Consumer Construction	2.2	3.40%	0.50%	0.47%
Commercial Lending		**NPA % of Portfolio Assets**		
Builder Construction	1.4	8.2%		
Other Commercial	0.2	0.6%		
Total Serviced	**$196.3**			

We hold the credit risk on 22% of our Consumer Lending servicing portfolio

We hold the credit risk on 100% of our Commercial Lending servicing portfolio

We Hold Direct Credit Risk On $19.02 Billion Of Total Single Family Loans Serviced In Our Whole Loans And In Non-Investment Grade And Residual Securities

($ in billions)

Single Family Mortgage Banking	UPB $	30+ DQ	FCL	REO
	$ 193	6.84%	1.69%	0.58%

Serviced For Others	UPB $	30+ DQ	FCL	REO
	$ 174	6.78%	1.61%	0.56%

Loans Held for Sale & Held for Investment	UPB $	30+ DQ	FCL	REO
	$19	7.40%	2.44%	0.80%

IMB: No Retained Securities	UPB $	30+ DQ	FCL
	$150	6.02%	1.45%

IMB:* Retained Securities	UPB $	30+ DQ	FCL
	$24	11.63%	2.62%

Loans Held for Sale	UPB $	30+ DQ	FCL
	$13.7	7.33%	2.40%

Loans Held for Investment	UPB $	30+ DQ	FCL
	$ 4.9	7.60%	2.54%

Investment Grade Securities	UPB $	30+ DQ	FCL
	$15	7.62%	1.26%

Non-Investment Grade / Residual Securities	UPB $	30+ DQ	FCL	NIG/ Resid Value
	$23	12.00%	2.62%	$0.42

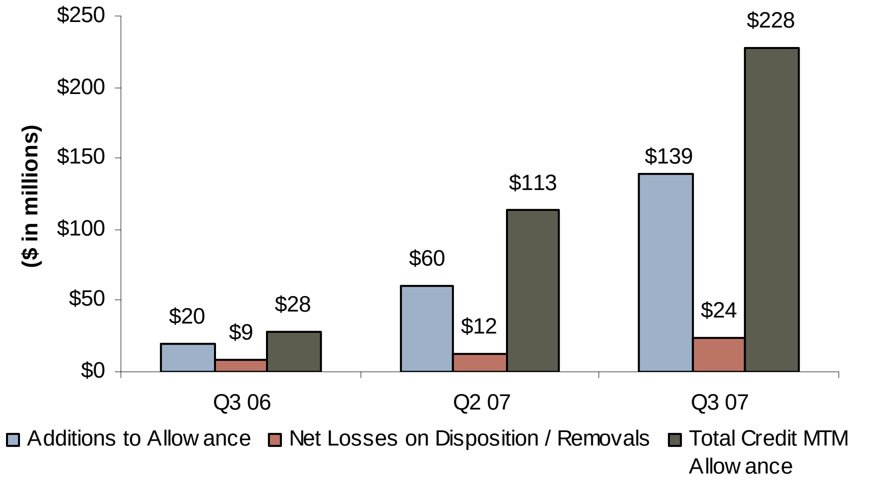
Total Direct Credit Risk

HFS:	$13.7 billion
HFI:	$ 4.9 billion
NIG/Resid:	$ 0.42 billion
TOTAL	$19.02 billion

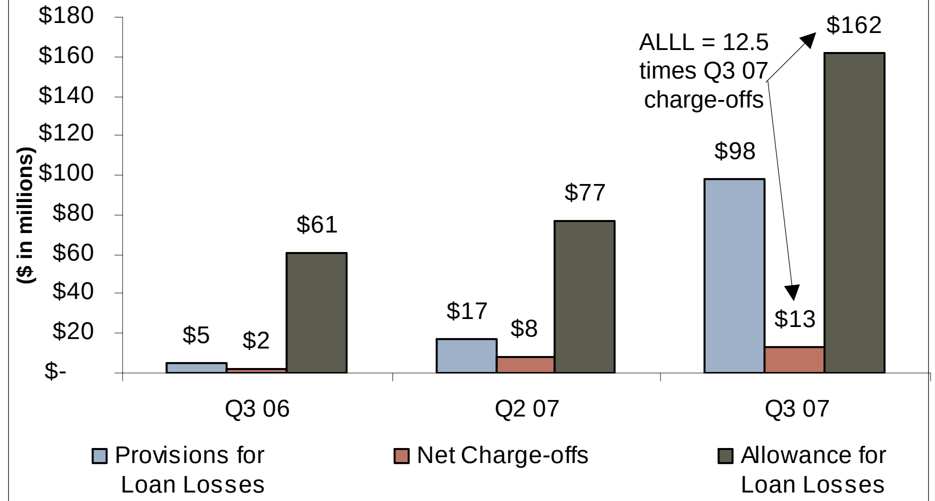
* UPB on Investment Grade and Non-Investment Grade/Residual Securities total more than $24 billion as we hold both investment grade and non-investment grade bonds on some of the same pools

On And Off Balance Sheet Credit Reserves Have Increased Substantially In Response To Worsening Credit And Secondary Market Conditions

