

UNIONBANCORP INC
Form S-4
August 31, 2006

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As filed with the Securities and Exchange Commission on August 31, 2006

Registration No. []

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
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)

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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. _____

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. _____

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.

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 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 [], 2006, was \$[].

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:

[]
[]
[]
[] [], 2006,
[: .m.], local time

For Centru Financial stockholders:

[]
[]
[]
[] [], 2006, [: .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

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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, _____, 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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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.

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

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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 - Material Federal Income Tax Consequences of the Merger*, beginning on page . 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 and)
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 and)

UnionBancorp stockholders. A special meeting of UnionBancorp stockholders will be held on [], 2006, at []:00 [] m., local time, at []. 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 [], 2006, at []:00 [] m., local time, at []. 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 and)

UnionBancorp stockholders. You may vote at the meeting of UnionBancorp's stockholders if you owned UnionBancorp common stock at the close of business on [], 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 [], 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

(page)

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

(page)

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

Recommendation to Stockholders

(page)

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 and)

UnionBancorp stockholders. On the record date, UnionBancorp's directors owned [] shares, or approximately []% 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 []% 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 [] shares, or approximately []% 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 []% of the outstanding shares of Centrue Financial common stock, there is no assurance that the proposal will be approved.

The Merger

(page)

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 , 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 , Illinois, which will operate under the name Centrue Bank.

What You Will Receive in the Merger

(page)

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 \$ closing price of UnionBancorp common stock on , 2006, the value of 1.2 shares of UnionBancorp common stock was \$, and the total value of the merger consideration was approximately \$ 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 Centrue 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, Centrue 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 Centrue 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)

On or shortly after the effective date of the merger, Centrue Financial stockholders will receive a letter and instructions on how to surrender their stock certificates representing Centrue 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 Centrue Financial common stock certificates. **Please do not send any stock certificates to the exchange agent, UnionBancorp or Centrue Financial until you receive these instructions.**

Effect of the Merger on Options (page [])

In the merger, each stock option to buy Centrue 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 the merger). The number of shares of UnionBancorp common stock subject to each of these converted stock options, as well as the exercise price of these stock options, will be adjusted to reflect the exchange ratio applicable in the merger.

The merger agreement provides that, except for options issued in connection with the merger, options to purchase UnionBancorp common stock will become immediately exercisable upon the merger becoming effective.

Ownership After the Merger

(page)

Based on the exchange ratio contained in the merger agreement, upon completion of the merger, UnionBancorp will issue shares of its common stock to Centrue Financial stockholders. Based on these numbers, after the merger, on a fully-diluted basis, existing UnionBancorp stockholders would own approximately %, and former Centrue Financial stockholders would own approximately %, of the outstanding shares of common stock of the combined company.

Effective Time of the Merger

(page)

The merger will become final when a certificate of merger is filed with the Secretary of State of the State of Delaware. If our stockholders approve the merger at their special meetings, and if UnionBancorp obtains all required regulatory approvals, we anticipate that the merger will be completed in fourth quarter of 2006, although delays could occur.

We cannot assure you that we can obtain the necessary stockholder and regulatory approvals or that the other conditions to completion of the merger can or will be satisfied.

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Federal Income Tax Consequences

(page)

For federal income tax purposes, the exchange of shares of Centru Financial common stock for shares of UnionBancorp common stock generally will not cause the holders of Centru Financial common stock to recognize any gain or loss. Holders of Centru Financial common stock, however, will recognize income, gain or loss in connection with any cash received to redeem any fractional share interest.

Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. We urge you to consult your tax advisor to determine the tax consequences of the merger to you.

Reasons for the Merger

(pages and)

Each of our boards of directors believes the merger will enhance stockholder value by permitting the combined company to expand its presence in northern and central Illinois.

We expect the merger to strengthen our position as a competitor in the financial services business as a result of our increased resources and the availability of enhanced and more competitive products and services.

You can find a more detailed discussion of the background of the merger and UnionBancorp's and Centru Financial's reasons for the merger in this document under Description of Transaction Background of the Merger beginning on page , UnionBancorp's Reasons for the Merger and Board Recommendation beginning on page and Centru Financial's Reasons for the Merger and Board Recommendation beginning on page .

The discussion of our reasons for the merger includes forward-looking statements about possible or assumed future results of our operations and the performance of the combined company after the merger. For a discussion of factors that could affect these future results, see A Warning About Forward-Looking Statements on page .

Opinion of Financial Advisors

(page)

UnionBancorp stockholders. Sandler O'Neill & Partners, L.P. has delivered a written opinion to the UnionBancorp board of directors that, as of June 30, 2006, the exchange ratio is fair to the holders of UnionBancorp common stock from a financial point of view. We have attached this opinion to this document as [Appendix B](#). You should read this opinion completely to understand the procedures followed, matters considered and limitations on the reviews undertaken by Sandler O'Neill in providing its opinion.

Centru Financial stockholders. Keefe Bruyette & Woods, Inc. has delivered a written opinion to the Centru Financial board of directors that, as of June 30, 2006, the exchange ratio is fair to the holders of Centru Financial common stock from a financial point of view. We have attached this opinion to this document as [Appendix C](#). You should read this opinion completely to understand the procedures followed, matters considered and limitations on the reviews undertaken by Keefe Bruyette in providing its opinion.

Conditions to Completion of the Merger

(page)

The completion of the merger depends on a number of conditions being met. Subject to exceptions described in the merger agreement, these include:

accuracy of the respective representations and warranties of UnionBancorp and Centru Financial in the merger agreement;

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compliance in all material respects by each of UnionBancorp and Centru Financial with their respective covenants and agreements in the merger agreement;

approval of regulatory authorities;

approval of the merger agreement by each company's stockholders;

receipt by each of us of an opinion from UnionBancorp's accountants that, for federal income tax purposes, Centru Financial stockholders who exchange their shares for shares of common stock of the combined company will not recognize any gain or loss as a result of the merger, except in connection with the payment of cash instead of fractional shares (this opinion will be subject to various limitations and we recommend that you read the more detailed description of tax consequences provided in this document beginning on page); and

the absence of any injunction or legal restraint blocking the merger, or of any proceedings by a government body trying to block the merger.

A party to the merger agreement could choose to complete the merger even though a condition to its obligation has not been satisfied, as long as the law allows it to do so. We cannot be certain when or if the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination and Termination Fees

(page)

The parties can mutually agree at any time to terminate the merger agreement without completing the merger. Also, either party can decide, without the consent of the other, to terminate the merger agreement if the merger has not been completed by March 1, 2007, unless the failure to complete the merger by that time is due to a violation of the merger agreement by the party that wants to terminate the merger agreement. Also, the termination date can be extended for up to ninety days if the sole reason that the closing has not occurred is due to the fact that the regulatory approvals have not been received.

In addition, either UnionBancorp or Centru Financial can terminate the merger agreement if the conditions to its respective obligation to complete the merger have not been satisfied or if the board of directors for either UnionBancorp or Centru Financial determines a competing takeover proposal from a third party is superior to the merger (provided certain notice requirements have been satisfied).

Either UnionBancorp or Centru Financial may be required to pay the other party a termination fee if the merger agreement is terminated due to certain circumstances outlined in the merger agreement. For a discussion of these conditions and fees, *see* Description of Transaction Termination and Termination Fees.

Waiver and Amendment

(page)

UnionBancorp and Centru Financial may jointly amend the merger agreement and either party may waive its right to require the other party to adhere to any term or condition of the merger agreement. However, neither may do so after our stockholders approve the merger, if the amendment or waiver would materially and adversely affect the rights of UnionBancorp or Centru Financial stockholders.

Regulatory Approvals

(page)

We cannot complete the merger unless we obtain the prior approval (or waiver of such approval) by the Federal Reserve Board and the Illinois Department of Financial and Professional Regulation. Once the Federal Reserve Board approves or waives approval of the merger, we have to wait anywhere from 15 to 30 days before we can complete the merger, during which time the U.S. Department of Justice can challenge the merger on antitrust grounds.

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We have filed all of the required waiver requests, applications or notices with the Federal Reserve Board and the Illinois Department of Financial and Professional Regulation.

We have also filed applications with the Illinois Department of Financial and Professional Regulation and the FDIC for approval of the merger of the subsidiary banks, UnionBank and Centru Bank.

Management and Operations After the Merger

(page)

The present management groups of both companies will share the responsibility of managing the combined company after the completion of the merger. The board of directors of the combined company will be comprised of ten members, five from UnionBancorp and five from Centru Financial.

Following the merger, Dennis J. McDonnell will be chairman of the board of directors, Thomas A. Daiber will be President and Chief Executive Officer, Scott A. Yeoman will be Chief Operating Officer and Kurt R. Stevenson will be Chief Financial Officer of the combined company.

Interests of Certain Persons in the Merger

(page)

Some of our directors and officers have interests in the merger that differ from, or are in addition to, their interests as stockholders in our companies. These interests exist because of employment agreements that certain officers of our companies have and rights that the directors and officers have under some of our benefit plans. These employment agreements and plans will provide the officers with severance benefits if their current employment status changes as a result of the merger, except that both of our companies have agreed to amend or replace most of these employment agreements prior to the completion of our merger to provide that the merger will not require the payment of severance benefits if the merger is completed.

The members of our boards of directors knew about these additional interests and considered them when they approved the merger agreement and the transactions it contemplates.

Accounting Treatment

(page)

The merger will be accounted for as a purchase transaction in accordance with U.S. generally accepted accounting principles.

Expenses

(page)

Each of UnionBancorp and Centru Financial will pay its own expenses in connection with the merger, including filing, registration and application fees, printing fees and fees and expenses of its own financial or other consultants, accountants and counsel.

Material Differences in the Rights of Stockholders

(page)

Both Centru Financial and UnionBancorp are incorporated in and governed by Delaware law. Upon our completion of the merger, Centru Financial stockholders will become stockholders of the combined company and their rights will be governed by the combined company's certificate of incorporation and by-laws, which are, except as noted in this document, the currently effective certificate of incorporation and by-laws of UnionBancorp. There are material differences between the rights of the stockholders of UnionBancorp and Centru Financial, which we describe in this document. By approving the merger, UnionBancorp's stockholders are approving the adoption of an amended and restated certificate of incorporation attached as Exhibit A to the merger agreement.

Table of Contents**Comparative Market Prices of Common Stock**

(pages and)

Shares of UnionBancorp common stock are traded on the NASDAQ Global Market (formerly, the NASDAQ National Market) under the symbol UBCD. On June 30, 2006, the last trading day before we announced the merger, the last reported trading price of UnionBancorp common stock was \$20.05 per share. On [], 2006, the last reported trading price of UnionBancorp common stock was \$/] per share. We can make no prediction or guarantee at what price UnionBancorp common stock will trade after the completion of the merger.

Shares of Centru Financial common stock are also traded on the NASDAQ Global Market under the symbol TRUE. On June 30, 2006, the last trading day before we announced the merger, the last reported trading price of Centru Financial common stock was \$22.91 per share. On [], 2006, the last reported trading price of Centru Financial common stock was \$/]per share.

