

UNIONBANCORP INC
Form S-4/A
October 03, 2006

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As filed with the Securities and Exchange Commission on October 3, 2006

Registration No. 333-137013

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Pre-Effective Amendment
No. 1 To
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
UNIONBANCORP, INC.**

(Exact name of registrant as specified in its charter)

6022

(Primary Standard Industrial Classification Code Number)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

36-3145350

*(I.R.S. Employer
Identification No.)*

122 West Madison Street, Ottawa, Illinois 61350, (815) 431-2720

*(Address, including zip code and telephone number, including area code,
of registrant's principal executive offices)*

**Scott A. Yeoman, President and Chief Executive Officer
UnionBancorp, Inc.**

**122 West Madison Street
Ottawa, Illinois 61350
(815) 431-2720**

(name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

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Approximate date of commencement of proposed sale of securities to the public: As soon as practicable after this Registration Statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration

statement for the same offering. o _____

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common stock, \$1.00 par value	2,698,655 shares	\$23.60	\$53,073,544	\$5,679

(1) Represents the estimated maximum number of shares to be issued pursuant to the agreement and plan of merger dated as of June 30, 2006, between UnionBancorp, Inc., a Delaware corporation, and Centru Financial Corporation, a Delaware corporation.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f) of Regulation C under the Securities Act of 1933, as amended.

(3) The registration fee was previously paid to the Commission.

DELAYING AMENDMENT: The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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**Proxy Statement for the Special
Meeting of Stockholders of
UnionBancorp, Inc.**

**Proxy Statement for the Special
Meeting of Stockholders of Centru
Financial Corporation**

**Prospectus of UnionBancorp, Inc. In Connection With an Offering of Up to
2,698,655 Shares of its Common Stock
Merger Proposed Your Vote is Very Important**

The boards of directors of UnionBancorp, Inc. and Centru Financial Corporation have approved a merger agreement that would result in a tax-free merger of UnionBancorp with Centru Financial, with the combined entity adopting the name Centru Financial Corporation.

In the transaction, Centru Financial stockholders will be entitled to receive 1.2 shares of UnionBancorp common stock for each share of Centru Financial common stock they own. As a result of the fixed exchange ratio, the value of the stock consideration that Centru Financial stockholders will receive in the merger will fluctuate as the price of UnionBancorp common stock changes. We encourage you to read this document carefully and, if you are a Centru Financial stockholder, to obtain current market price quotations for UnionBancorp common stock.

UnionBancorp common stock is traded on the NASDAQ Global Market under the symbol UBCD. The closing price of UnionBancorp common stock on September 26, 2006, was \$19.31.

To complete this merger we must obtain the necessary government approvals and the approvals of a majority of the stockholders of each of our companies. Each of us will hold a special meeting of our stockholders to vote on this merger proposal. **Your vote is very important.** Whether or not you plan to attend your stockholder meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** the merger. If you do not return your card, or if you do not instruct your broker how to vote any shares held for you in your broker's name, the effect will be a vote against this merger.

The dates, times and places of the meetings are as follows:

For UnionBancorp stockholders:

Offices of McDonnell
Investment Management, LLC
1515 West 22nd Street,
11th Floor
Oak Brook, Illinois
November 9, 2006,
9:00 a.m., local time

For Centru Financial stockholders:

Offices of McDonnell
Investment Management, LLC
1515 West 22nd Street,
11th Floor
Oak Brook, Illinois
November 9, 2006,
10:00 a.m., local time

This joint proxy statement-prospectus gives you detailed information about the merger we are proposing, and it includes our merger agreement as an appendix. You can also obtain information about our companies from publicly available documents we have filed with the Securities and Exchange Commission. We encourage you to read this entire document carefully.

For a description of the significant considerations in connection with the merger and related matters described in this document, see Risk Factors beginning on page 21.

We enthusiastically support this combination and join with the other members of our boards of directors in recommending that you vote in favor of the merger.

Scott A Yeoman
President and Chief Executive Officer
UnionBancorp, Inc.

