

Harvard Illinois Bancorp, Inc.
58 North Ayer Street
Harvard, Illinois 60033

For Additional Information Contact:
Donn L. Claussen, President
(815) 943-8603

**HARVARD ILLINOIS BANCORP, INC. ANNOUNCES
AGREEMENT FOR SALE OF HARVARD SAVINGS BANK
AND CHANGE IN DATE OF ANNUAL MEETING OF STOCKHOLDERS**

Harvard, Illinois, May 21, 2015

Purchase and Assumption Agreement

Harvard Illinois Bancorp, Inc., the holding company for Harvard Savings Bank, today announced the execution of a purchase and assumption agreement pursuant to which State Bank, Wonder Lake, Illinois, a wholly-owned subsidiary of Wonder Bancorp, Inc. (“The State Bank Group”), will acquire certain assets, and assume substantially all of the liabilities, of Harvard Savings Bank. The assets that are excluded from the transaction consist primarily of rights related to Harvard Savings Bank’s \$18.1 million investment in loan repurchase agreements managed by Pennant Management, Inc. and the related litigation, certain tax assets and pre-paid expenses, the net book value of which totaled approximately \$8.2 million at March 31, 2015.

The State Bank Group will pay to Harvard Savings Bank a purchase price equal to the adjusted tangible book value of the assets and liabilities acquired (calculated as of the end of the month prior to the closing date), less transaction-related expenses incurred by Harvard Savings Bank, plus a premium of \$3.0 million.

The transaction is expected to close in the third or fourth quarter of 2015, and is subject to customary closing conditions, including regulatory approval and the approval of the stockholders of Harvard Illinois Bancorp, Inc. The acquisition will add Harvard Savings Bank’s three offices in Harvard and Morris, Illinois to The State Bank Group’s six office network located in Wonder Lake, Hebron, Johnsburg, Lakemoor, and Spring Grove, Illinois.

Subsequent to the transaction, Harvard Savings Bank is expected to merge with and into Harvard Illinois Bancorp, Inc., and Harvard Illinois Bancorp, Inc. is expected to deregister as a savings and loan holding company. Following completion of the transactions, the assets of Harvard Illinois Bancorp, Inc. will include its current assets (approximately \$597,000 at March 31, 2015), the net proceeds of the transaction, and the Pennant Management, Inc. claims and assets. The liabilities of Harvard Illinois Bancorp, Inc. are expected to consist of its current liabilities, which were approximately \$2.5 million at March 31, 2015.

The primary activities of Harvard Illinois Bancorp, Inc. following the transaction will be monitoring and supporting the litigation related to Pennant Management, Inc. and the collection efforts by the court-appointed receiver of the assets that are subject to claims by Pennant Management, Inc., and managing any proceeds received as a result of such collection efforts and litigation for the benefit of its

stockholders. When the Pennant Management, Inc. assets are substantially resolved, Harvard Illinois Bancorp, Inc. anticipates that it will voluntarily dissolve and liquidate for the benefit of its stockholders. No assurances can be made as to the timing of this liquidation, the amount of funds available for distribution to stockholders upon liquidation, or whether Harvard Illinois Bancorp, Inc. will make any distributions to its stockholders prior to such dissolution and liquidation.

As of May 20, 2015, Harvard Bancorp, Inc. had outstanding 840,986 shares of common stock, which includes 41,850 unallocated shares that will be cancelled as a result of the termination of the Harvard Savings Bank Employee Stock Ownership Plan.

Donn L. Claussen, President and Chief Executive Officer of Harvard Savings Bank and Harvard Illinois Bancorp, Inc., stated “the decision to sell Harvard Savings Bank was a difficult decision for our Board of Directors, and was made only after many months of carefully considering our strategic options with our financial advisors. As we have discussed in prior public statements, Pennant Management, Inc. was the target of massive fraud perpetrated by individuals unrelated to either Pennant or Harvard Savings Bank. This fraud and the resulting losses have impacted a number of community banks who have investment relationships with Pennant Management, Inc., and unfortunately have resulted in significant financial and regulatory issues for our institution. We believe that we will be able to provide the greatest value to our stockholders by exiting the banking business and focusing on maximizing the value of our portion of the proceeds of the resolution of the investment with Pennant. While we regret that we will no longer be directly serving our communities, we believe that, in The State Bank Group, we have found a partner that shares our values and that will continue to provide our customers and communities with the personal service on which they have come to rely.”

Annual Meeting

Harvard Illinois Bancorp, Inc. has delayed the 2015 annual meeting of stockholders to August 27, 2015 so that the Purchase and Assumption Agreement can be presented to stockholders for consideration.

About Harvard Illinois Bancorp, Inc.

The Company is the holding company of Harvard Savings Bank (the “Bank”). Founded in 1934, Harvard Savings Bank is an Illinois-chartered savings bank that conducts business from its offices in Harvard, Illinois and Morris, Illinois. As a community-oriented savings and loan company, Harvard offers a variety of deposit and loan products to individuals and small businesses, primarily those located in McHenry and Grundy Counties, and, to a lesser extent, Boone County, Illinois and Walworth County, Wisconsin. Investors may obtain additional information about Harvard Illinois Bancorp, Inc. and Harvard Savings Bank on the internet at www.harvardsavingsbank.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include: management plans relating to the transaction; the expected timing of the completion of the transaction; the ability to complete the transaction; the ability to obtain any required regulatory, stockholder or other approvals; any statements of the plans and objectives of management for future or past operations, products or services, including the execution of integration plans; any statements of expectation or belief; the

expectations of regarding the resolution of the Pennant assets; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are typically identified by words such as “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project” and other similar words and expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made. Harvard Illinois Bancorp, Inc. does not assume any duty or undertake to update forward-looking statements. Because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those anticipated in these forward-looking statements and future results could differ materially from historical performance. Factors that could cause or contribute to such differences include, but are not limited to, the possibility: that expected benefits may not materialize in the timeframe expected or at all, or may be more costly to achieve; that the transaction may not be timely completed, if at all; that prior to the completion of the transaction or thereafter, the parties’ respective businesses may not perform as expected due to transaction-related uncertainty, disruption in business during the pendency of the transaction or other factors; that the parties are unable to successfully implement integration strategies; that required regulatory approvals are not obtained or other closing conditions are not satisfied in a timely manner or at all; reputational risks and the reaction of customers to the transaction; diversion of management time on merger-related issues; and the inability of Pennant Management, Inc. and Harvard Illinois Bancorp, Inc. to realize the full, or any, value from the resolution of the proceedings related to the Pennant assets.