Comparative Per Share Data

The following table presents comparative historical per share data of UnionBancorp and Centru Financial and unaudited pro forma per share data that reflect the combination of Centru with and into UnionBancorp using the purchase method of accounting. The historical financial data of Centru Financial for the year ended December 31, 2005 has been adjusted for the retrospective adoption of Statements of Financial Accounting Standard No. 123R, Share-Based Payment (SFAS 123R) as described in their Quarterly Reports on Form 10-Q for the three months ended March 31, 2006 and for the six months ended June 30, 2006.

The information listed as equivalent pro forma for Centru Financial was obtained by multiplying the pro forma amounts for UnionBancorp by the exchange ratio of 1.2.

We expect that we will incur merger and integration charges as a result of combining our companies. We also anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect these expenses or benefits and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have actually been had our companies been combined as of the dates or for the periods presented.

UnionBancorp

	As of and for the Six Months Ended June 30, 2006	Year Ended December 31, 2005
Historical:		
Net income basic	\$ 0.75	\$ 1.01
Net income diluted	0.74	0.99
Cash dividends declared	0.24	0.44
Book value	17.31	17.23
Pro forma combined:		
Net income basic	\$ 0.52	1.02
Net income diluted	0.51	1.01
Cash dividends declared	0.13	0.27
Book value	18.57	

Table of Contents*Centrue*

	As of and for the Six Months Ended June 30, 2006	Year Ended December 31, 2005
Historical:		
Net income basic	\$ 0.73	\$ 1.74
Net income diluted	0.72	1.73
Cash dividends declared		
Book value	19.38	19.05
Equivalent pro forma combined:		
Net income basic	\$ 0.62	1.22
Net income diluted	0.61	1.21
Cash dividends declared	0.16	0.32
Book value	22.28	

Market Price Information

UnionBancorp common stock is traded on the NASDAQ Global Market under the symbol UBCD. Centrue Financial common stock is traded on the NASDAQ Global Market under the symbol TRUE. On June 30, 2006, the last trading day before public announcement of the execution of the merger agreement, and [], 2006, the most recent practicable date prior to the mailing of this document, the market prices of each of UnionBancorp and Centrue Financial common stock and the equivalent price per share of UnionBancorp common stock giving effect to the merger, were as follows:

	Closing Sales Price			Equivalent Price Per Share of UnionBancorp Common Stock
	UnionBancorp	Centrue Financial		
Price per share June 30, 2006	\$ 20.05	\$ 22.91	\$	24.06
[], 2006	\$ []	\$ []	\$	[]

The Equivalent Price Per Share of UnionBancorp at each specified date in the above table represents the product achieved when the closing sales price of a share of UnionBancorp common stock on that date is multiplied by the exchange ratio of 1.2.

The market price of UnionBancorp common stock will likely fluctuate between the date of this document and the date on which the merger is completed and after the merger. Because the exchange ratio of 1.2 is fixed, the value of the merger consideration will fluctuate as the price of UnionBancorp common stock changes. Stockholders should obtain current market price quotations for shares of UnionBancorp common stock prior to making any decisions with respect to the merger. In addition, the value of the shares of the combined company's common stock that Centrue Financial stockholders will receive in the merger may increase or decrease after the merger.

By voting to adopt the merger agreement and approve the transactions it contemplates, Centrue Financial stockholders will be choosing to invest in the combined UnionBancorp/ Centrue Financial, because they will receive UnionBancorp common stock in exchange for their shares of Centrue Financial common stock. An investment in the combined company's common stock involves significant risk. In addition to the other information included in this joint proxy statement-prospectus, including the matters addressed in A Warning About Forwarding-Looking Statements

beginning on page , Centru Financial and UnionBancorp stockholders should carefully consider the matters described below in Risk Factors beginning on page when determining whether to adopt the merger agreement and approve the transactions it contemplates.

Table of Contents**Historical Market Prices and Dividend Information**

UnionBancorp. UnionBancorp's common stock is traded on the NASDAQ Global Market under the symbol UBCD. The following table sets forth, for the calendar quarter indicated, the high and low closing market prices per share of UnionBancorp common stock as reported on the NASDAQ Global Market and the dividends per share of UnionBancorp common stock:

Quarter Ended	High	Low	Dividends Declared
Year-to-date 2006:			
Third quarter (through [], 2006)	\$	\$	\$
Second quarter	21.12	19.44	0.12
First quarter	21.48	20.12	0.12
2005:			
Fourth quarter	22.00	20.25	0.11
Third quarter	21.98	20.68	0.11
Second quarter	22.00	20.10	0.11
First quarter	21.78	20.55	0.10
2004:			
Fourth quarter	21.94	20.29	0.10
Third quarter	20.88	19.20	0.10
Second quarter	23.00	19.25	0.10
First quarter	22.23	21.00	0.09

The timing and amount of future dividends on shares of UnionBancorp common stock will depend upon earnings, cash requirements, the financial condition of UnionBancorp and its subsidiaries, applicable government regulations and other factors deemed relevant by UnionBancorp's board of directors.

Centrue Financial. Centrue Financial's common stock is traded on the NASDAQ Global Market under the symbol TRUE. Prior to February 25, 2005, Centrue Financial's common stock traded on the American Stock Exchange under the symbol CFF. The following table sets forth, for the calendar quarter indicated, the high and low closing market prices per share of Centrue Financial common stock as reported on the NASDAQ Global Market or the American Stock Exchange, as applicable, and the dividends per share of Centrue Financial common stock:

Quarter Ended	High	Low	Dividends Declared
Year-to-date 2006:			
Third quarter (through [], 2006)	\$	\$	\$
Second quarter	25.78	22.91	
First quarter	27.03	25.50	
2005:			
Fourth quarter	27.44	25.70	
Third quarter	27.00	25.60	
Second quarter	27.51	25.60	
First quarter	28.78	27.50	
2004:			
Fourth quarter	28.21	27.15	
Third quarter	28.05	27.30	
Second quarter	28.01	25.76	

First quarter

28.24

27.45

0.075

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In April of 2004, Centru Financial's board of directors voted to eliminate its quarterly dividend. Any decision to reinstate dividends, and the timing and amount of future dividends on shares of Centru Financial common stock will depend upon earnings, cash requirements, the financial condition of Centru Financial and its subsidiaries, applicable government regulations and other factors deemed relevant by Centru Financial's board of directors.

Unaudited Pro Forma Financial Data

The following unaudited pro forma condensed consolidated financial information is based on the historical financial statements of UnionBancorp and Centru Financial and has been prepared to illustrate the effects of the merger of Centru Financial with and into UnionBancorp. The unaudited pro forma condensed consolidated statement of financial condition as of June 30, 2006 and the unaudited pro forma condensed consolidated statements of operations for the six months ended June 30, 2006 and for the year ended December 31, 2005 give effect to this merger, accounted for under the purchase method of accounting.

The unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2006 has been derived from the unaudited interim financial statements of UnionBancorp and Centru Financial included or incorporated by reference in this joint proxy statement-prospectus. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2005 is based on the audited financial statements of UnionBancorp and Centru Financial included or incorporated by reference in this joint proxy statement-prospectus. The historical financial data of Centru Financial for the year ended December 31, 2005 have been adjusted for the retrospective adoption of SFAS 123R as described in their 2006 quarterly filings. These unaudited pro forma condensed consolidated statements of operations give effect to the transaction as if it has been consummated as of January 1, 2005. The unaudited pro forma condensed consolidated financial statements do not give effect to any anticipated cost savings or revenue enhancements in connection with the transaction.

The unaudited pro forma condensed consolidated financial statements should be considered together with the historical financial statements of UnionBancorp and Centru Financial, including the respective notes to those statements, included or incorporated by reference in this joint proxy statement-prospectus. The pro forma information is based on certain assumptions described in the accompanying Notes to Unaudited Pro Forma Condensed Consolidated Financial Information and does not necessarily indicate the consolidated financial position or the results of operations in the future or the consolidated financial position or the results of operations that would have been realized had the merger transaction been consummated during the periods or as of the date for which the pro forma information is presented.

Table of Contents**COMBINED COMPANY PRO FORMA FINANCIAL INFORMATION**

Consolidated Statement of Financial Condition as of June 30, 2006

	Historical		Pro Forma Before Entries	Mark to Market and Transaction Adjustments		Pro Forma After Entries
	Union Bancorp	Centrue Financial		Debit	Credit	
(In thousands, except per share data)						
ASSETS						
Cash and cash equivalents	\$ 30,265	\$ 14,856	\$ 45,121		3,060(e)(f)	\$ 42,061
Certificates of deposits		50	50			50
Securities available-for-sale	182,914	121,175	304,089			304,089
Loans	403,455	442,609	846,064		2,160(g) 1,000(h)	842,904
Allowance for loan losses	(6,848)	(4,294)	(11,142)			(11,142)
Net loans	396,607	438,315	834,922			831,762
Cash surrender value of life insurance	15,775	9,647	25,422			25,422
Mortgage servicing rights	2,373	1,054	3,427			3,427
Premises and equipment, net	13,789	22,678	36,467		2,606(i)	33,861
Goodwill	6,963	14,362	21,325	29,259(a)	14,362(j)	36,222
Intangible assets, net	446	1,779	2,225	7,539(b)	1,779(j)	7,985
Other real estate	1,390	38	1,428			1,428
Other assets	6,309	10,549	16,858		205(m)	16,653
Total assets	\$ 656,831	\$ 634,503	\$ 1,291,334			\$ 1,302,960

LIABILITIES AND STOCKHOLDERS EQUITY

Liabilities

Deposits						
Non-interest-bearing	\$ 56,119	\$ 65,526	\$ 121,645			\$ 121,645
Interest-bearing	466,576	396,752	863,328		83(k)	863,411
Total deposits	522,695	462,278	984,973			985,056
Federal funds purchased and securities sold under	7,297	29,612	36,909			36,909

agreements to repurchase						
Advances from the Federal Home Loan Bank	46,700	74,465	121,165	17(c)		121,148
Notes payable	8,824	1,088	9,912			9,912
Trust preferred Series B mandatory redeemable preferred stock	831	20,000	20,000			20,000
Other liabilities	5,180	3,790	8,970			8,970
Total liabilities	591,527	591,233	1,182,760			1,182,826
Stockholders equity						
Convertible preferred stock	500		500			500
Common stock	4,698	42	4,740	42(d)	2,699(l)	7,397
Surplus	23,381	30,895	54,276	30,895(d)	53,139(l)	76,520
Retained earnings	50,775	49,023	99,798	50,031(d)(e)		49,767
Accumulated other comprehensive income	(1,204)	(2,586)	(3,790)		2,586(d)	(1,204)
	78,150	77,374	155,524			132,980
Treasury stock, at cost	(12,846)	(34,104)	(46,950)		34,104(d)	(12,846)
Total stockholders equity	65,304	43,270	108,574			120,134
Total liabilities and stockholders equity	\$ 656,831	\$ 634,503	\$ 1,291,334			\$ 1,302,960
Number of common shares outstanding	3,742,751	2,232,889			2,698,655(l)	6,441,406
Total book value per common share	\$ 17.31	\$ 19.38				\$ 18.57
Tangible book value per common share	\$ 15.33	\$ 12.15				\$ 11.71

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Estimates and assumptions for mark to market and transaction adjustments. Actual adjustments will be determined at the transaction date and could differ significantly from this illustration.