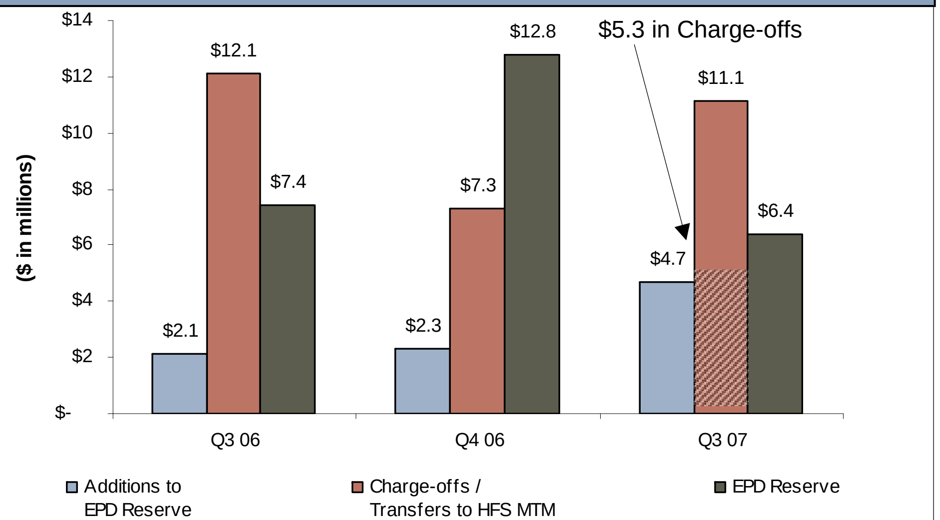
Credit Mark-to-Market On Delinquent Loans Held For Sale



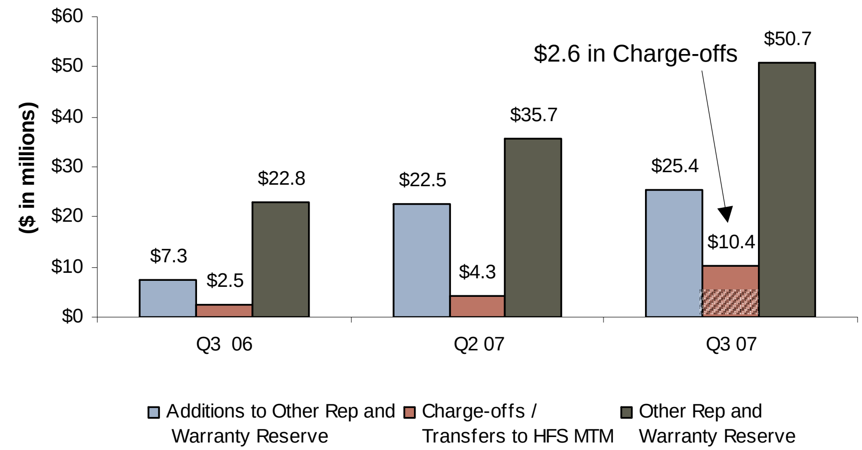
Allowance for Loan Losses (ALLL) on HFI Loans



EPD Secondary Market Reserve



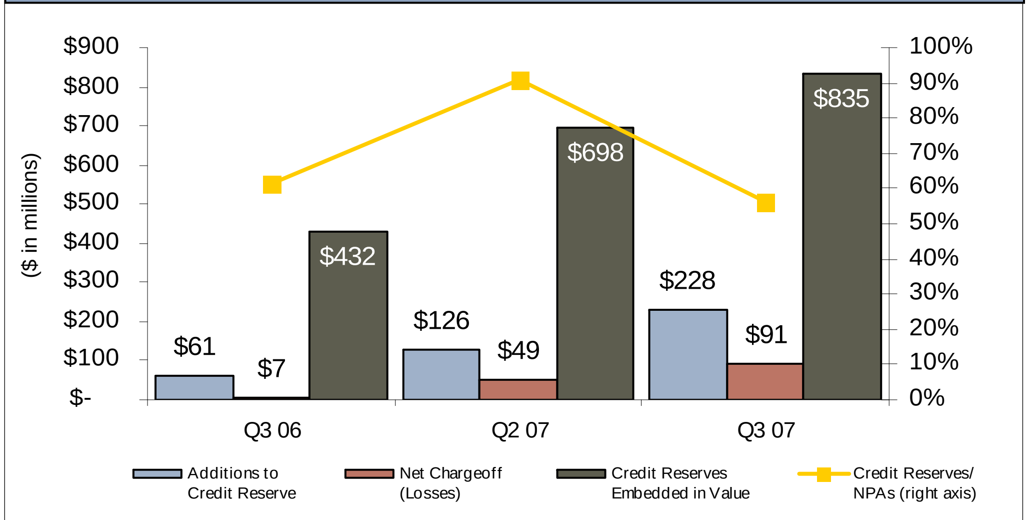
Other Rep & Warranty Secondary Market Reserve



Total Charge-Offs in these reserves = $44 million
REO Charge-offs = $11 million
Total Charge-offs (excl. Non-Investment Grade and Residuals) = $55 million

Non-Investment Grade And Residual Securities Continue To Be Valued With Substantial Loss Assumptions Of $835 Million (Or 3.7% Lifetime Loss Rate) Embedded In Their Value Of $416 Million At 9/30/07

Non-Investment Grade & Residual Securities Embedded Credit Losses

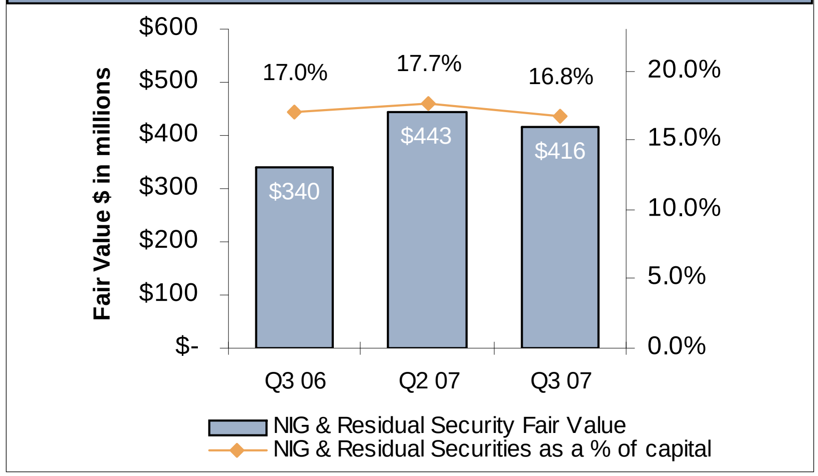


- The $416 million Fair Value of Residual and Non-Investment grade securities had a negative credit valuation adjustment of $73 million due to weaker than expected credit performance primarily in closed-end seconds and HELOC.