Thomas A. Daiber
President and Chief Executive Officer
Centru Financial Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement-prospectus or determined if this joint proxy statement-prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities we are offering through this document are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

Joint proxy statement-prospectus dated October 3, 2006,
and first mailed to stockholders on October 10, 2006

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**UnionBancorp, Inc.
122 West Madison Street
Ottawa, Illinois 61350**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On November 9, 2006**

A special meeting of the stockholders of UnionBancorp, Inc., a Delaware corporation, will be held at the offices of McDonnell Investment Management, LLC, 1515 West 22nd Street, 11th Floor, Oak Brook, Illinois, on November 9, 2006, 9:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger dated as of June 30, 2006, between UnionBancorp, Inc., a Delaware corporation, and Centru Financial Corporation, a Delaware corporation, and approve the transactions it contemplates, including the merger of Centru Financial with UnionBancorp and the adoption of an amended and restated certificate of incorporation attached as Exhibit A to the merger agreement.
2. To transact such other business as may properly be brought before the special meeting, or any adjournments or postponements of the special meeting.

The close of business on September 22, 2006, has been fixed as the record date for determining those stockholders entitled to vote at the special meeting and any adjournments or postponements of the special meeting. Accordingly, only stockholders of record on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

By Order of the Board of Directors,

Scott A. Yeoman
President and Chief Executive Officer

October 10, 2006

YOUR VOTE IS VERY IMPORTANT

Whether or not you plan to attend the special meeting in person, please take the time to vote by completing and mailing the enclosed proxy card in the enclosed postage-paid envelope. If you attend the special meeting, you may still vote in person if you wish, even if you have previously returned your proxy card.

Your board of directors unanimously recommends that you vote FOR adoption of the merger agreement and approval of the transactions it contemplates.

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**Centrue Financial Corporation
303 Fountains Parkway
Fairview Heights, Illinois 60208
NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On November 9, 2006**

A special meeting of the stockholders of Centrue Financial Corporation, a Delaware corporation, will be held at the offices of McDonnell Investment Management, LLC, 1515 West 22nd Street, 11th Floor, Oak Brook, Illinois, on November 9, 2006, 10:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger dated as of June 30, 2006, between UnionBancorp, Inc., a Delaware corporation, and Centrue Financial Corporation, a Delaware corporation, and approve the transactions it contemplates, including the merger of Centrue Financial with UnionBancorp.

2. To transact such other business as may properly be brought before the special meeting, or any adjournments or postponements of the special meeting.

The close of business on September 22, 2006, has been fixed as the record date for determining those stockholders entitled to vote at the special meeting and any adjournments or postponements of the special meeting. Accordingly, only stockholders of record on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

By Order of the Board of Directors,

Thomas A. Daiber
President and Chief Executive Officer

October 10, 2006

YOUR VOTE IS VERY IMPORTANT

Whether or not you plan to attend the special meeting in person, please take the time to vote by completing and mailing the enclosed proxy card in the enclosed postage-paid envelope. If you attend the special meeting, you may still vote in person if you wish, even if you have previously returned your proxy card.

Your board of directors unanimously recommends that you vote FOR adoption of the merger agreement and approval of the transactions it contemplates.

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HOW TO OBTAIN ADDITIONAL INFORMATION

This joint proxy statement-prospectus incorporates business and financial information about UnionBancorp and Centru Financial that is not included in or delivered with this document. This information is described on page 164 under Where You Can Find More Information. You can obtain free copies of this information by writing or calling:

UnionBancorp, Inc.

122 West Madison Street
Ottawa, Illinois 61350
Attention: Suzanne Fechter, Secretary
Telephone: (815) 431-2815

Centru Financial Corporation

303 Fountains Parkway
Fairview Heights, Illinois 60208
Attention: Thomas A. Daiber, Acting Secretary
Telephone: (618) 624-1323

To obtain timely delivery of the documents, you must request the information by November 2, 2006.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What am I being asked to vote on?