- (a) Goodwill Estimated goodwill related to the transaction as total consideration in excess of net assets acquired.
- (b) Core Deposit Intangible Estimated core deposit intangible asset at approximately 3% of Centru Financial s deposits, excluding time deposits. Core deposit intangible to be amortized over 10 years using the double declining method.

	Amortization
Year 1	\$ 1,508
Year 2	1,206
Year 3	965
Year 4	772
Year 5	618
Year 6	494
Year 7	494
Year 8	494
Year 9	494
Year 10	494
	\$ 7,539

- (c) FHLB Advances Fair Value Adjustment Estimated fair value adjustment on FHLB advances. To be amortized over the average life of the debt on a level yield basis.

- (d) Elimination of Centru Financial equity.

- (e) The following pro forma merger costs are expected by UnionBancorp:

Professional fees (legal, accounting)	\$ 325
Investment banking fees	200
Proxy printing	75
Less: estimated tax benefits	(101)
UnionBancorp costs to be capitalized	\$ 499
Employment severance and stay bonuses	\$ 350
Acceleration of stock option vesting	210
Supplies	150
System contract buy-out	66
System accelerated depreciation	606
Marketing and other merger costs	225
Less: estimated tax benefits	(634)
UnionBancorp costs to be expensed	\$ 973

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(f) The following pro forma merger costs are expected by Centrue Financial:

Professional fees (legal, accounting)	\$ 350
Investment banking fees	100
Employment contract termination, severance and stay bonuses	1,667
Acceleration of stock option vesting and restricted stock vesting	838
System contract buy-out	1,800
System accelerated depreciation	233
Marketing and other merger costs	150
Less: estimated tax benefits	(1,896)
Centrue Financial costs to be expensed	\$ 3,242

(g) Loan Fair Value Adjustment Estimated loan fair value adjustment. To be accreted over the average life of the portfolio on a level yield basis.

(h) Loan Cash Flow Adjustment Estimated cash flow adjustment for purchased problem loans.

(i) Premises Fair Value Adjustment Estimated premises fair value adjustment to be accreted over 39 years on a straight-line basis.

(j) Elimination of Centrue Financial's existing goodwill and intangible assets.

(k) Time Deposit Fair Value Adjustment Estimated time deposit fair value adjustment to be accreted over the average life of the time deposit portfolio on a level yield basis.

(l) Pro forma outstanding shares of Centrue Financial	2,232,889
UnionBancorp shares to be issued for phantom stock	15,990
	2,248,879
Fixed exchange ratio per merger Agreement	1.20
Total UnionBancorp shares to be issued	2,698,655
Fair value of UnionBancorp stock	\$ 20.10
Fair value of stock consideration	\$ 54,243
Centrue Financial stock options outstanding	225,217
Fixed exchange ratio per merger Agreement	1.20
UnionBancorp options to be granted	270,260
Per share fair value of UnionBancorp options granted	\$ 4.99
Fair value of stock options consideration	\$ 1,349
Total consideration	\$ 55,592
Net assets of acquired corporation per historical financial statements	\$ 43,270
Transaction costs UnionBancorp	(499)(e)
Transaction costs Centrue Financial	(3,242)(f)

Centrue Financial APIC credit from accelerating options	838 (f)
Purchase accounting adjustments, net	(14,034)
Pro forma net assets to be acquired	26,333
Total goodwill	\$ 29,259

(m) Net impact of deferred tax entries for mark to market and transaction adjustments.

Table of Contents**COMBINED COMPANY PRO FORMA FINANCIAL INFORMATION**

Consolidated Statement of Operations for the Six Months Ended June 30, 2006

	Historical		Pro Forma Before Entries	Mark to Market and Transaction Adjustments		Pro Forma After Entries
	Union Bancorp	Centrue Financial		Debit	Credit	
(In thousands, except per share data)						
Interest income						
Loans	\$ 14,349	\$ 14,286	\$ 28,635	540(i)		\$ 29,175
Securities	4,444	2,573	7,017			7,017
Federal funds sold and other	66	91	157			157
Total interest income	18,859	16,950	35,809			36,349
Interest expense						
Deposits	7,324	5,543	12,867	42(a)		12,909
Federal funds purchased and repurchase agreements	123	469	592			592
Advances for the Federal Home Loan Bank	938	1,032	1,970		4(j)	1,966
Series B mandatory redeemable preferred stock	25		25			25
Trust preferred		838	838			838
Notes payable and other	315	30	345			345
Total interest expense	8,725	7,912	16,637			16,675
Net interest income before provision for loan losses	10,134	9,038	19,172			19,674
Provision for loan losses	(1,100)	150	(950)			(950)
Net interest income after provision for loan losses	11,234	8,888	20,122			20,624
Noninterest income						
Service charges	935	2,799	3,734			3,734
Trust income	418	19	437			437
Mortgage banking income	527	179	706			706
Insurance and brokerage commissions and fees	793	36	829			829
Bank Owned Life Insurance (BOLI)	277	182	459			459
Securities (losses) gains, net	(88)	4	(84)			(84)
Gain on sale of other assets	(9)	588	579			579
Other income	604	163	767			767

Total noninterest income	3,457	3,970	7,427		7,427	
Noninterest expense						
Salaries and employee benefits	5,955	5,868	11,823	560(b)	12,383	
Occupancy, net	789	946	1,735		1,735	
Furniture and equipment	1,033	544	1,577	672(c)	26(k)	2,223
Marketing	209	200	409	125(d)		534
Supplies and printing	162	341	503	150(e)		653
Telephone	235	213	448			448
Other real estate owned	8	24	32			32
Amortization of intangible assets	87	143	230	754(f)		984
Other expenses	1,985	2,389	4,374	100(g)		4,474
Total noninterest expense	10,463	10,668	21,131			23,466
Income before taxes	4,228	2,190	6,418			4,585
Income taxes	1,288	570	1,858	220(h)	928(h)	1,150
Net income	\$ 2,940	\$ 1,620	\$ 4,560			\$ 3,435
Net income for common stockholders	\$ 2,836	\$ 1,620	\$ 4,456			\$ 3,331
Basic earnings per common share	\$ 0.75	\$ 0.73				\$ 0.52
Diluted earnings per common share	\$ 0.74	\$ 0.72				\$ 0.51
Basic weighted average common shares outstanding	3,764,516	2,227,133				6,463,171
Diluted weighted average common shares outstanding	3,809,813	2,235,540				6,508,468

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- (a) Represents the adjustment to record the amortization of the fair value adjustment on acquired time deposits over their expected life. It is estimated that there will be no impact after the first year.
- (b) Represents the employment severance, stay bonuses and acceleration of stock option vesting for UnionBancorp.
- (c) Represents the systems contract buy-out and systems accelerated depreciation for UnionBancorp.
- (d) Represents estimated marketing and other merger expense for UnionBancorp.
- (e) Represents the estimated expense related to supplies for UnionBancorp.
- (f) Represents the adjustment to record the amortization of the fair value adjustment on acquired core deposits using the double declining method amortized over 10 years.
- (g) Represents estimated miscellaneous expense for UnionBancorp.
- (h) Represents the impact of the above adjustments to income at 38.6%.
- (i) Represents the adjustment to record the accretion of the fair value adjustment on acquired loans over their expected life.
- (j) Represents the adjustment to record the amortization of the fair value adjustment on acquired FHLB advances over their expected life.
- (k) Represents the adjustment to record the accretion of the fair value adjustment on acquired premises and equipment over their expected life.

Table of Contents**COMBINED COMPANY PRO FORMA FINANCIAL INFORMATION**

Consolidated Statement of Operations for the Twelve Months Ended December 31, 2005

	Historical		Pro Forma Before Entries	Mark to Market and Transaction Adjustments		Pro Forma After Entries
	Union Bancorp	Centrue Financial		Debit	Credit	
(In thousands, except per share data)						
Interest income						
Loans	\$ 27,251	\$ 26,759	\$ 54,010		1,080(i)	\$ 55,090
Securities	7,324	4,962	12,286			12,286
Federal funds sold and other	122	375	497			497
Total interest income	34,697	32,096	66,793			67,873
Interest expense						
Deposits	10,910	9,463	20,373	83(a)		20,456
Federal funds purchased and repurchase agreements	197	363	560			560
Advances for the Federal Home Loan Bank	2,128	1,654	3,782		9(j)	3,773
Series B mandatory redeemable preferred stock	50		50			50
Trust preferred		1,379	1,379			1,379
Notes payable and other	427	204	631			631
Total interest expense	13,712	13,063	26,775			26,849
Net interest income before provision for loan losses	20,985	19,033	40,018			41,024
Provision for loan losses	250	651	901			901
Net interest income after provision for loan losses	20,735	18,382	39,117			40,123
Noninterest income						
Service charges	1,996	5,350	7,346			7,346
Trust income	811	36	847			847
Mortgage banking income	1,350	220	1,570			1,570
Insurance and brokerage commissions and fees	1,818	110	1,928			1,928
Bank Owned Life Insurance (BOLI)	545	355	900			900
Securities (losses) gains, net	(79)	183	104			104
Gain on sale of other assets	4	580	584			584
Other income	1,157	391	1,548			1,548

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Total noninterest income	7,602	7,225	14,827		14,827
Noninterest expense					
Salaries and employee benefits	13,789	10,838	24,627	560(b)	25,187
Occupancy, net	1,571	1,638	3,209		3,209
Furniture and equipment	1,935	1,751	3,686	672(c)	52(k)
Marketing	496	391	887	125(d)	1,012
Supplies and printing	359	575	934	150(e)	1,084
Telephone	430	369	799		799
Other real estate owned	59	102	161		161
Amortization of intangible assets	170	276	446	1,508(f)	1,954
Other expenses	4,156	4,097	8,253	100(g)	8,353
Total noninterest expense	22,965	20,037	43,002		46,065
Income before taxes	5,372	5,570	10,942		8,885
Income taxes	1,199	1,486	2,685	440(h)	1,234(h)
Net income	\$ 4,173	\$ 4,084	\$ 8,257		\$ 6,994
Net income for common stockholders	\$ 3,966	\$ 4,084	\$ 8,050		\$ 6,787
Basic earnings per common share	\$ 1.01	\$ 1.74			\$ 1.02
Diluted earnings per common share	\$ 0.99	\$ 1.73			\$ 1.01
Basic weighted average common shares outstanding	3,943,741	2,345,971			6,642,396
Diluted weighted average common shares outstanding	4,002,908	2,355,384			6,701,563

- (a) Represents the adjustment to record the amortization of the fair value adjustment on acquired time deposits over their expected life. It is estimated that there will be no impact after the first year.
- (b) Represents the employment severance, stay bonuses and acceleration of stock option vesting for UnionBancorp.
- (c) Represents the systems contract buy-out and systems accelerated depreciation for UnionBancorp.
- (d) Represents estimated marketing and other merger expense for UnionBancorp.
- (e) Represents the estimated expense related to supplies for UnionBancorp.