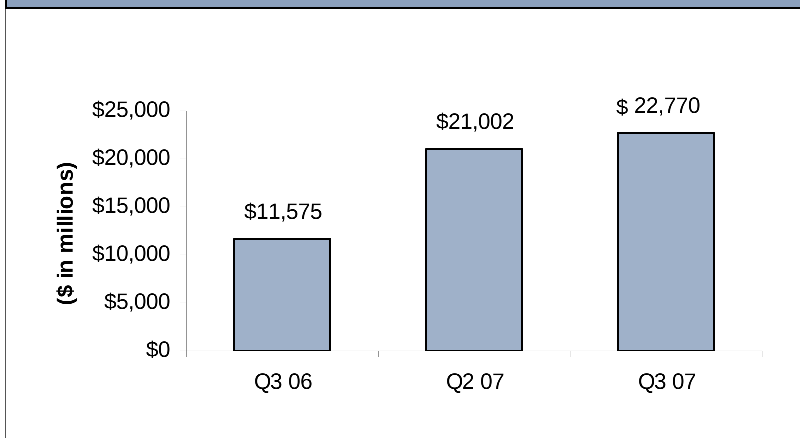
($ in millions)	Residual and NIG securities Value	Q3'07 Credit Valuation Adjustment	Embedded Credit Losses Non Investment Grade	Residuals	Total *	Total Loss UPB	Loss (% of UPB)
Prime	$ 89.6	$ (1.1)	$ 97.3	$ 0.4	$ 97.6	$ 11,605	0.84%
Lot	91.3	1.7	-	8.0	8.0	1,027	0.78%
HELOC	87.9	(40.4)	-	138.8	138.8	2,804	4.95%
CES	28.0	(18.6)	-	234.7	234.7	2,157	10.88%
Subprime	119.3	(14.5)	-	355.9	355.9	5,177	6.88%
TOTAL	**$ 416.1**	**$ (72.8)**	**$ 97.3**	**$ 737.8**	**$ 835.1**	**$ 22,770**	**3.67%**

*Excludes losses already considered when both a sub-bond and residual are owned.