A: UnionBancorp stockholders and Centru Financial stockholders are being asked to adopt a merger agreement that will result in the merger of Centru Financial with and into UnionBancorp and to approve that merger. By approving the merger, UnionBancorp stockholders will also be approving the adoption of an amended and restated certificate of incorporation attached as Exhibit A to the merger agreement.

Q: Why do UnionBancorp and Centru Financial want to merge?

A: UnionBancorp and Centru Financial believe that the proposed merger will provide each of its stockholders with substantial benefits and will further each of the companies' strategic growth plans. As a larger company, the combined entity can provide the capital and resources that the company's combined subsidiary bank needs to compete effectively and to offer a broader array of products and services to better serve its banking customers.

Q: What will happen to Centru Financial and UnionBancorp as a result of the Merger?

A: If the merger is completed, Centru Financial will merge with and into UnionBancorp with UnionBancorp being the surviving entity in the merger. The combined entity will operate under the name Centru Financial Corporation and its shares will be traded on the NASDAQ Global Market under the symbol TRUE.

Q: What will I receive for my shares of Centru?

A: Stockholders of Centru Financial will be entitled to receive 1.2 shares of UnionBancorp common stock for each share of Centru Financial common stock that you own at the effective time of the merger. Fractional shares will not be issued in the merger. Instead of fractional shares, Centru Financial stockholders will receive cash in an amount determined as described in this joint proxy statement-prospectus.

Q: What will happen to my shares of UnionBancorp?

A: All shares of UnionBancorp will remain outstanding.

Q: Will the value of the merger consideration fluctuate?

A: Yes. Because the exchange ratio of 1.2 shares of UnionBancorp common stock per share of Centru Financial common stock is fixed, the value of the stock consideration will fluctuate as the price of UnionBancorp common stock changes. You should obtain current market price quotations for UnionBancorp common stock to determine the current value of the stock consideration.

Q: How do I exchange my Centru Financial stock certificates?

A: If the merger is approved and consummated, after the merger is effective, the exchange agent, Computershare Shareholder Services, Inc., will send to you a letter of transmittal, which will include instructions on where to surrender your stock certificates for exchange.

Q: What do the UnionBancorp board of directors and the Centru Financial board of directors recommend?

A:

Each of the boards of directors of UnionBancorp and Centru Financial recommend and encourage their respective stockholders to vote **FOR** approval of the merger agreement and the transactions it contemplates.

Q: Who must approve the proposals at the special meeting?

A: Holders of a majority of the outstanding voting shares of each of Centru Financial and UnionBancorp as of their respective record dates must adopt the merger agreement and approve the transactions it contemplates.

Q: When and where will the special meetings take place?

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A: The UnionBancorp special meeting will be held on November 9, 2006, at 9:00 a.m., local time, at the offices of McDonnell Investment Management, LLC, 1515 West 22nd Street, 11th Floor, Oak Brook, Illinois.

The Centru Financial special meeting will be held on November 9, 2006, at 10:00 a.m., local time, at the offices of McDonnell Investment Management, LLC, 1515 West 22nd Street, 11th Floor, Oak Brook, Illinois.

Q: Who can vote at the special meetings?

A: You can vote at the UnionBancorp special meeting if you owned shares of UnionBancorp common stock at the close of business on September 22, 2006, the record date for the UnionBancorp special meeting.

You can vote at the Centru Financial special meeting if you owned shares of Centru Financial common stock at the close of business on September 22, 2006, the record date for the Centru Financial special meeting.

Q: What do I need to do now?

A: After reviewing this document, submit your proxy by sending a completed proxy card. By submitting your proxy, you authorize the individuals named in it to represent you and vote your shares at the special meeting in accordance with your instructions.

Your proxy vote is important. Whether or not you plan to attend the special meeting, please submit your proxy promptly in the enclosed envelope.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Your broker will vote your shares only if you instruct your broker on how to vote. Your broker will send you directions on how to do this.

Q: How will my shares be voted if I return a blank proxy card?

