

FOR IMMEDIATE RELEASE
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FROM



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NASDAQ: BKMU
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**Bank Mutual Corporation Announces
New Stock Repurchase Program**

Milwaukee, Wisconsin
February 2, 2009

Bank Mutual Corporation (NASDAQ: BKMU) announced that its board of directors today approved an eighth stock repurchase program whereby the Company may repurchase up to 1.0 million shares of its common stock, which amount represents 2.1% of its currently outstanding shares. Repurchases will be made from time to time and will be effectuated through open market purchases, unsolicited negotiated transactions, or in such other manner deemed appropriate by management. The repurchase program does not specify the timing of purchases or the prices to be paid. The Company's repurchase activities will take into account SEC safe harbor rules and guidance for issuer repurchases.

Since its conversion to a fully-shareholder owned company in October 2003, Bank Mutual Corporation has repurchased 34.6 million shares of its common stock which reflects the completion of the seventh stock repurchase program of 1.0 million shares.

CORPORATE HEADQUARTERS

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Bank Mutual Corporation is traded on The NASDAQ Global Select Market under the symbol BKMU. The Company is the fifth largest banking institution headquartered in the state of Wisconsin, with assets at December 31, 2008, of \$3.5 billion. Its subsidiary bank, Bank Mutual, operates 78 offices in the state of Wisconsin and one office in Minnesota

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