Fair Value of Non-investment Grade & Residual Securities

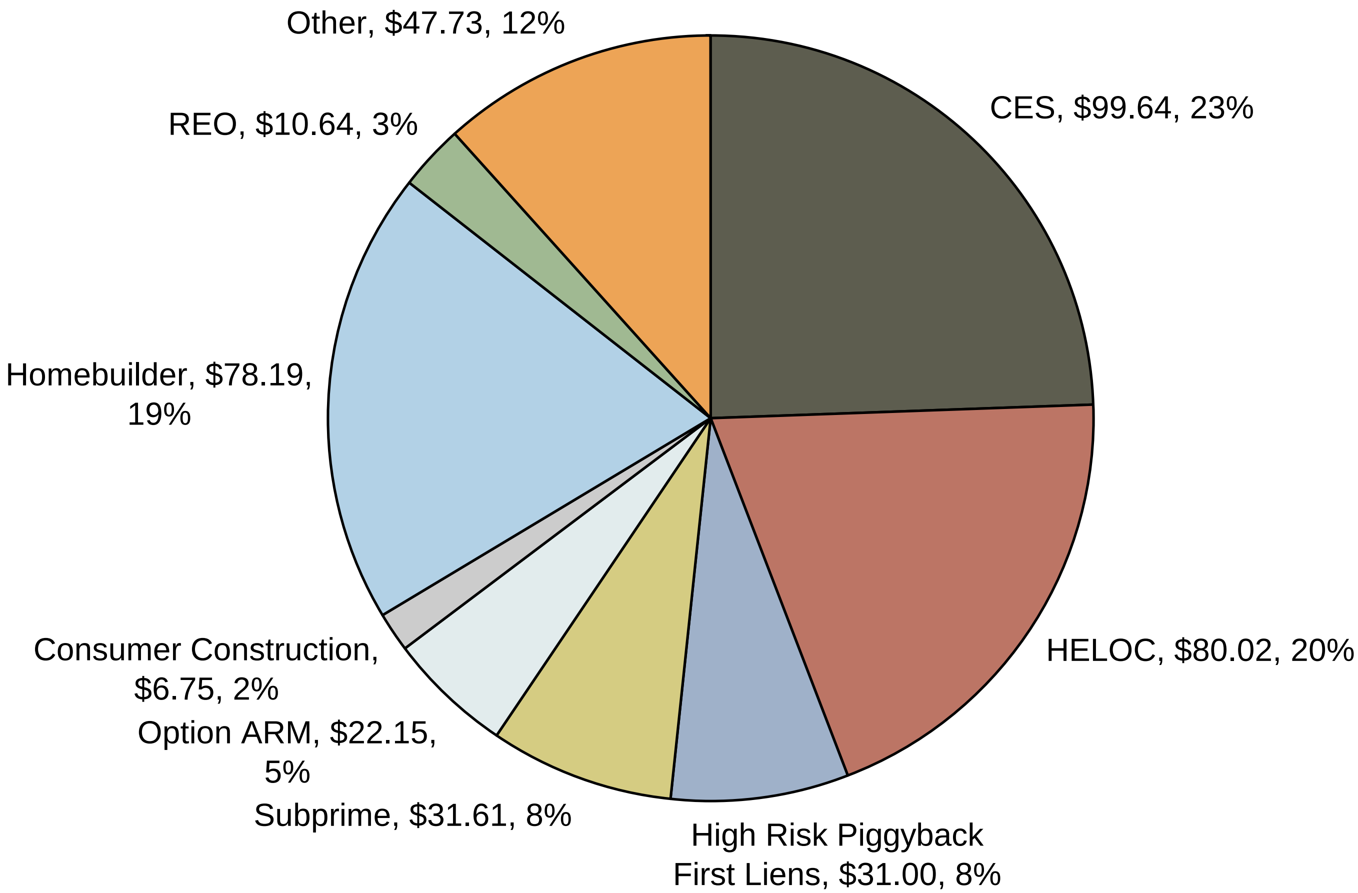


UPB of Collateral Backing Non-investment Grade & Residual Securities



63% Of The $408 Million Of Credit Costs Related To HELOCs, Second Liens And Homebuilder Construction

$ in millions



Approximately 81% of the Q3 07 credit costs were from products we no longer originate, including 35% from products originated through our discontinued conduit division

Only 1% Of Our Assets Are Non-Investment Grade And Residual Securities

Mortgage-Backed Securities September 30, 2007 ($ in millions)	Agency	Prime-IMB	Prime-Non IMB	Subprime	HELOC	CES	Lot	Total	% of Total Assets	Risk-based Capital $	Risk-based Capital %
AAA	$444	$1,401	$2,272	$-	$-	$-	$-	**$4,116**	**12%**	**$82**	**2.0%**
AA	-	326	85	-	-	-	-	**411**	**1%**	**$8**	**2.0%**
A	-	143	10	16	-	-	-	**169**	**0%**	**$8**	**5.0%**
BBB	-	73	-	48	13	-	11	**145**	**0%**	**$14**	**10.0%**
Total Investment Grade	**444**	**1,942**	**2,367**	**64**	**13**	**-**	**11**	**4,840**	**14%**	**$113**	**2.3%**
BB	-	64	-	40	27	-	28	**159**	**0%**	**$32**	**20.0%**
B	-	19	-	1	-	-	-	**20**	**0%**	**$20**	**100.0%**
NR	-	6	-	0	0	5	0	**11**	**0%**	**$11**	**100.0%**
Total Non-Investment Grade	**-**	**89**	**0**	**41**	**27**	**5**	**28**	**190**	**1%**	**$63**	**33.1%**
Residuals	-	2	-	76	61	23	63	**225**	**1%**	**$225**	**100.0%**
Total Non-Investment Grade/Residual Securities	**-**	**90**	**0**	**117**	**88**	**28**	**91**	**415**	**1%**	**$288**	**69.3%**
Total Investment/Non-Investment Grade MBS	**444**	**2,033**	**2,367**	**181**	**101**	**28**	**102**	**5,255**	**16%**	**$401**	**7.6%**
Prepayment Penalty Securities	-	58	-	6	-	2	3	**69**	**0%**	**$7**	**10.0%**
Late Fee Securities	-	17	-	2	-	-	-	**19**	**0%**	**$2**	**10.0%**
AAA Interest-only Securities	-	72	-	-	-	-	-	**72**	**0%**	**$7**	**10.0%**
AAA Principal-only Securities	-	28	44	-	-	-	-	**72**	**0%**	**$7**	**10.0%**
Sub-total Other MBS	**-**	**176**	**44**	**8**	**-**	**2**	**3**	**233**	**1%**	**$23**	**10.0%**
Total Mortgage-backed Securities - Indymac Bank	**444**	**2,209**	**2,411**	**189**	**101**	**30**	**105**	**5,488**	**16%**	**$424**	**7.7%**
Parent company holdings	-	-	-	1	243	-	-	244	1%		
Consolidated Bancorp	**$444**	**$2,209**	**$2,411**	**$190**	**$344**	**$30**	**$105**	**$5,732**	**17%**		

Note: 93.5% of our investment grade mortgage backed securities are rated AAA and AA and none have been downgraded…we do not own any CDOs or SIVs

Non-Investment Grade Securities Increased 4% Primarily Due To New Investments In Q3 07 Prime/Alt-A Securitizations

($ in thousands)	Prime	Sub prime	Prime HELOC	Prime CES	Consumer Lot	Total
Beginning Balance - 6/30/07	**$69,523**	**$46,767**	**$28,874**	**$10,643**	**$27,517**	**$183,324**
Additions:						
Assets Retained from Q3-07 Securities	21,446	-	-	-	-	21,446
Downgrades of Investment Grade Bonds	-	724	-	4,172	-	4,896
Accretion of Discounts	406	469	115	(24)	197	1,163
Total Additions:	21,852	1,193	115	4,148	197	27,505
Deletions:						
Cash Received	(2,101)	-	-	-	-	(2,101)
Valuation Adjustments: Interest Rate and Credit Changes	(511)	(6,929)	(2,082)	(9,365)	439	(18,448)
Total Deletions:	(2,612)	(6,929)	(2,082)	(9,365)	439	(20,549)
Ending Balance - 9/30/07	**$88,763**	**$41,031**	**$26,907**	**$5,425**	**$28,153**	**$190,279**
% portfolio	**47%**	**22%**	**14%**	**3%**	**15%**	**100%**