A: If you sign and date your proxy card but do not indicate how you want to vote, your proxies will be counted as a vote **FOR** the proposals identified in this document and in the discretion of the persons named as proxies in any other matters properly presented at the special meeting.

Q: What will be the effect if I do not vote?

A: Your failure to vote will have the same effect **as if you voted against** approval of the merger agreement and the transactions it contemplates.

Q: Can I vote my shares in person?

A: Yes, if your shares are registered in your own name, you may attend the special meeting and vote your shares in person. However, we recommend that you sign, date and promptly mail the enclosed proxy card.

Q: Can I change my mind and revoke my proxy?

A: Yes, you may revoke your proxy and change your vote at any time before the polls close at the special meeting by following the instructions in this document.

Q: What if I oppose the merger? Do I have appraisal rights?

A: No. Appraisal rights are not available under the Delaware General Corporation Law.

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Q: Who can answer my questions?

A: You should contact:

UnionBancorp, Inc.

122 West Madison Street
Ottawa, Illinois 61350
Attention: Kurt R. Stevenson
Telephone: (815) 431-2811

Centrue Financial Corporation

303 Fountains Parkway
Fairview Heights, Illinois 60208
Attention: Thomas A. Daiber
Telephone: (618) 624-1323

Q: Is the merger expected to be taxable to me?

A: In general, the exchange of your Centrue Financial common stock solely for UnionBancorp common stock will not cause you to recognize any taxable gain or loss for federal income tax purposes. However, you will have to recognize taxable income or gain in connection with cash received in lieu of any fractional shares of common stock of the combined company.

Each of UnionBancorp's and Centrue Financial's respective obligations to complete the merger is conditioned upon receipt of an opinion about the federal income tax treatment of the merger. The opinion will not bind the Internal Revenue Service, which could take a different view. To review in greater detail the tax consequences to Centrue Financial stockholders, see "Description of Transaction - United States Federal Income Tax Consequences of the Merger," beginning on page 29. You should consult your own tax advisor for a full understanding of the tax consequences to you of the merger.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger as quickly as possible. If approved by the UnionBancorp and Centrue Financial stockholders, we anticipate closing the merger in the fourth quarter of 2006. However, it is possible that factors outside our control could require us to complete the merger at a later time or not complete it at all.

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SUMMARY

*This brief summary highlights selected information from this joint proxy statement-prospectus and does not contain all of the information that is important to you. We urge you to carefully read this entire document and the other documents we refer to in this document. These will give you a more complete description of the transaction we are proposing. For more information about our two companies, see *Where You Can Find More Information*. We have included page references in this summary to direct you to other places in this joint proxy statement-prospectus where you can find a more complete description of the topics we have summarized.*

General

This joint proxy statement-prospectus relates to the proposed merger of Centru Financial with and into UnionBancorp. UnionBancorp and Centru Financial believe that the merger will enhance stockholder value by allowing Centru Financial and UnionBancorp stockholders to own stock in a combined company with significantly greater capital and resources than either company standing alone. The merger also creates a combined company that will possess a significantly greater geographic presence than either Centru Financial or UnionBancorp on a stand-alone basis and will allow the development of enhanced and more competitive products and services.

The Companies

(pages 80 and 120)
UnionBancorp, Inc.
122 West Madison Street
Ottawa, Illinois 61350
(815) 431-2720

UnionBancorp, a Delaware corporation, is a bank holding company with a subsidiary bank, UnionBank, headquartered in Ottawa, Illinois with 19 locations in 9 counties throughout northern and central Illinois. At June 30, 2006, UnionBancorp reported, on a consolidated basis, total assets of approximately \$657 million, deposits of approximately \$523 million and stockholders' equity of approximately \$65 million.

