

Press Release

NASDAQ: ABCW

FOR IMMEDIATE RELEASE

Date: June 16, 2008

ANCHOR BANCORP WISCONSIN INC. ANNOUNCES  
FOURTH QUARTER AND FISCAL YEAR EARNINGS

Madison, WI. -- Anchor Bancorp Wisconsin Inc. (ABCW) announced net income of \$5.6 million for the quarter ended March 31, 2008, and net income of \$31.1 million for the twelve-month period ended March 31, 2008. This compares to \$8.2 million for the same quarter in 2007 and \$39.0 million for the twelve-month period ended March 31, 2007.

During the quarter ended March 31, 2008, loan loss provisions were increased to \$10.4 million versus \$4.1 million for the same period a year ago. Net interest income rose to \$35.1 million for the quarter ended March 31, 2008, as compared to \$29.8 million for the same period in 2007 and increased to \$129.0 million for the twelve-month period ended March 31, 2008, versus \$128.0 for the same period in 2007.

Douglas J. Timmerman, Chairman, stated, "Like our peers, we are facing an increase in the number of non-performing, or "substandard," loans in our portfolio, making it prudent for us to add funds to our reserve for possible loan losses. However, as of March 31, 2008, a total of only seven borrowers accounted for nearly 50 percent of our total substandard loan exposure. In addition, as of March 31, 2008, our rate of residential delinquencies and foreclosures stands at 0.43 percent, and this level compares favorably with the 4.10 percent in the state of Wisconsin and 6.35 percent in the Nation as a whole, as reported by the Mortgage Bankers Association for the same period."

Benefitting from lower interest rates, cost of funds declined to 3.31 percent for the quarter ending March 31, 2008, from 4.08 percent the previous year.

"With the successful integration of S&C Banco's 13 Northwest Wisconsin branches into AnchorBank, along with organic growth, our total assets crossed the \$5 billion mark. The addition of this presence in the Northwest region of the State allows AnchorBank to truly serve the homes and businesses across the majority of Wisconsin," said Timmerman. Total assets ended the fiscal year at \$5.1 billion, a 13.4 percent increase over the previous fiscal year. Deposits increased to \$3.5 billion as of March 31, 2008, up 9.0 percent from the previous year.

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Diluted earnings per share were \$.27 for the quarter ended March 31, 2008, as compared to \$.38 for the same quarter last year. Diluted earnings per share were \$1.48 for the twelve-month period ended March 31, 2008, which compares to \$1.80 for the same twelve-month period last year. Book value increased to \$16.17 as of March 31, 2008, up 3.99 percent versus the prior year.

Anchor BanCorp's stock is traded on the over-the-counter market under the NASDAQ symbol ABCW. AnchorBank fsb, the wholly-owned subsidiary, has 74 full service offices and two loan origination only offices. All are located in Wisconsin.

For more information, contact Dale C. Ringgenberg, CFO, at (608) 252-1810 or Douglas J. Timmerman, Chairman, at (608) 252-8782.

*This news release contains certain forward-looking statements with respect to the financial condition, results of operations and business of Anchor BanCorp. Forward-looking statements are subject to various factors which could cause actual results to differ materially from these estimates. These factors include changes in general economic conditions, deposit flows, loan demand, asset quality, competition, legislation or regulation and accounting principles, policies or guidelines affecting reports filed with the Securities and Exchange Commission for financial and business information regarding Anchor BanCorp, including information which could affect Anchor BanCorp's forward-looking statements.*