Q3 Non-Investment Grade Portfolio Characteristics

		Prime		Sub Prime		Prime HELOC		Prime CES		Consumer Lot		Total Non-investment Grade		
	($ in thousands)	Sep-07	Jun-07	Sep-07	Jun-07	Sep-07	Jun-07	Sep-07	Jun-07	Sep-07	Jun-07	Sep-07	Jun-07	Sep-06
VALUATION	FMV NIG Securities	$88,763	$69,523	$41,031	$46,767	$26,907	$28,873	$5,425	$10,643	$28,153	$27,517	$190,279	$183,323	$78,278
	Par Value	$205,558	$152,204	$71,611	$64,424	$30,453	$30,453	$18,230	$20,206	$30,179	$30,179	$356,031	$297,466	$97,006
	Price	42.8%	45.7%	57.3%	72.6%	88.4%	94.8%	29.8%	52.7%	93.3%	91.2%	53.4%	78.0%	80.7%
	Portfolio WAC	6.8%	6.7%	8.7%	8.6%	9.5%	9.6%	9.5%	10.2%	9.8%	9.6%	7.8%	8.4%	8.7%
	Discount Rate	16.1%	15.5%	15.0%	14.5%	11.7%	12.0%	18.7%	13.5%	11.8%	12.9%	14.7%	12.8%	12.5%
	Weighted Average Remaining Life (years)	6.4	6.2	6.6	8.3	4.5	2.0	6.0	4.5	2.3	2.5	5.9	4.1	2.6
	Weighted Average Age (years)	0.5	0.4	0.6	0.3	2.0	1.8	1.4	1.1	2.0	1.7	0.8	1.2	1.1
PREPAY	Projected Remaining Life CPR	20.2%	21.6%	29.8%	24.8%	28.9%	45.1%	15.9%	20.4%	44.9%	44.9%	24.9%	37.6%	31.5%
	Actual 3 month CPR in the same quarter	12.1%	11.3%	12.6%	11.3%	31.3%	44.9%	28.7%	26.5%	32.1%	40.3%	16.6%	28.0%	30.9%
	Projected 3 month CPR in the same quarter	17.7%	13.0%	15.7%	10.9%	44.7%	48.0%	27.7%	33.9%	49.8%	42.9%	22.8%	37.5%	35.8%
	Projected 3 month CPR - Forward	14.3%	14.6%	13.2%	12.8%	25.0%	45.8%	25.3%	36.5%	48.5%	48.5%	18.5%	23.6%	38.8%
CREDIT	Actual to-date cum losses (security level)	$1,768	$1,082	$0	$0	$0	$0	$4,281	$0	$0	$0	$6,049	$1,082	$409
	Projected remaining life losses (security level)	$98,813	$60,949	$1,000	$894	$0	$0	$644	$0	$0	$0	$100,457	$61,843	$11,406
	Projected life cum losses (security level) (3)	$100,581	$62,031	$1,000	$894	$0	$0	$4,925	$0	$0	$0	$106,506	$62,925	$11,815
	Actual to-date cum losses (deal level) (2)	$3,147	$1,604	$11,939	$7,147	$42,870	$27,274	$51,174	$20,119	$102	$0	$109,232	$56,144	$5,172
	Projected remaining life losses (deal level)	$129,012	$98,660	$145,739	$120,251	$70,880	$25,456	$42,656	$49,016	$5,883	$5,889	$394,170	$299,272	$92,170
	Projected cum losses (deal level) (1)	$132,159	$100,264	$157,678	$127,398	$113,750	$52,730	$93,830	$69,135	$5,985	$5,889	$503,402	$355,416	$97,341
	% Actual to-date cum losses (deal level) (4)	0.03%	0.02%	0.39%	0.26%	1.83%	1.16%	7.46%	2.93%	0.01%	0.00%	0.56%	0.29%	0.06%
	% Projected life cum losses (deal level) (5)	1.11%	1.16%	5.13%	4.72%	4.86%	2.25%	13.67%	10.07%	0.40%	0.39%	2.57%	2.59%	1.74%

Note: All historical information comes from most recent trustee statements.
(1) $102.5 million in September had an IndyMac owned residual in the first loss position.
(2) Reflects the loss reclassification of the downgraded security.
(3) Due to credit enhancement, only a portion of expected losses on the deal will hit subordinated bonds owned.
(4) Actual losses as a percentage of original collateral balance.
(5) Represents actual plus remaining projected losses.

Residual Securities Declined 13% From Q2 07 Due To Credit Related Valuation Adjustments