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- (f) Represents the adjustment to record the amortization of the fair value adjustment on acquired core deposits using the double declining method amortized over 10 years.
- (g) Represents estimated miscellaneous expense for UnionBancorp.
- (h) Represents the impact of the above adjustments to income at 38.6%.
- (i) Represents the adjustment to record the accretion of the fair value adjustment on acquired loans over their expected life.
- (j) Represents the adjustment to record the amortization of the fair value adjustment on acquired FHLB advances over their expected life.
- (k) Represents the adjustment to record the accretion of the fair value adjustment on acquired premises and equipment over their expected life.

Selected Historical Financial Data

The following tables present selected consolidated financial data as of June 30, 2005, and 2006, and for the six-month periods then ended, and as of December 31, 2001, 2002, 2003, 2004 and 2005 for each of the five years then ended, for each of UnionBancorp and Centru Financial. The information for UnionBancorp is based on the historical financial information that is contained in reports UnionBancorp has previously filed with the Securities and Exchange Commission, which can be found in its Form 10-Q for the quarter ended June 30, 2006 and its Form 10-Q for the quarter ended June 30, 2005, and its Annual Report on Form 10-K for the year ended December 31, 2005. The information for Centru Financial is based on the historical financial information that is included with this proxy statement-prospectus beginning on page F-46 and that is contained in reports Centru Financial has previously filed with the Securities and Exchange Commission, which can be found in its Form 10-Q for the quarter ended June 30, 2006 and its Form 10-Q for the quarter ended June 30, 2005. Effective January 1, 2006, Centru Financial adopted SFAS 123R. SFAS 123R requires that the grant date fair value of equity awards to employees be recognized as compensation expense over the period during which an employee is required to provide service in exchange for such award. Centru Financial elected to adopt SFAS 123R using modified retrospective application, which requires the restatement of prior period financial information based on the amounts previously included in the pro forma disclosures for those periods required prior to the adoption of SFAS 123R. As a result, the prior period selected historical financial information of Centru Financial presented below has been restated accordingly. In addition, the historical financial information for Centru Financial for the year ended December 31, 2005, which is included in this proxy statement beginning on page F-45, and related disclosure in the Management's Discussion and Analysis for the year ended December 31, 2005 beginning on page , have been restated in accordance with the retrospective adoption of SFAS 123R. See the notes to Centru Financial's historical financial statements included with this proxy statement-prospectus for a more detailed description of the adoption of SFAS 123R. UnionBancorp elected to adopt SFAS 123R using the modified prospective transition method, which does not require restatement of prior period financial information. See Where You Can Find More Information on page .

You should read the following tables in conjunction with the consolidated financial statements described above.

Historical results do not necessarily indicate the results that you can expect for any future period. We believe that we have included all adjustments (which include only normal recurring adjustments) necessary to arrive at a fair presentation of our interim results of operations. Results for the interim period ended June 30, 2006, do not necessarily indicate the results that you can expect for the year as a whole.

Table of Contents**UNIONBANCORP SELECTED HISTORICAL FINANCIAL DATA**

	Six Months Ended June 30,		Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
	(Unaudited)		(Dollars in thousands, except per share data)				
Statement of Income Data							
Interest income	\$ 18,859	\$ 16,687	\$ 34,697	\$ 34,912	\$ 41,086	\$ 45,509	\$ 53,829
Interest expense	8,725	6,322	13,712	13,250	15,961	20,186	29,385
Net interest income	10,134	10,365	20,985	21,662	25,125	25,323	24,444
Provision for loan losses	(1,100)	100	250	1,924	8,236	3,574	4,161
Net interest income after provision for loan losses	11,234	10,265	20,735	19,738	16,889	21,749	20,283
Noninterest income	3,457	3,881	7,602	14,102	13,719	12,455	11,920
Noninterest expense	10,463	11,173	22,965	26,981	28,607	29,026	26,212
Income before income taxes	4,228	2,973	5,372	6,859	2,001	5,178	5,991
Provision (benefit) for income taxes	1,288	627	1,199	2,056	(129)	1,134	1,537
Net income	\$ 2,940	\$ 2,346	\$ 4,173	\$ 4,803	\$ 2,130	\$ 4,044	\$ 4,454
Net income on common stock	\$ 2,836	\$ 2,242	\$ 3,966	\$ 4,596	\$ 1,937	\$ 3,787	\$ 4,197
Per Share Data							
Basic earnings per common share	\$ 0.75	\$ 0.56	\$ 1.01	\$ 1.14	\$ 0.48	\$ 0.95	\$ 1.06
Diluted earnings per common share	0.74	0.55	0.99	1.12	0.48	0.94	1.05
Cash dividends on common stock	0.12	0.11	0.44	0.40	0.35	0.31	0.27
	31.66%	39.12%	43.39%	35.10%	74.39%	32.59%	25.59%

Dividend payout ratio for common stock								
Book value per common stock	\$ 17.31	\$ 17.40	\$ 17.23	\$ 17.30	\$ 16.77	\$ 16.97	\$ 15.91	
Basic weighted average common shares outstanding	3,764,516	4,021,216	3,943,741	4,033,608	3,997,464	3,979,750	3,974,205	
Diluted weighted average common share outstanding	3,809,813	4,083,477	4,002,908	4,109,999	4,069,220	4,027,441	4,008,867	
Period-end common shares outstanding	3,742,751	3,923,018	3,806,876	4,032,144	4,026,850	3,980,946	3,979,056	
Balance Sheet								
Data								
Securities	\$ 182,914	\$ 192,593	\$ 196,440	\$ 191,661	\$ 252,248	\$ 227,229	\$ 186,282	
Loans	403,455	404,462	417,525	419,275	476,812	483,229	504,968	
Allowance for loan losses	6,848	9,159	8,362	9,732	9,011	6,450	6,295	
Total assets	656,831	655,424	676,222	669,546	793,422	791,616	784,307	
Total deposits	522,695	521,200	543,841	512,477	638,032	641,958	612,144	
Stockholders equity	65,304	68,749	66,075	70,247	68,047	68,064	63,814	
Earnings Performance								
Data								
Return on average total assets	0.89%	0.71%	0.63%	0.65%	0.28%	0.53%	0.59%	
Return on average stockholders equity	9.03	6.73	6.06	7.06	3.16	6.11	7.04	
Net interest margin ratio	3.44	3.56	3.56	3.34	3.65	3.74	3.64	
Efficiency ratio(1)	74.70	75.81	77.78	82.90	72.25	71.73	68.14	
Asset Quality Ratios								
Nonperforming assets to total end of period assets	0.64%	0.68%	0.62%	0.69%	1.10%	0.80%	1.44%	
Nonperforming loans to total end of period loans	0.70	0.95	0.96	1.00	1.78	0.99	1.76	

Net loan charge-offs to total average loans	0.10	0.16	0.39	0.23	1.18	0.70	0.85
Allowance for loan losses to total loans	1.70	2.26	2.00	2.32	1.89	1.33	1.25
Allowance for loan losses to nonperforming loans	244.05	238.83	208.84	231.60	106.30	135.50	70.93
Capital Ratios							
Average equity to average assets	9.87%	10.49%	10.39%	9.27%	8.87%	8.71%	8.37%
Total capital to risk adjusted assets	13.69	14.26	13.33	14.30	12.15	11.84	11.66
Tier 1 leverage ratio	9.38	9.42	9.03	9.54	7.60	7.48	7.54

- (1) Calculated as noninterest expense less amortization of intangibles and expenses related to other real estate owned divided by the sum of net interest income before provisions for loan losses and total noninterest income excluding securities gains and losses and gains on sale of assets.

Table of Contents**CENTRUE FINANCIAL SELECTED HISTORICAL FINANCIAL DATA**

	Six Months Ended June 30,		Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
(Dollars in Thousands, except per share data)							
Selected Financial Condition Data:							
Total assets	\$ 634,503	\$ 639,784	\$ 641,523	\$ 611,983	\$ 609,465	\$ 546,390	\$ 490,281
Loans, net, including loans held for sale	438,315	430,853	436,841	419,379	426,043	384,517	394,744
Investment securities held-to- maturity(1)	50	50	50	149	942	1,143	1,554
Investment securities available-for-sale	121,175	124,052	125,190	124,763	87,712	82,638	46,391
Deposits	462,278	513,922	507,916	495,777	496,257	431,964	415,279
Total borrowings	125,165	75,715	65,737	49,661	54,396	59,700	30,000
Trust preferred securities	20,000	20,000	20,000	20,000	10,000	10,000	
Stockholders equity	43,270	44,182	43,103	43,306	45,697	41,093	41,192
Shares outstanding(3)	2,232,889	2,366,939	2,262,939	2,380,666	2,606,022	2,331,762	2,432,716
For the period:							
Net interest income after provision for loan losses	\$ 8,888	\$ 9,081	\$ 18,382	\$ 17,548	\$ 11,358	\$ 12,037	\$ 13,528
Net income	1,620	1,907	4,084	4,626	1,035	2,229	3,256
Per common share(3):							
Book value per share outstanding	\$ 19.38	\$ 18.93	\$ 19.05	\$ 18.19	\$ 17.54	\$ 17.62	\$ 16.93
Tangible book value per share outstanding(2)	12.17	12.36	11.85	12.21	12.69	15.80	15.11
Basic earnings per share	.73	.80	1.74	1.86	0.49	.94	1.34
Diluted earnings per share	.72	.80	1.73	1.85	0.49	.93	1.31
Financial ratios:	6.82%	7.00%	6.72%	7.08%	7.50%	7.52%	8.40%

Stockholders equity to total assets							
Non-performing assets to total assets	.49%	1.16%	0.86%	1.64%	1.00%	2.03%	0.45%
Net charge-offs to average loans	.08%	.12%	0.44%	0.77%	1.53%	0.01%	0.02%
Net interest margin	3.29%	3.52%	3.41%	3.42%	3.16%	3.22%	3.16%
Efficiency ratio(5)	78.45%	76.15%	75.75%	68.47%	74.80%	65.43%	71.03%
Return on average assets	.60%	.62%	0.65%	0.76%	0.19%	0.42%	0.69%
Return on average stockholders equity	8.73%	8.88%	9.28%	10.37%	3.04%	5.41%	8.18%
Average equity to average assets	6.81%	6.99%	6.96%	7.31%	6.33%	7.70%	8.41%
Dividend payout ratio(4)				4.03%	61.22%	15.51%	8.96%

(1) Includes certificates of deposit.

(2) Calculated by subtracting goodwill and other intangible assets from stockholders equity.

(3) All share and per share information for years prior to 2003 have been restated for the 2 for 1 stock split in October 2003.

(4) Calculated by dividing dividends per share by earnings per share.

(5) Calculated by net interest income plus noninterest income excluding securities gains divided by noninterest expense.

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RISK FACTORS

By voting in favor of the merger, you will be choosing to invest in the common stock of a combined UnionBancorp and Centru Financial. In addition to the information contained elsewhere in this joint proxy statement-prospectus or incorporated in this joint proxy statement-prospectus by reference, you should carefully consider the following factors in making your decision as to how to vote on the merger.

The exchange ratio is fixed and will not be adjusted to reflect changes in UnionBancorp's stock value prior to the effective time of the merger.