Centru Financial Corporation
303 Fountains Parkway
Fairview Heights, Illinois 60208
Telephone: (618) 624-1323

Centru Financial, a Delaware corporation, is a financial holding company with a subsidiary bank, Centru Bank, headquartered in Kankakee, Illinois. Centru Financial operates 20 locations in 9 counties ranging from northeast Illinois to the metropolitan St. Louis area. At June 30, 2006, Centru Financial reported, on a consolidated basis, total assets of approximately \$634.5 million, deposits of approximately \$462.3 million and stockholders' equity of approximately \$43.3 million.

Special Meetings

(pages 24 and 25)

UnionBancorp stockholders. A special meeting of UnionBancorp stockholders will be held on November 9, 2006, at 9:00 a.m., local time, at the offices of McDonnell Investment Management, LLC, 1515 West 22nd Street, 11th Floor, Oak Brook, Illinois. At the special meeting, stockholders will be asked:

to adopt the merger agreement and approve the transactions it contemplates; and

to act on other matters that may properly be submitted to a vote at the meeting.

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Centrue Financial stockholders. A special meeting of Centrue Financial stockholders will be held on November 9, 2006, at 10:00 a.m., local time, at the offices of McDonnell Investment Management, LLC, 1515 West 22nd Street, 11th Floor, Oak Brook, IL. At the special meeting, stockholders will be asked:

to adopt the merger agreement and approve the transactions it contemplates; and

to act on other matters that may properly be submitted to a vote at the meeting.

Record Date; Vote Required

(pages 24 and 25)

UnionBancorp stockholders. You may vote at the meeting of UnionBancorp's stockholders if you owned UnionBancorp common stock at the close of business on September 22, 2006. You can cast one vote for each share of UnionBancorp common stock that you owned at that time. To adopt the merger agreement and approve the transactions it contemplates, the holders of a majority of the outstanding voting shares of UnionBancorp as of the record date must vote in favor of doing so. You may vote your shares in person by attending the meeting or by mailing us your proxy if you are unable to or do not wish to attend. You can revoke your proxy at any time before UnionBancorp takes a vote at the meeting by submitting a written notice revoking the proxy or a later-dated proxy to the secretary of UnionBancorp, or by attending the meeting and voting in person.

Centrue Financial stockholders. You may vote at the meeting of Centrue Financial's stockholders if you owned Centrue Financial common stock at the close of business on September 22, 2006. You can cast one vote for each share of Centrue Financial common stock that you owned at that time. To adopt the merger agreement and approve the transactions it contemplates, the holders of a majority of the outstanding voting shares of Centrue Financial as of the record date must vote in favor of doing so. You may vote your shares in person by attending the meeting or by mailing us your proxy if you are unable to or do not wish to attend. You can revoke your proxy at any time before Centrue Financial takes a vote at the meeting by submitting a written notice revoking the proxy or a later-dated proxy to the secretary of Centrue Financial, or by attending the meeting and voting in person.

Authority to Adjourn Special Meeting to Solicit Additional Proxies

(pages 25 and 27)

Each of UnionBancorp and Centrue Financial is asking its stockholders to grant full authority for their respective special meetings to be adjourned, if necessary, to permit solicitation of additional proxies to approve the transactions proposed by this joint proxy statement-prospectus.

Appraisal Rights

(pages 25 and 27)

Delaware law does not provide you with dissenters' appraisal rights in the merger.

Recommendation to Stockholders

(pages 25 and 27)

UnionBancorp stockholders. UnionBancorp's board of directors believes that the merger agreement and the merger are fair to its stockholders and in their best interests, and unanimously recommends that their vote **FOR** the proposal to adopt the merger agreement and approve the transactions it contemplates.

Centrue Financial stockholders. Centrue Financial's board of directors believes that the merger agreement and the merger are fair to its stockholders and in their best interests, and unanimously recommends that its stockholders vote **FOR** the proposal to adopt the merger agreement and approve the transactions it contemplates.

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Share Ownership of Directors

(pages 116 and 155)

UnionBancorp stockholders. On the record date, UnionBancorp's directors owned 675,502 shares, or approximately 17.6% of the outstanding shares of UnionBancorp common stock. UnionBancorp's directors have agreed to vote their shares to approve the merger agreement and the transactions it contemplates. However, because they own only approximately 17.6% of the outstanding shares of UnionBancorp common stock, there is no assurance that the proposal will be approved.