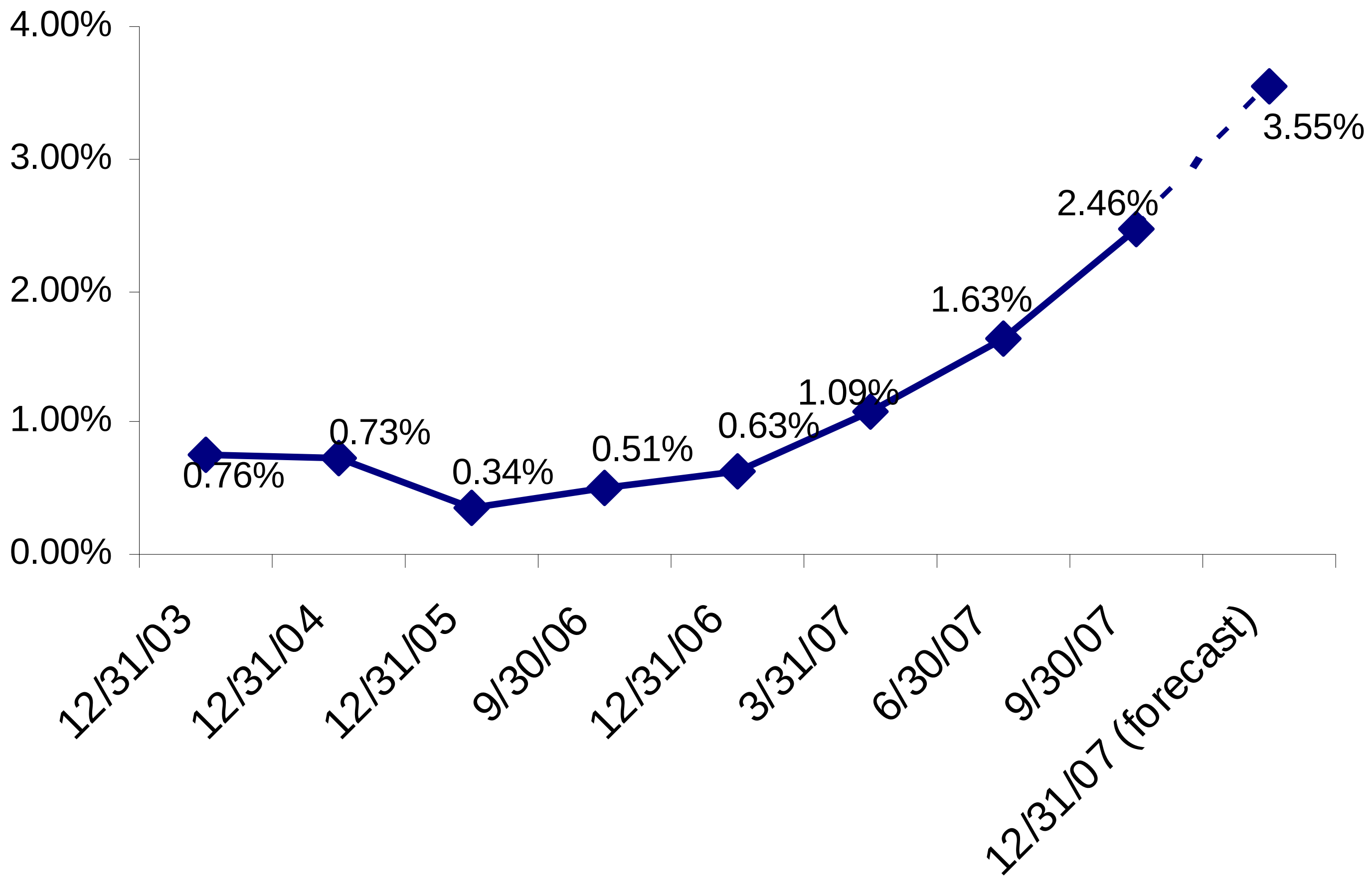
($ in thousands)	Sub Prime	Prime HELOC	Prime CES	Consumer Lot	Total
Beginning Balance at 6/30/07	**$74,021**	**$90,150**	**$28,303**	**$65,790**	**$259,872**
Additions:					
Assets Retained from Production	0	1,679	0	0	1,679
Income Recognized on Residuals	3,741	4,828	1,652	3,420	13,641
Total Additions	3,741	6,507	1,652	3,420	15,320
Deletions:					
Cash Received	(225)	0	0	(8,300)	(8,525)
Valuation Adjustments: Interest Rate and Credit Changes (5)	(79)	(35,619)	(7,339)	2,202	(40,852)
Total Deletions	(304)	(35,619)	(7,339)	(6,098)	(49,378)
Ending Balance at 9/30/07	**$77,458**	**$61,039**	**$22,616**	**$63,112**	**$225,815**
% portfolio	**35%**	**27%**	**10%**	**28%**	**100%**

Q3 Residual Portfolio Characteristics

		Subprime		*Prime HELOC*		*Prime CES*		*Consumer Lot*		*Total Residuals* (1)		
	($ in thousands)	Sep-07	Jun-07	Sep-07	Jun-07	Sep-07	Jun-07	Sep-07	Jun-07	Sep-07	Jun-07	Sep-06
VALUATION	FMV Residual Asset	$77,458	$74,021	$61,039	$90,150	$22,616	$28,303	$63,112	$65,790	$225,815	$259,872	$261,658
	Portfolio UPB	$5,176,606	$5,570,118	$2,803,733	$2,898,580	$2,157,271	$2,260,980	$1,027,412	$1,137,045	$12,019,566	$12,751,631	$11,574,501
	Portfolio WAC	8.3%	8.2%	9.3%	9.6%	10.5%	10.6%	9.8%	9.6%	9.1%	9.1%	8.7%
	Discount Rate	19.0%	19.3%	19.0%	19.3%	23.2%	23.0%	21.8%	21.8%	20.7%	20.8%	21.0%
	Weighted Average Age (years)	2.1	1.9	1.4	1.1	0.8	0.9	1.8	1.5	1.7	1.4	0.2
PREPAY	Projected Life CPR	31.3%	29.9%	30.5%	43.3%	17.7%	20.3%	47.1%	41.3%	29.9%	32.4%	41.8%
	Actual 3-mth CPR - same qtr	23.1%	25.1%	27.3%	38.0%	16.1%	14.7%	32.7%	36.7%	23.7%	27.6%	32.0%
	Projected 3-mth CPR - same qtr	24.3%	25.1%	44.2%	45.4%	23.6%	25.9%	45.0%	37.8%	30.0%	32.0%	35.9%
	Projected 3-mth CPR - Forward	27.8%	24.5%	26.3%	43.3%	28.0%	23.8%	48.5%	39.7%	28.3%	30.4%	37.8%
CREDIT	90+ delinquencies (UPB)	$651,597	$504,953	$59,873	$33,002	$125,961	$81,860	$49,163	$29,676	$885,966	$649,491	n/a
	90+ delinquencies (% of total UPB)	12.6%	9.1%	2.1%	1.1%	5.8%	3.6%	4.8%	2.6%	7.4%	5.1%	n/a
	Actual 3-mth losses - same qrtr	$19,161	$15,174	$22,235	$13,373	$47,797	$19,728	$102	$6	$89,095	$48,281	$5,613
	Projected 3-mth losses - same qtr	$20,726	$17,234	$15,601	$8,621	$51,758	$24,730	$512	$287	$88,448	$50,872	$7,310
	Projected remaining losses	$361,843	$351,254	$129,664	$53,580	$234,671	$222,908	$8,310	$8,316	$734,488	$636,058	$419,231
	Actual to-date cum. losses	$83,757	$64,716	$48,482	$28,647	$71,377	$23,581	$165	$63	$203,781	$117,007	$49,752
	Projected life cum losses (2)	$445,600	$415,970	$178,146	$82,227	$306,048	$246,489	$8,475	$8,379	$938,269	$753,065	$468,983
	% Actual to-date cum. losses (3)	0.83%	0.62%	1.33%	0.79%	2.80%	0.93%	0.01%	0.00%	1.02%	0.57%	0.29%
	% Projected life cum losses (4)	4.39%	4.00%	4.89%	2.26%	12.00%	9.68%	0.39%	0.39%	5.20%	3.66%	2.73%

