

FOR IMMEDIATE RELEASE
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FROM



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NASDAQ: BKMU
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**Bank Mutual Corporation Increases
Quarterly Cash Dividend 6.3% to \$0.085 Per Share**

Milwaukee, Wisconsin
August 6, 2007

Bank Mutual Corporation (NASDAQ - BKMU) today announced that the Board of Directors has declared a quarterly cash dividend of \$0.085 per share up 6.3% over last quarter's cash dividend of \$0.08 per share. This cash dividend of \$0.085 per share, on an annualized basis, represents a 17.2% increase over the cash dividends paid in 2006. The cash dividend will be payable September 4, 2007 to shareholders of record on August 16, 2007.

The quarterly cash dividend of \$0.085 is the twenty-seventh cash dividend paid by Bank Mutual Corporation since becoming a capital stock organization in November 2000.

Bank Mutual Corporation is traded on The NASDAQ Global Select MarketSM under the symbol "BKMU." The Company is the fifth largest banking institution headquartered in the state of Wisconsin, with assets at June 30, 2007 of \$3.4 billion. Its subsidiary bank, Bank Mutual, operates 77 offices in the state of Wisconsin and one office in Minnesota.

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CORPORATE HEADQUARTERS

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