The merger agreement provides that each share of Centru Financial common stock will be converted into the right to receive 1.2 shares of UnionBancorp common stock. The exchange ratio of 1.2 shares of UnionBancorp stock per share of Centru Financial stock is fixed and will not be adjusted to reflect any changes in the value of UnionBancorp common stock between the date of the merger agreement and the effective time of the merger. As a result, the value of the merger consideration to be paid to Centru Financial's stockholders will not be known at the time of the Centru Financial special meeting, and you will not know when you vote the exact value of the shares of UnionBancorp common stock that you will receive. You are urged to obtain current market price quotations for UnionBancorp common stock prior to voting on the merger.

Moreover, the value of the combined company's common stock may also rise or fall after the merger. Stock price changes may result from a variety of factors, including completion of the merger, general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Many of these factors are beyond the combined company's control, and it is possible that the market value of the combined company's common stock at the time of the merger and afterward may be substantially higher or lower than current market value.

The interests of certain management officials may be different from those of other stockholders.

Thomas A. Daiber, the President and Chief Executive Officer of Centru Financial, Scott A. Yeoman, the President and Chief Executive Officer of UnionBancorp, and Kurt R. Stevenson, the Chief Financial Officer of UnionBancorp, have entered into employment agreements in connection with the merger. We anticipate that other senior officers will enter into employment agreements that are substantially similar to those of Messrs. Daiber, Yeoman, and Stevenson. In addition, five of the members of UnionBancorp's current board of directors and five of the members of Centru Financial's board of directors will together serve as the entire board of directors of the combined company after the completion of the merger. Following the merger, they will also serve on the board of the combined bank subsidiary, and receive payments for their service. Accordingly, our directors and some of our executive officers may have interests in the merger that are different from, or in addition to, yours. *See* Description of Transaction Interests of Certain Persons in the Merger.

Difficulties in combining the operations of Centru Financial and UnionBancorp may prevent the combined company from achieving the expected benefits from its acquisition.

The combined company may not be able to achieve fully the strategic objectives and operating efficiencies it hopes to achieve in the merger. The success of the merger will depend on a number of factors, including the combined company's ability to:

integrate the operations of Centru Financial and UnionBancorp;

maintain existing relationships with depositors so as to minimize withdrawals of deposits after the merger;

maintain and enhance existing relationships with borrowers so as to limit unanticipated losses from loans of Centru Financial and UnionBancorp;

control the incremental non-interest expense so as to maintain overall operating efficiencies;

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retain and attract qualified personnel; and

compete effectively in the communities served by Centru Financial and UnionBancorp and in nearby communities.

Your interest will be diluted by the merger.

After the merger, Centru Financial's stockholders will own less than a majority of the outstanding voting stock of the combined company and could therefore, for matters requiring a majority vote, be outvoted by the existing and continuing UnionBancorp stockholders if they all voted together as a group on any such issue that is presented to the combined company's stockholders. UnionBancorp's stockholders will own approximately % of the combined company's outstanding voting stock, but the President and Chief Executive Officer of the combined company and five of the combined company's ten-member board of directors will be individuals who formerly served as directors of Centru Financial. Neither group of stockholders will have the same control over the combined company as they currently have over their respective companies.

In addition, there will be no restrictions in the combined company's governing documents relating to the ability of any person or group of persons to acquire common stock of the combined company. Accordingly, your interests may be diluted further to the extent that any person or group is able to consolidate ownership.

Obtaining required approvals and satisfying closing conditions may delay or prevent completion of the merger.

Completion of the merger is conditioned upon the receipt of all material governmental authorizations, consents, orders and approvals. UnionBancorp and Centru Financial intend to pursue all required approvals in accordance with the merger agreement. No assurance can be given that the required consents and approvals will be obtained or that the required conditions to closing will be satisfied, and, if all such consents and approvals are obtained and the conditions are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals or that they will satisfy the terms of the merger agreement. See Description of Transaction Conditions for the Completion of the Merger for a discussion of the conditions to the completion of the merger and Description of Transaction Regulatory Approvals for a description of the regulatory approvals necessary in connection with the merger.

These factors could contribute to the combined company not achieving the expected benefits from the merger within the desired time frames, if at all.

A WARNING ABOUT FORWARD-LOOKING STATEMENTS

We have each made forward-looking statements in this document (and in documents to which we refer you in this document) that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our operations or the performance of the combined company after the merger is completed. When we use any of the words believes, expects, anticipates, estimates or similar expressions, we are making forward-looking statements. These statements are based on UnionBancorp's and Centru Financial's respective management's existing expectations, which in turn are based on information that is currently available to them and on the current economic, regulatory and competitive environment, including factors such as the strength of the U.S. and local economies; federal, state and local laws, regulations and policies; interest rates and regulatory policies; and expectations as to competitors and customers. Many possible events or factors, including changes from current conditions in the factors mentioned above, could affect the future financial results and performance of each of our companies and the combined company after the merger and could cause those results or performance to differ materially from those expressed in our forward-looking statements.

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In addition to the factors listed above and the risks discussed in the Risk Factors section of this joint proxy statement-prospectus, factors that could have a material adverse effect on our operations and future prospects include, but are not limited to, the following:

the economic impact of past and any future terrorist threats and attacks, acts of war or threats thereof and the response of the United States to any such threats and attacks;

technological changes implemented by us and by other parties, including third party vendors, which may be more difficult or more expensive than anticipated or which may have unforeseen consequences to us and our customers;

the availability of capital to fund the expansion of the combined business; and

other factors referenced in this joint proxy statement-prospectus or the documents incorporated by reference.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Any forward-looking earnings estimates included in this joint proxy statement-prospectus have not been examined or compiled by either of our independent public accountants, nor have either of our independent accountants applied any procedures to our estimates. Accordingly, our accountants do not express an opinion or any other form of assurance on them. The forward-looking statements included in this joint proxy statement-prospectus are made only as of the date of this joint proxy statement-prospectus. Further information concerning UnionBancorp and its business, including additional factors that could materially affect UnionBancorp's financial results, is included in UnionBancorp's filings with the Securities and Exchange Commission. Further information concerning Centru Financial and its business, including additional factors that could materially affect Centru Financial's financial results, is included in Centru Financial's filings with the Securities and Exchange Commission.

INTRODUCTION

UnionBancorp is furnishing this joint proxy statement-prospectus to holders of UnionBancorp common stock, \$1.00 par value per share, in connection with the proxy solicitation by UnionBancorp's board of directors.

UnionBancorp's board of directors will use the proxies at the special meeting of stockholders of UnionBancorp to be held on [], 2006, and at any adjournments or postponements of the meeting.

Centru Financial is furnishing this joint proxy statement-prospectus to holders of Centru Financial common stock, \$0.01 par value per share, in connection with the proxy solicitation by Centru Financial's board of directors. Centru Financial's board of directors will use the proxies at the special meeting of stockholders of Centru Financial to be held on [], 2006, and at any adjournments or postponements of the meeting.

Our stockholders will be asked at their respective special meetings to vote to adopt the Agreement and Plan of Merger, dated as of June 30, 2006, between UnionBancorp and Centru Financial, and to approve the transactions it contemplates. Under the merger agreement, Centru Financial will merge with and into UnionBancorp. In the merger of Centru Financial with and into UnionBancorp, each of the outstanding shares of Centru Financial common stock will be converted into 1.2 shares of UnionBancorp common stock. Centru Financial stockholders will receive cash instead of any fractional shares. By approving the merger, UnionBancorp stockholders are also approving the adoption of an amended and restated certificate of incorporation attached as Exhibit A to the merger agreement.

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UNIONBANCORP SPECIAL MEETING

Date, Place, Time and Purpose

The special meeting of UnionBancorp's stockholders will be held at [], at []:00 []m. local time, on [], 2006. At the special meeting, holders of UnionBancorp common stock will be asked to vote upon a proposal to adopt the merger agreement and to approve the transactions it contemplates.

Record Date, Voting Rights, Required Vote and Revocability of Proxies

The UnionBancorp board fixed the close of business on [], 2006, as the record date for determining those UnionBancorp stockholders who are entitled to notice of and to vote at the special meeting. Only holders of UnionBancorp common stock of record on the books of UnionBancorp at the close of business on the record date have the right to receive notice of and to vote at the special meeting. On the record date, there were [] shares of UnionBancorp common stock issued and outstanding, held by approximately [] holders of record.

At the special meeting, UnionBancorp stockholders will have one vote for each share of UnionBancorp common stock owned on the record date. The holders of a majority of the outstanding shares of UnionBancorp common stock entitled to vote at the special meeting must be present for a quorum to exist at the special meeting.

To determine if a quorum is present, UnionBancorp intends to count the following:

shares of UnionBancorp common stock present at the special meeting either in person or by proxy; and

shares of UnionBancorp common stock for which it has received signed proxies, but with respect to which holders of shares have abstained on any matter.

Approval of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of UnionBancorp common stock.

Brokers who hold shares in street name for customers who are the beneficial owners of such shares may not give a proxy to vote those shares without specific instructions from their customers. Any abstention, non-voting share or broker non-vote will have the same effect as a vote against the approval of the merger agreement.

Properly executed proxies that UnionBancorp receives before the vote at the special meeting that are not revoked will be voted in accordance with the instructions indicated on the proxies. If no instructions are indicated, these proxies will be voted **FOR** the proposal to adopt the merger agreement and to approve the transactions it contemplates, **FOR** any resolution to adjourn the special meeting, if necessary, to solicit additional proxies, and the proxy holder may vote the proxy in its discretion as to any other matter that may properly come before the special meeting.

A UnionBancorp stockholder who has given a proxy solicited by the UnionBancorp board may revoke it at any time prior to its exercise at the special meeting by:

giving written notice of revocation to the secretary of UnionBancorp;

properly submitting to UnionBancorp a duly executed proxy bearing a later date; or

attending the special meeting and voting in person.

All written notices of revocation and other communications with respect to revocation of proxies should be sent to: UnionBancorp, Inc., 122 West Madison Street, Ottawa, Illinois 61350, Attention: Suzanne Fechter, Secretary.

On the record date, UnionBancorp's directors owned [] shares, or approximately []% of the outstanding shares, of UnionBancorp common stock. These individuals have agreed to vote their shares in favor of adopting the merger agreement and approving the transactions it contemplates. However, because

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they hold only []% of the voting power, adoption of the merger agreement and approval of the merger is not assured.

Solicitation of Proxies

Directors, officers and employees of UnionBancorp may solicit proxies by regular or electronic mail, in person or by telephone or facsimile. They will receive no additional compensation for these services. UnionBancorp may make arrangements with brokerage firms and other custodians, nominees and fiduciaries, if any, for the forwarding of solicitation materials to the beneficial owners of UnionBancorp common stock held of record by such persons. UnionBancorp will reimburse any brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses incurred by them for their services. UnionBancorp will bear all expenses associated with the printing and mailing of this joint proxy statement-prospectus to its stockholders, as provided in the merger agreement. *See* Description of Transaction Expenses.

Authority to Adjourn Special Meeting to Solicit Additional Proxies

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

Appraisal Rights

UnionBancorp's stockholders do not have the right under Delaware law, UnionBancorp's governing documents, or any other statute to demand appraisal of their shares and obtain cash in an amount equal to the fair value of their shares of UnionBancorp common stock.