Note: All historical information comes from most recent trustee statements.
(1) Total residuals include prime residuals from FHLB sales totaling $1.6 million in market value.
(2) HELOC 2006/2007 and CES residuals had increases in loss assumptions.
(3) Actual losses as a percentage of original collateral balance.
(4) Represents actual plus remaining projected losses as a percentage or original collateral balance.
(5) Excludes impact of hedging and impaiment taken in Q3.

Consolidated NPAs As A Percent of Assets



Additional Detail On Homebuilder Construction Portfolio

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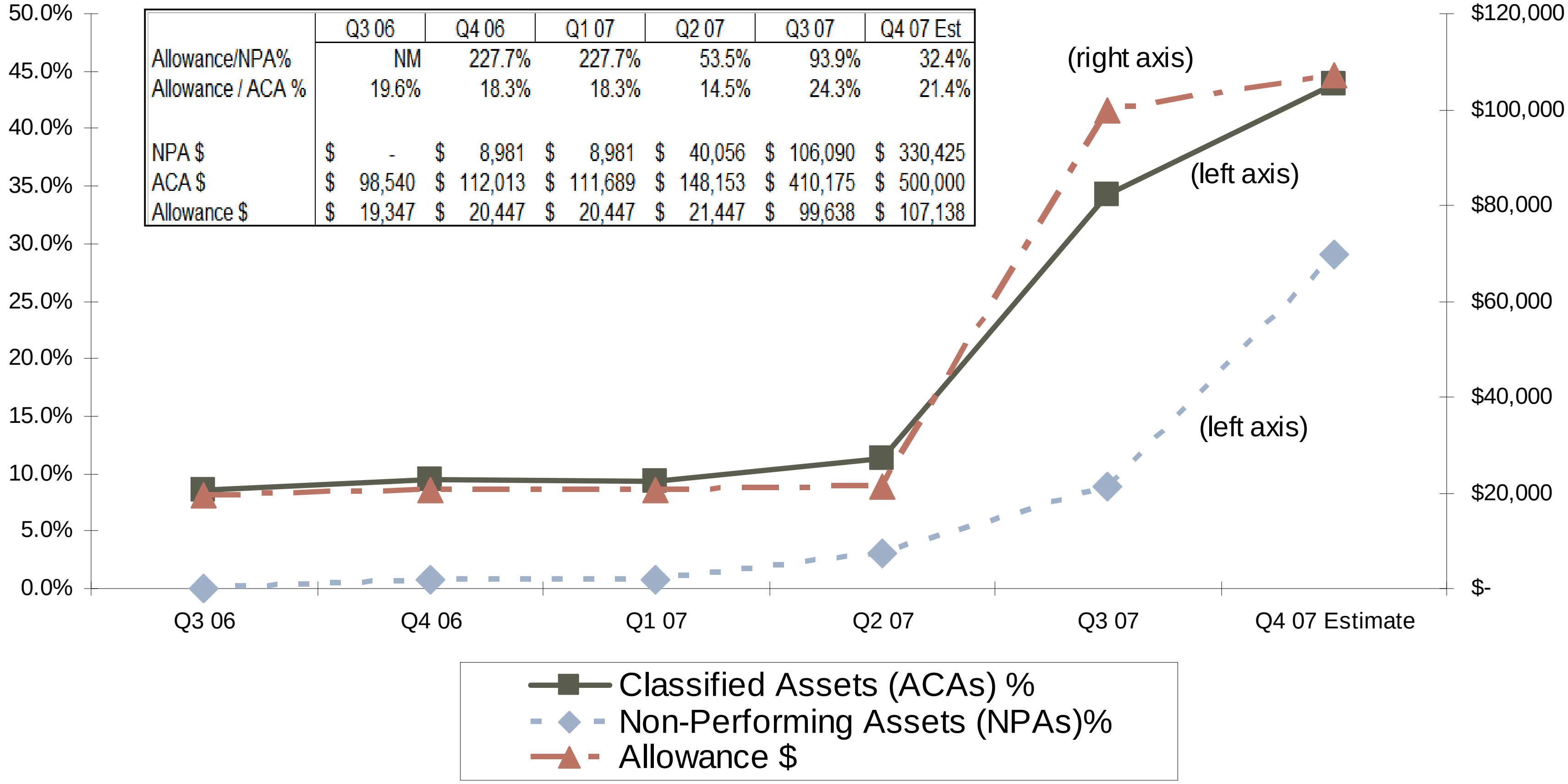
- The portfolio is showing rapid deterioration as home sales and home prices decline – necessitating a larger allowance for losses.