Centrue Financial stockholders. On the record date, Centrue Financial's directors owned 213,117 shares, or approximately 9.5% of the outstanding shares of Centrue Financial common stock. Centrue Financial's directors have agreed to vote their shares to approve the merger agreement and the transactions it contemplates. However, because they own only approximately 9.5% of the outstanding shares of Centrue Financial common stock, there is no assurance that the proposal will be approved.

The Merger

(page 27)

We have attached a copy of the merger agreement to this document as Appendix A. Please read the merger agreement. It is the legal document that governs the merger.

We propose a combination in which Centrue Financial will merge with and into UnionBancorp. The combined entity will continue under the name Centrue Financial Corporation and its shares will be traded on the NASDAQ Global Market under the symbol TRUE. The combined company's main office will be located in Ottawa, Illinois. We expect to complete the merger in the fourth quarter of 2006, although delays could occur.

At the same time or immediately following the merger, we also intend to merge Centrue Bank into UnionBank. The resulting institution will be an Illinois chartered commercial bank headquartered in Ottawa, Illinois, which will operate under the name Centrue Bank.

What You Will Receive in the Merger

(page 27)

UnionBancorp stockholders. You will not need to surrender your stock certificates. Each of your shares of UnionBancorp common stock will remain outstanding, and will represent shares of common stock of the combined company.

Centrue Financial stockholders. Each of your shares of Centrue Financial common stock will automatically become the right to receive 1.2 shares of UnionBancorp common stock. The total number of shares you will have the right to receive will be equal to the number of shares of Centrue Financial common stock you own multiplied by 1.2. For example, if you hold 100 shares of Centrue Financial common stock, you will be entitled to receive 120 shares (100 x 1.2) of UnionBancorp common stock. Based on the \$19.31 closing price of UnionBancorp common stock on September 26, 2006, the value of 1.2 shares of UnionBancorp common stock was \$23.17, and the total value of the merger consideration was approximately \$52.1 million. However, because the exchange ratio is fixed, the market value of the shares of UnionBancorp common stock you will receive in the merger will fluctuate from time to time, causing the total value of the merger consideration to fluctuate.

Each share of UnionBancorp common stock will include all rights that are attached to or inherent in the then-outstanding shares of UnionBancorp common stock. See Effect of the Merger on Rights of Stockholders.

The number of shares of UnionBancorp common stock Centrue Financial stockholders will receive in the merger is subject to adjustments for reorganizations, recapitalizations, stock dividends and similar events that occur before the merger is completed. None of those adjustments would alter the value of the exchange ratio.

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You will need to surrender your Centru Financial common stock certificates to receive new certificates representing common stock of the combined company. However, this will not be necessary until you receive written instructions, which will occur on or around the time of the merger.

UnionBancorp will not issue any fractional shares. Instead, Centru Financial stockholders will receive cash in lieu of any fractional shares of common stock of the combined company owed to them in exchange for their shares of Centru Financial common stock. The amount of cash for any fractional shares will be based on the average closing prices of UnionBancorp common stock for the five trading days immediately following the completion of the merger.

Exchange of Stock Certificates

(page 28)

On or shortly after the effective date of the merger, Centru Financial stockholders will receive a letter and instructions on how to surrender their stock certificates representing Centru Financial common stock in exchange for stock certificates of the combined company. You must carefully review and complete these materials and return them as instructed along with your Centru Financial common stock certificates. **Please do not send any stock certificates to the exchange agent, UnionBancorp or Centru Financial until you receive these instructions.**

Effect of the Merger on Options (page 28)

In the merger, each stock option to buy Centru Financial common stock that is outstanding immediately before completing the merger will become an option to buy UnionBancorp common stock and will continue to be governed by the terms of the original plans under which they were issued, except that all options that were not previously exercisable will become immediately exercisable (excluding those issued in connection with th