Recommendation of UnionBancorp's Board

The UnionBancorp board has unanimously approved the merger agreement and the transactions it contemplates and believes that the proposal to adopt the merger agreement and approve the transactions it contemplates are in the best interests of UnionBancorp and its stockholders. The UnionBancorp board unanimously recommends that the UnionBancorp stockholders vote **FOR** adoption of the merger agreement and approval of the transactions it contemplates and **FOR** any resolution to adjourn the special meeting, if necessary, to solicit additional proxies. *See* Description of Transaction UnionBancorp's Reasons for the Merger and Board Recommendation.

CENTRUE FINANCIAL SPECIAL MEETING

Date, Place, Time and Purpose

The special meeting of Centrue Financial's stockholders will be held at [], at []:00 []m. local time, on [], 2006. At the special meeting, holders of Centrue Financial common stock will be asked to vote upon a proposal to adopt the merger agreement and to approve the transactions it contemplates.

Record Date, Voting Rights, Required Vote and Revocability of Proxies

The Centrue Financial board fixed the close of business on [], 2006, as the record date for determining those Centrue Financial stockholders who are entitled to notice of and to vote at the special meeting. Only holders of Centrue Financial common stock of record on the books of Centrue Financial at the close of business on the record date have the right to receive notice of and to vote at the special meeting. On the record date, there were [] shares of Centrue Financial common stock issued and outstanding, held by approximately [] holders of record.

At the special meeting, Centrue Financial stockholders will have one vote for each share of Centrue Financial common stock owned on the record date. The holders of a majority of the outstanding shares of

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Centrue Financial common stock entitled to vote at the special meeting must be present for a quorum to exist at the special meeting.

To determine if a quorum is present, Centrue Financial intends to count the following:

shares of Centrue Financial common stock present at the special meeting either in person or by proxy; and

shares of Centrue Financial common stock for which it has received signed proxies, but with respect to which holders of shares have abstained on any matter.

Approval of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of Centrue Financial common stock.

Brokers who hold shares in street name for customers who are the beneficial owners of such shares may not give a proxy to vote those shares without specific instructions from their customers. Any abstention, non-voting share or broker non-vote will have the same effect as a vote against the approval of the merger agreement.

Properly executed proxies that Centrue Financial receives before the vote at the special meeting that are not revoked will be voted in accordance with the instructions indicated on the proxies. If no instructions are indicated, these proxies will be voted **FOR** the proposal to adopt the merger agreement and to approve the transactions it contemplates, **FOR** any resolution to adjourn the special meeting, if necessary, to solicit additional proxies, and the proxy holder may vote the proxy in its discretion as to any other matter that may properly come before the special meeting.

A Centrue Financial stockholder who has given a proxy solicited by the Centrue Financial board may revoke it at any time prior to its exercise at the special meeting by:

giving written notice of revocation to the secretary of Centrue Financial;

properly submitting to Centrue Financial a duly executed proxy bearing a later date; or

attending the special meeting and voting in person.

All written notices of revocation and other communications with respect to revocation of proxies should be sent to: Centrue Financial Corporation, 303 Fountains Parkway, Fairview Heights, Illinois 60208, Attention: Thomas A. Daiber, Acting Secretary.

On the record date, Centrue Financial's directors owned [] shares, or approximately []% of the outstanding shares, of Centrue Financial common stock. These individuals have agreed to vote their shares in favor of adopting the merger agreement and approving the transactions it contemplates. However, because they hold only []% of the voting power, adoption of the merger agreement and approval of the merger is not assured.

Solicitation of Proxies

Directors, officers and employees of Centrue Financial may solicit proxies by regular or electronic mail, in person or by telephone or facsimile. They will receive no additional compensation for these services. Centrue Financial may make arrangements with brokerage firms and other custodians, nominees and fiduciaries, if any, for the forwarding of solicitation materials to the beneficial owners of Centrue Financial common stock held of record by such persons.

Centrue Financial will reimburse any brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses incurred by them for their services. Centrue Financial will bear all expenses associated with the printing and mailing of this joint proxy statement-prospectus to its stockholders, as provided in the merger agreement. *See*

Description of Transaction Expenses.

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Authority to Adjourn Special Meeting to Solicit Additional Proxies

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

Appraisal Rights

Centrue Financial's stockholders do not have the right under Delaware law, Centrue Financial's governing documents, or any other statute to demand appraisal of their shares and obtain cash in an amount equal to the fair value of their shares of Centrue Financial common stock.

Recommendation of Centrue Financial's Board

*The Centrue Financial board has unanimously approved the merger agreement and the transactions it contemplates and believes that the proposal to adopt the merger agreement and approve the transactions it contemplates are in the best interests of Centrue Financial and its stockholders. The Centrue Financial board unanimously recommends that the Centrue Financial stockholders vote **FOR** adoption of the merger agreement and approval of the transactions it contemplates and **FOR** any resolution to adjourn the special meeting, if necessary, to solicit additional proxies. See Description of Transaction Centrue Financial's Reasons for the Merger and Board Recommendation.*

DESCRIPTION OF TRANSACTION

The following information describes material aspects of the merger and related transactions. This description does not provide a complete description of all the terms and conditions of the merger agreement. It is qualified in its entirety by the Appendices to this document, including the merger agreement, which is attached as Appendix A to this joint proxy statement-prospectus and which is incorporated into this joint proxy statement-prospectus by reference. We urge you to read the Appendices in their entirety.

General

The merger agreement provides for the merger of Centrue Financial with and into UnionBancorp. At the time the merger becomes effective, each share of Centrue Financial common stock then issued and outstanding will be converted into and exchanged for the right to receive 1.2 shares of UnionBancorp common stock. By approving the merger, UnionBancorp stockholders are also approving the adoption of an amended and restated certificate of incorporation attached as Exhibit A to the merger agreement.

No fractional shares of UnionBancorp common stock will be issued to Centrue Financial's stockholders. Rather, UnionBancorp will redeem any of these fractional interests for cash in an amount equal to the average of the closing sale prices of UnionBancorp common stock for the five trading days immediately following the completion of the merger. No interest will be paid or accrued on cash payable to holders of Centrue Financial common stock in lieu of fractional shares. No stockholder of Centrue Financial will be entitled to dividends, voting rights or any other rights as a stockholder of UnionBancorp in respect of any fractional shares.

On their respective record dates, UnionBancorp had [] shares of common stock issued and outstanding and Centrue Financial had [] shares of common stock issued and outstanding. Based on the exchange ratio contained in the merger agreement, on completion of the merger, UnionBancorp will issue [] shares of its common stock to former Centrue Financial stockholders. After the merger, former Centrue Financial stockholders would own approximately []% of the outstanding shares of common stock of the combined company.

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Fluctuation in UnionBancorp Stock Price. Because the exchange ratio of 1.2 shares of UnionBancorp common stock is fixed, the value of the merger consideration will fluctuate as the price of UnionBancorp common stock changes. Share prices cannot be accurately predicted. The following table illustrates the effective value of the merger consideration to be received on a per share basis under varying prices of UnionBancorp common stock:

Price of UnionBancorp Common Stock	Value of Stock Consideration to be Received in the Merger
\$18.75	\$ 22.50
\$19.00	\$ 22.80
\$19.25	\$ 23.10
\$19.50	\$ 23.40
\$19.75	\$ 23.70
\$20.00	\$ 24.00
\$20.25	\$ 24.30
\$20.50	\$ 24.60
\$20.75	\$ 24.90
\$21.00	\$ 25.20
\$21.25	\$ 25.50

You should obtain current market price quotations for UnionBancorp common stock to determine the current value of the merger consideration. Based on the \$[] closing price of UnionBancorp common stock on [], 2006, the total value of the merger consideration to Centru Financial stockholders is \$[] (shares, multiplied by \$[]).

Treatment of Centru Financial Stock Options and Restricted Stock

Upon completion of the merger, each outstanding option to acquire Centru Financial common stock will be converted into an option to acquire that number of whole shares of the combined company's common stock equal to the product of the number of shares of Centru Financial common stock that were subject to the original Centru Financial stock option multiplied by the exchange ratio at a per share exercise price equal to the exercise price per share of the original Centru Financial stock option divided by the exchange ratio (subject to certain rounding adjustments set forth in the merger agreement). As soon as practicable following the completion of the merger, the combined company intends to file a registration statement to register the issuance of the shares of the combined company's common stock to be issued upon exercise of the converted Centru Financial stock options.

Centru Financial has issued 12,400 shares of common stock as restricted stock under its stock incentive plan. When the merger is completed, each share of restricted stock will vest and will become free of all restrictions, and each of these shares will be converted into the right to receive 1.2 shares of UnionBancorp common stock.

Surrender of Stock Certificates

Shortly after the merger, all Centru Financial stockholders will receive a letter of transmittal, together with a return envelope. The letter of transmittal will include instructions for the surrender and exchange of certificates representing Centru Financial common stock in exchange for the combined company's common stock. [] will serve as the exchange agent in the process. A letter of transmittal will be deemed properly completed only if signed and accompanied by stock certificates representing all shares of Centru Financial common stock or an appropriate guarantee of delivery of the certificates.

Please do not send any certificates to the exchange agent, Centru Financial or UnionBancorp until you receive a letter of transmittal and instructions.

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Until you surrender your Centru Financial stock certificates for exchange after completion of the merger, you will not be paid dividends or other distributions declared after the merger with respect to any of the combined company's common stock into which your Centru Financial shares have been converted. When Centru Financial stock certificates are surrendered, we will pay to the surrendering holder any of his or her respective unpaid dividends or other distributions, without interest. After the completion of the merger, no further transfers of Centru Financial common stock will be permitted. Centru Financial stock certificates presented for transfer after the completion of the merger will be canceled and exchanged for common stock of the combined company.

None of the exchange agent, UnionBancorp, Centru Financial or any other person will be liable to any former holder of Centru Financial common stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

If a certificate for Centru Financial common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon compliance by the holder of Centru Financial common stock with the conditions reasonably imposed by the exchange agent. These conditions will include a requirement that the stockholder provide a lost instruments indemnity bond in form, substance and amount reasonably satisfactory to the exchange agent and us.

Effective Time of the Merger

Subject to the conditions to each party's obligations to complete the merger, the merger will become effective when a certificate of merger reflecting the merger is filed with the Secretary of State of the State of Delaware. Unless we agree otherwise, each party will use reasonable efforts to cause the merger to become effective 10 business days after the later to occur of:

the receipt of all required regulatory approvals and the expiration of all statutory waiting periods relating to the approvals; and

the satisfaction or waiver of all of the conditions to closing.

We anticipate that the merger will become effective in the fourth quarter of 2006; however, delays could occur.

We cannot assure you that the necessary stockholder and regulatory approvals of the merger will be obtained or that other conditions precedent to the merger can or will be satisfied. Either party's board of directors may terminate the merger agreement if the merger is not completed by March 1, 2007, unless it is not completed because of the failure by the party seeking termination to comply fully with its obligations under the merger agreement, except that, in general, the termination date can be extended for up to ninety days if the sole reason that the closing has not occurred is due to the fact that (1) the regulatory approvals have not been received, or (2) the Registration Statement has not become effective. *See* Conditions to Completion of the Merger and Termination and Termination Fees.