	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07 Est
Allowance/NPA%	NM	227.7%	227.7%	53.5%	93.9%	32.4%
Allowance / ACA %	19.6%	18.3%	18.3%	14.5%	24.3%	21.4%
NPA $	$ -	$ 8,981	$ 8,981	$ 40,056	$ 106,090	$ 330,425
ACA $	$ 98,540	$ 112,013	$ 111,689	$ 148,153	$ 410,175	$ 500,000
Allowance $	$ 19,347	$ 20,447	$ 20,447	$ 21,447	$ 99,638	$ 107,138

☆ Non-Performing Assets are non-performing loans and real estate owned

Adversely Classified Assets are loans deemed substandard, doubtful or loss according to OTS definitions

Classified Assets (ACA) trend presented above is based on Adjusted Net Commitments

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- We have exposure in markets particularly hard hit by recent sales and price declines
- Our top six regions account for 87% of our Outstandings and 76% of NPAs

Region	# of Loans	$ Outstanding	Current LTV % (1)	% of Total	New Home Months of Supply as of Q207 (2)	Existing Median Home Price Change Q307 vs. Q306 (3)	$ NPAs @ 9/30
Southern California	**110**	**$459,284,270**	**76.7%**	**38.3%**			
Riverside - San Bernardino	*49*	*$232,344,995*	*81.9%*	*19.4%*	*30*	*-4.7%*	
Los Angeles - Long Beach	*43*	*$145,650,732*	*70.9%*	*12.1%*	*21*	*0.4%*	
San Diego	*15*	*$60,131,452*	*75.5%*	*5.0%*	*25*	*-1.0%*	$13,020,531
Northern California	**44**	**$226,497,836**	**65.2%**	**18.9%**			
Sacramento	*11*	*$111,591,488*	*61.8%*	*9.3%*	*27*	*-7.4%*	
San Francisco	*5*	*$41,121,287*	*62.3%*	*3.4%*	*23*	*6.4%*	
Central California	**26**	**$119,298,158**	**77.9%**	**9.9%**			$15,015,439
Bakersfield	*10*	*$59,200,395*	*67.3%*	*4.9%*	*47*	*-5.4%*	
Stockton	*5*	*$17,592,608*	*96.2%*	*1.5%*	*35*	*-10.4%*	
Florida	**9**	**$125,292,103**	**84.5%**	**10.4%**			
Jacksonville	*3*	*$62,858,759*	*98.6%*	*5.2%*	*29*	*0.3%*	$30,510,198
Orlando	*2*	*$26,343,552*	*88.6%*	*2.2%*	*32*	*-3.1%*	$22,534,614
Arizona	**6**	**$30,982,610**	**66.7%**	**2.6%**			
Phoenix	*5*	*$19,065,522*	*77.9%*	*1.6%*	*35*	*-6.4%*	
Illinois *(Chicago)*	**8**	**$79,105,661**	**75.3%**	**6.6%**	***32***	***1.2%***	
Subtotal	**203**	**$1,040,460,637**	**76.9%**	**86.7%**			$81,080,781
Other MSAs	33	$159,147,912	70.1%	13.3%			$25,009,219
Total	**236**	**$ 1,199,608,549**	**76.0%**	**100.0%**			$ 106,090,000

(1) Current LTV based on most recent appraisals, 71% > 6 months old. We obtain appraisals once per year. New policy, every 6 months.
(2) John Burns, Real Estate Consulting
(3) Economy.com National Association of Realtors dataset

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- Ultimate losses are unknown in this volatile period, but we think we are adequately covering losses apparent and inherent in this portfolio
- We present two scenarios – the OTS historical worst 3 year period (1990 – 1992) and applying the Economy.com home price forecast to our loan values to determine the loan to value at the worst quarter predicted

1.) The OTS National Cumulative Charge-off results for the 1990 - 1992 housing decline were:

Asset Category	Net Charge-Off %	HBD 9/30 Balances	Estimated Total 3 Year Losses
Residential Construction	2.269%	$ 806,887	$ 18,308
5 + Residential Const. (includes Condominiums)	5.903%	$ 263,004	$ 15,525
Land (includes Land development)	4.004%	$ 129,718	$ 5,194
		$ 1,199,609	$ 39,027

2.) Economy.com Forward Price Indicator

Region	Total $ O/S	Current LTV	"Trough" LTV	Amount Over 100% LTV
Southern California	$459,284	76.7%	96.2%	$30,456
Northern California	$226,498	65.2%	92.4%	$16,549
Central California	$119,298	77.9%	98.6%	$11,343
Florida	$125,292	84.5%	99.3%	$8,788
Arizona	$30,983	66.7%	94.4%	$1,532
Illinois	$79,106	75.3%	72.4%	$0
Other MSAs	$159,148	70.1%	84.7%	$13,907
Total	$1,199,609	76.0%	92.8%	$82,575

- This is not the basis for our Allowance. Our Allowance analysis is more granular than this analysis and includes factors and information well beyond these two scenarios. These scenarios are presented solely to give the reader some reference points on our portfolio.
- Based on our more detailed analysis of the portfolio, we feel our $99.638 million ALLL is adequate, but we expect to provide $7.5 - $10.0MM per quarter in the near future.
- Trough LTV is based on the lowest housing values in the Economy.com 2 yr forecast. Land development loans were determined by multiplying the decline rate in housing by a factor of 2.5 while a factor of 3 was used for land. 5% disposition costs were included in all >90% LTV loans.

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- We will use forward market indicators in the future to halt new originations sooner
  - Two forward trend indicators we would use are Moody's Economy.com 'Price Trend Estimate' and the NAHB/Wells Fargo Housing Market Index (HMI – a builder confidence index)
  - Builder confidence peaked at around 75% with positive outlooks in late 2004/early 2005, and started to decline in Q3 2005 (50% rate is neutral).
  - The Economy.com home purchase price index took a big drop in early 2005