

FOR IMMEDIATE RELEASE

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FROM



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**Bank Mutual Corporation Announces
New Stock Repurchase Program**

Milwaukee, Wisconsin
November 7, 2008

Bank Mutual Corporation (NASDAQ-BKMU) announced that its board of directors today approved a seventh 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 33,642,521 shares of its common stock which reflects the completion of the sixth stock repurchase program, as amended, of 5.0 million shares.

CORPORATE HEADQUARTERS

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Bank Mutual Corporation is the fifth largest financial institution holding company headquartered in the state of Wisconsin and its stock is quoted on The NASDAQ Global Select MarketSM under the symbol “BKMU.” Its subsidiary bank, Bank Mutual, operates 78 offices in the state of Wisconsin and one office in Minnesota.

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Cautionary Statements

The discussions in this news release which are not historical statements contain forward-looking statements that involve risk and uncertainties. Statements which are not historical statements include those regarding possible future stock purchase. There can be no assurance that Bank Mutual Corporation will, in fact, repurchase shares, nor of the timing, amounts or pricing of any such repurchases. Also, Bank Mutual Corporation’s actual future results could affect its ability to repurchase shares. Factors which could affect future results include changing interest rates, changes in demand for loans or other services, competition from other institutions, changes in OTS regulations or interpretations, the results of our lending activities and loan loss experience, general economic and political developments, and other factors discussed in our filings with the Securities and Exchange Commission.

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