United States Federal Income Tax Consequences of the Merger

The following is a summary of the material United States federal income tax consequences of the merger generally applicable to Centru Financial stockholders. This discussion assumes you hold your shares of Centru Financial common stock as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or the Code, and does not address all aspects of United States federal income taxation that may be relevant to you in light of your particular circumstances or if you are subject to special rules, such as rules relating to:

stockholders who are not citizens or residents of the United States;

financial institutions;

tax-exempt organizations;

insurance companies;

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dealers in securities or currencies;

traders in securities that elect to use a mark-to-market method of accounting;

stockholders who acquired their shares of Centru Financial common stock pursuant to the exercise of employee stock options or otherwise acquired shares as compensation; and

stockholders who hold their shares of Centru Financial common stock as part of a hedge, straddle or other risk reduction, constructive sale or conversion transaction.

In addition, this summary does not address any state, local or foreign tax consequences of the merger that may apply. The following discussion is based on the Code, existing and proposed regulations promulgated under the Code, published Internal Revenue Service rulings and court decisions, all as in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

Tax Opinion of Crowe Chizek and Company LLC. It is a condition of the merger, that both UnionBancorp and Centru Financial have received an opinion from UnionBancorp's accountants that, for federal income tax purposes, Centru Financial stockholders who exchange their shares for shares of common stock of the combined company will not recognize any gain or loss as a result of the merger, except in connection with the payment of cash instead of fractional shares. We have obtained the opinion of Crowe Chizek and Company LLC (Crowe Chizek) as to the expected federal income tax consequences of the merger, a copy of which is attached as an exhibit to the Registration Statement. Subject to the conditions, qualifications, representations and assumptions contained in this document and in the tax opinion, Crowe Chizek's opinion provides the following conclusions:

The acquisition by UnionBancorp of substantially all of the assets of Centru Financial in exchange for shares of UnionBancorp common stock and the assumption of liabilities of UnionBancorp and of Centru Financial pursuant to the merger will constitute a reorganization within the meaning of Section 368(a) of the Code.

UnionBancorp and Centru Financial will each be a party to a reorganization within the meaning of Section 368(b) of the Code.

No gain or loss will be recognized by either UnionBancorp or Centru Financial as a result of the merger.

No gain or loss will be recognized by the stockholders of Centru Financial as a result of the exchange of Centru Financial common stock for UnionBancorp common stock pursuant to the merger. Assuming that the UnionBancorp common stock is a capital asset in the hands of the respective Centru Financial stockholders and has been held for more than one year, any gain or loss recognized as a result of the receipt of cash in lieu of a fractional share will be a capital gain or loss equal to the difference between the cash received and that portion of the holder's tax basis in the Centru Financial common stock allocable to the fractional share.

The tax basis of UnionBancorp common stock to be received by the stockholders of Centru Financial will be the same as the tax basis of the Centru Financial common stock surrendered in exchange therefor (reduced by any amount allocable to a fractional share interest for which cash is received).

The holding period of the UnionBancorp common stock to be received by stockholders of Centru Financial will include the holding period of the Centru Financial common stock surrendered in exchange therefore on the date of the exchange.

The tax opinion is based on the Code, Treasury Regulations issued under the Code by the Internal Revenue Service, judicial decisions and administrative pronouncements of the Internal Revenue Service, all existing and in effect on the date of this joint proxy statement-prospectus and all of which are subject to change at any time, possibly retroactively. Any such change could have a material impact on the conclusions reached in the tax opinion. The tax

opinion represents only Crowe Chizek's best judgment as to the expected federal income tax consequences of the merger and is not binding on the Internal Revenue Service or the

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courts. The Internal Revenue Service may challenge the conclusions stated in the tax opinion or positions taken by stockholders on their income tax returns. Stockholders of Centru Financial may incur the cost and expense of defending positions taken by them with respect to the merger. A successful challenge by the Internal Revenue Service could have material adverse consequences to the parties to the merger, including stockholders of Centru Financial.

In rendering the tax opinion, Crowe Chizek has relied as to factual matters solely on the continuing accuracy of the following:

the description of the facts relating to the merger contained in the merger agreement and this joint proxy statement-prospectus;

the factual representations and warranties contained in the merger agreement and this joint proxy statement-prospectus and related documents and agreements; and

factual matters addressed by representations made by executive officers of UnionBancorp and Centru Financial, as further described in the tax opinion.

Events occurring after the date of the tax opinion could alter the facts upon which the opinion is based. In such case, the conclusions reached in the tax opinion and in this summary could be materially impacted.

The conditions relating to the receipt of the tax opinion may be waived by both of us, although neither of us currently intends to do so. If the condition relating to the receipt of the tax opinion were waived and the material federal income tax consequences of the merger were substantially different from those described in this joint proxy statement-prospectus, we would each resolicit the approval of our respective stockholders prior to completing the merger.

Backup Withholding. Unless you provide a taxpayer identification number (social security number or employer identification number) and certify, among other things, that such number is correct, or you provide proof of an applicable exemption from backup withholding, the exchange agent will be required to withhold 28% of any cash payable to Centru Financial stockholders in connection with the merger. Any amount so withheld under the backup withholding rules is not an additional tax and will be allowed as a refund or credit against your United States federal income tax liability, provided that you furnish the required information to the Internal Revenue Service. Centru Financial stockholders should complete and sign the substitute Form W-9 that will be included as part of the transmittal letter that accompanies the election form to provide the information and certification necessary to avoid backup withholding, unless an applicable exception exists and is established in a manner that is satisfactory to the exchange agent.

Centru Financial stockholders will be required to retain records pertaining to the merger and will be required to file a statement with your United States federal income tax return for the taxable year in which the merger takes place that sets forth certain facts relating to the merger, including your basis in your Centru Financial common stock that you surrender in connection with the merger and the fair market value of the UnionBancorp common stock that you receive in connection with the merger. In addition, pursuant to the American Jobs Creation Act of 2004, Centru Financial, or UnionBancorp as Centru Financial's successor, will be required to provide to the Internal Revenue Service and Centru Financial stockholders information with respect to the merger, including information regarding your identity (and the identities of other Centru Financial stockholders) and the fair market value of UnionBancorp common stock received by you (and by each other Centru Financial stockholder) in the merger.

The foregoing discussion is not intended to be a complete analysis or description of all potential federal income tax consequences of the merger. In addition, the discussion does not address tax consequences that may vary with, or are contingent on, your individual circumstances. Moreover, the discussion does not address any non-income tax or any foreign, state, or local tax consequences of the merger. Accordingly, you are strongly urged to consult with your own tax advisor to determine the particular federal, state, local and foreign income and other tax consequences to you of the merger.

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Background of the Merger

The boards of directors of each of Centru Financial and UnionBancorp have regularly reviewed the business strategies of their respective companies in light of general conditions in the banking industry, local competitive and economic conditions, the results of operations and future prospects, legislative changes and other developments affecting the banking industry generally and each of their respective companies specifically.

The Centru Financial board of directors also has considered from time to time the possible benefits of strategic business combinations with other comparably-sized financial institutions, including other bank holding companies, as a part of its ongoing evaluation of available methods to increase stockholder value, to strengthen its franchise through expansion of its existing service area and to solidify its market position in existing markets. Following a series of strategic planning meetings in early 2003, the focus of the institution became to seek to transform Centru Financial into the premier financial institution in the central Illinois markets between Chicago and St. Louis. To this end, the senior management of Centru Financial has from time to time had informal discussions with senior management of other financial institutions regarding potential business combinations.

As a part of these discussions and the implementation of Centru Financial's strategic plan, representatives of each of Centru Financial and UnionBancorp, together with a significant individual stockholder of UnionBancorp, had an informal conversation and information-sharing meeting regarding a very preliminary exploration of the possibility of merging the two franchises. A follow-up meeting was held in the Fall of 2003 following Centru Financial's acquisition of Aviston Financial Corporation and the related retention of Thomas A. Daiber as Chief Executive Officer. Although the parties recognized that potential synergies could be reached given UnionBancorp's expressed desire to move their franchise toward Chicago and build a full-service financial institution, the parties did not make any further effort to pursue a transaction at that time. This decision was based in part on the need for UnionBancorp to address asset quality and earnings issues that had arisen in the early 2000s and to implement a cohesive long-term strategy, including focusing on the retention of a strong management team. In addition, the parties agreed that there was a need on the part of Centru Financial's new management team to integrate operations following the Aviston acquisition prior to undertaking a strategic transaction of this nature, as well as to focus on asset quality and earnings issues.

Centru Financial's board of directors continued to evaluate business combinations, undertaking the acquisition of two smaller financial institutions located in central Illinois, and also continued to explore the availability of additional opportunities that would enhance stockholder value. In April 2005, Centru Financial received an unsolicited, non-binding expression of interest from senior management of an Illinois financial institution, which included an offer to purchase Centru Financial for cash and stock consideration. Over a series of meetings conducted during May 2005, Centru Financial, together with a financial advisor, analyzed the expression of interest, and the parties conducted mutual due diligence. Following review and discussion among the parties, the negotiations were terminated due to relative valuation issues and to an inability of the parties to reach agreement on threshold issues such as management and director integration.

Following UnionBancorp's employment of Scott A. Yeoman as Chief Executive Officer in June 2005, Mr. Yeoman met with Mr. Daiber and with the retiring Chief Executive Officer of UnionBancorp, and the parties met again in November 2005, along with the Chief Financial Officers of each institution. At that time, the parties entered into a confidentiality agreement to facilitate the exchange of information. Although the parties again informally discussed the desirability of a proposed affiliation, these discussions did not progress, primarily because UnionBancorp's board was in the midst of consideration of UnionBancorp's strategic direction, and UnionBancorp was also in the midst of a reduction in force.

In the Fall of 2005, Centru Financial received an unsolicited, non-binding expression of interest from a financial institution located in the St. Louis metropolitan area regarding an offer to acquire Centru Financial in a cash and stock transaction. Representatives of each company met with one another to discuss the desired synergies resulting from the proposed acquisition, and the parties, including a new financial advisor to Centru Financial, conducted mutual due diligence. Following this process and after discussions among the respective

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parties regarding transaction terms, discussions, were terminated due to, among other things, uncertainty with respect to the combined company's ability to generate acceptable earnings.

The board of directors in November 2005 again considered its strategic alternatives, and agreed to further evaluate Centru Financial's strategic plan. In January 2006, Centru Financial conducted an informal market check, with its financial advisor contacting approximately 8-10 financial institutions, including UnionBancorp, that Centru Financial felt might have a strategic or financial interest in the potential acquisition of Centru Financial at a market premium. The board of directors of Centru Financial determined as a result of this market check that the timing did not seem appropriate to sell the company, but that it might be willing to consider strategic combinations structured as a merger of equals. In reaching this conclusion, the Centru Financial board considered that a merger of equals would, if completed, likely be completed at a value that would not represent an immediate premium over Centru Financial's then current market value, while its previous considerations of sale transactions had contemplated that Centru Financial stockholders would receive such a premium. However, the board noted that at no time had any prior discussions or the informal market check indicated that a sale transaction at an acceptable value would be achievable. In addition, in making its decision to focus on a merger of equals transaction, the board noted that the evaluation of the price to be paid to Centru Financial stockholders would be able to be evaluated over a long-term horizon, which would give the board flexibility to evaluate transactions that would support its overall corporate strategy and that may, if proper synergies were achieved, result in increases in stockholder value in the long term. When Mr. Yeoman again contacted Mr. Daiber in January, 2006 to discuss an affiliation structured as a merger of equals, the parties began in earnest to discuss the proposed structure and financial terms of such a transaction. At a UnionBancorp board meeting held on March 16, 2006, Dennis J. McDonnell, chairman of UnionBancorp, reported on conversations he had had with Centru Financial and discussed similarities between the organizations and advantages to be gained in a merger of equals.

