

FOR IMMEDIATE RELEASE

NEWS

FROM



Contact: Bank Mutual Corporation
NASDAQ: BKMU
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Bank Mutual Corporation Announces Quarterly Cash Dividend and New Stock Repurchase Program

**Milwaukee, Wisconsin
November 3, 2009**

Bank Mutual Corporation (NASDAQ: BKMU) ("Bank Mutual") today announced that the Board of Directors has declared a quarterly cash dividend of \$0.07 per share. The cash dividend will be payable December 1, 2009, to shareholders of record on November 13, 2009.

The quarterly cash dividend of \$0.07 is the thirty-sixth cash dividend paid by Bank Mutual since becoming a capital stock organization in November 2000.

Michael T. Crowley, Jr., Chairman, President and Chief Executive Officer of Bank Mutual commented, "The Board set the dividend rate in light of an evolving regulatory environment that is becoming stricter, our results over the past several quarters, the current marketplace, and the desire to maintain a strong capital position."

CORPORATE HEADQUARTERS

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Since its conversion to a fully-shareholder owned company in October 2003, Bank Mutual has repurchased 35.6 million shares of its common stock. Only 24,700 shares remain to be repurchased under Bank Mutual's previous 1.0 million share authorization, which was announced on February 2, 2009. In view of the few shares remaining under the current stock repurchase program, Bank Mutual also announced that its board of directors approved a ninth stock repurchase program whereby the Company may repurchase up to 1.0 million shares of its common stock, which amount represents 2.2% of its currently outstanding shares. Repurchases may 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.

Mr. Crowley continued, "While we believe that it is appropriate to set a dividend in an amount that is better aligned to current conditions, we also continue to believe that it is in the best interests of Bank Mutual and its shareholders to maintain our flexibility to repurchase shares in appropriate circumstances to help maintain capital at an appropriate level. We are also mindful of the stock price of Bank Mutual's common stock which is now below book value."

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 September 30, 2009, of \$3.56 billion. Its subsidiary bank, Bank Mutual, operates 78 offices in the state of Wisconsin and one office in Minnesota.

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