As a result of discussions held in April, 2006 among representatives of each company, including a significant individual stockholder of UnionBancorp, the parties agreed to move forward with the consideration of a possible transaction in which Centru Financial would combine with UnionBancorp, with the combined company retaining the name Centru Financial Corporation. In the combination, it was proposed that UnionBancorp would issue stock to Centru Financial's stockholders, with an exchange ratio based on an approximation of market-to-market value preceding the date of announcement of the transaction. It was also proposed that the combined company would have a board of directors comprised of ten members, five from each constituent company, with equal representation on committees of the board. The senior management team was proposed to consist of Mr. Daiber as Chief Executive Officer, Mr. Yeoman as Chief Operating Officer, and Kurt R. Stevenson, the current Chief Financial Officer of UnionBancorp, as the Chief Financial Officer. Through a series of meetings and conversations held in late April 2006, the parties developed a framework for the financial terms and management integration, and expressed a mutual interest in pursuing a transaction. The discussions among the parties included the consideration of the possible advantages of a combination, including the fact that each of the franchises had little geographic overlap and represented the opportunity to extend the combined market share over a larger portion of central Illinois, with a possible long term goal of ultimately expanding into the Chicago metropolitan area. At a meeting of UnionBancorp's board on April 25, 2006, Mr. McDonnell apprised the entire UnionBancorp board of the above discussions and after discussion among the board members, the UnionBancorp board unanimously agreed that UnionBancorp should continue conversations with Centru Financial. Mr. McDonnell sent a letter to Centru Financial dated May 18, 2006 setting forth the proposed material terms of a possible merger of equals transaction between UnionBancorp and Centru Financial.

At a meeting of Centru Financial's board held on May 24, 2006, the directors approved moving forward with the consideration a possible merger, and authorized management to proceed with mutual due diligence. In addition, the directors authorized management to contact prospective investment bankers, including Centru Financial's most recent financial advisor, and ask the bankers to give presentations with respect to the proposed transaction. UnionBancorp and Centru Financial met and had discussions several times over the ensuing days to organize the due diligence process and to discuss organization, vision and strategy for the

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combined institution. In addition, the parties discussed with their respective counsel the alternative structures for a merger of equals transaction.

A meeting of UnionBancorp's board was held on May 25, 2006 which was attended by all of UnionBancorp's directors, UnionBancorp's Chief Financial Officer, Kurt R. Stevenson, and representatives of UnionBancorp's attorneys, Howard & Howard Attorneys P.C. At the meeting, Mr. McDonnell updated the board on the negotiations with Centru. Representatives of Howard & Howard discussed in detail with the board members their fiduciary duties in connection with merger transactions and answered questions from the board. A possible timeline was also discussed should events move forward including the due diligence process and the timing of the preparation of a definitive agreement. Messrs. Yeoman and Stevenson recommended that the company engage Sandler O'Neill & Partners, L.P. to act as independent financial advisors to assist management in a possible merger of equals transaction with Centru Financial, based on UnionBancorp's previous experience with Sandler O'Neill and Sandler O'Neill's reputation and expertise in the financial services industry. After discussion and by unanimous vote, the Board authorized management to engage Sandler O'Neill as financial advisor to UnionBancorp. UnionBancorp formally engaged Sandler O'Neill by letter dated May 25, 2006.

On June 1, 2006, the audit committee of Centru Financial's board of directors met, with participation from the remaining board members and legal counsel, Barack Ferrazzano, to interview the investment bankers to represent Centru Financial in connection with the transaction. Following the presentations offered at the meeting, the audit committee selected Keefe Bruyette & Woods, Inc. to represent Centru Financial as the investment banker on the transaction, based in part on their experience with merger of equals transactions. Keefe Bruyette was directed to begin its financial analysis of the transaction, and to engage in discussions with UnionBancorp's financial advisors, Sandler O'Neill & Partners, to assess whether any modification to the proposed exchange ratio was appropriate. At the conclusion of the meeting, the audit committee directed Barack Ferrazzano to prepare a definitive merger agreement to be presented to UnionBancorp's counsel.

Beginning June 2, 2006, additional meetings were held between Centru Financial, UnionBancorp and their financial advisors to discuss each organization's respective financial performance, personnel and business plans. The parties also discussed how the two organizations would combine in a merger of equals, and how the transaction and resulting company would be structured. Due diligence began June 5, 2006, and continued through the following week. Over this period, Sandler O'Neill and Keefe Bruyette continued discussions with respect to the exchange ratio, and Sandler O'Neill recommended to Keefe Bruyette a fixed exchange ratio of 1.2 shares of UnionBancorp common stock for each share of Centru Financial common stock, with this ratio based on the previously discussed market-to-market methodology. Keefe Bruyette reported to Centru Financial that UnionBancorp was not receptive to a modification of the exchange ratio methodology.

On June 12, 2006, UnionBancorp held a board meeting which was attended by all but one of its directors, Mr. Stevenson, Chief Financial Officer, and representatives of Howard & Howard and Sandler O'Neill. The meeting was called to update the board on the status of negotiations and due diligence. Mr. Yeoman advised that he and Mr. Stevenson met twice with Mr. Daiber prior to the commencement of the due diligence process. The meetings ended on a positive note with all parties agreeing that there would be synergies in a combined organization. Also discussed were preliminary organizational chart items, line of business structure and centralized operations and support functions. Mr. Yeoman discussed the diligence process and reviewed the findings identified by the due diligence team. Representatives of Sandler O'Neill then discussed the exchange ratio analysis projecting a 1.20x exchange ratio and their pro forma contribution analysis as of March 31, 2006 supporting a merger of equals transaction. The board briefly discussed a timeline of events should the companies move forward and the prospective need to offer employment contracts to key individuals to ensure the successful integration of the two companies.

On June 13, 2006, Centru Financial's board of directors held a meeting that included the participation of Keefe Bruyette and Barack Ferrazzano. At this meeting, the Centru Financial board reviewed the strategic alliance process to date, a summary of the merger-of-equals transaction proposal, and a financial analysis presented by Keefe Bruyette of Centru Financial, UnionBancorp and the proposed transaction. Management provided the board of directors with the initial due diligence report, which included a discussion of the loan

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review, financial and related areas, insurance and benefit plans, premises and equipment, retail overview, trust and brokerage activities, regulatory matters and personnel. In addition, Barack Ferrazzano delivered its initial legal due diligence report, including addressing securities, contract and benefit matters. The meeting also included a detailed discussion by counsel of the terms of the proposed merger agreement and employment agreements to be entered into with key management personnel of the combined company. Barack Ferrazzano also reviewed with the board its fiduciary obligations and the legal standards applicable to a decision by the board to approve the merger agreement and related transaction and recommend their approval to stockholders. At the conclusion of the meeting, counsel was requested to deliver the agreement to UnionBancorp's counsel and to negotiate a definitive agreement. Barack Ferrazzano delivered the draft agreement to Howard & Howard, counsel for UnionBancorp, later that afternoon.

Management of Centru Financial and UnionBancorp, along with their respective financial advisors, continued to have discussions regarding the proposed exchange ratio. The two management teams also discussed other key issues such as transaction structure, management, integration risk, systems compatibility and other transitional issues. These discussions continued through June 2006. Concurrently, Barack Ferrazzano and Howard & Howard negotiated, with input from their respective clients, the terms of the merger agreement and related documents, including proposed employment agreements for the top and lower-tier management personnel. Throughout this time period, the boards of directors of Centru Financial and UnionBancorp were kept advised of the progress made and the issues under discussion. In addition, the Centru Financial board of directors met on June 21 and June 22 to engage in additional discussions regarding the terms of the proposed transaction, including discussion of the status of the merger agreement and the status of conversations among the parties relating to employment agreement terms and management integration matters.

UnionBancorp's board met on June 22, 2006. Mr. Stevenson, representatives of Howard & Howard, representatives of UnionBancorp's independent auditor, Crowe Chizek and Company LLC, and representatives of Sandler O'Neill were also in attendance. Based on the current draft of the merger agreement, a representative of Howard & Howard discussed legal issues associated with the merger agreement and the board's fiduciary duties in considering the merger agreement and answered questions from the board. Messrs. Yeoman and Stevenson presented an assessment of the benefits and risks associated with the proposed merger and provided an overview of Centru Financial including a historical review and branch location descriptions. The scope and outcome of the due diligence investigation was discussed and board members were provided with executive overviews from the line of business managers who were directly involved in the due diligence process. Discussions also included a review of integration strategies and the proposed organizational chart. Representatives of Sandler O'Neill provided a detailed discussion of the analysis of the proposed merger and also answered questions from the board.

On June 26, 2006, Mr. Daiber and an independent director of Centru Financial met with Mr. Yeoman, an independent director of UnionBancorp and the Chairman of the Board of UnionBancorp, to discuss further specifics with respect to the employment and compensation arrangements, including final identification of the parties who would enter into employment agreements and the compensation and benefit levels for those individuals. The parties continued discussions on these matters as well as board structure over the next several days, while counsel for the respective parties worked to finalize the merger agreement and other documentation, including the disclosure schedules delivered in connection with the merger agreement.

On June 30, 2006, the Centru Financial board of directors held a special meeting to consider the negotiated terms of the transaction. The meeting included extensive discussion of the proposed transaction, the merger agreement and updated explanatory materials similar to those previously reviewed by the Centru Financial board at the June 13, 2006 meeting. Barack Ferrazzano again reviewed with the board its fiduciary duties and other legal considerations involved in a decision to approve the contemplated transactions. Keefe Bruyette reviewed the financial terms of the transaction, provided a financial analysis of the proposed transaction and orally expressed an opinion that the exchange ratio was fair to Centru Financial's stockholders from a financial point of view. Keefe Bruyette confirmed this oral opinion in writing by letter dated June 30, 2006. At the conclusion of this portion of the meeting, the Centru Financial board determined

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that the proposed merger of equals with UnionBancorp was in the best interests of its stockholders and unanimously approved the merger agreement and related transactions.

UnionBancorp also held a special meeting on June 30, 2006 to consider and vote on the proposed merger agreement and the transactions related to the merger agreement. Mr. Stevenson, representatives of Howard & Howard, representatives of Crowe Chizek, and representatives of Sandler O'Neill were also in attendance. Mr. Yeoman began by summarizing the activities which had taken place since the last meeting of the board relating to discussions between representatives of UnionBancorp and representatives of Centru Financial. He also summarized the results of due diligence investigations. A representative of Howard & Howard again discussed the fiduciary duties of the board in considering the merger agreement and reviewed the terms of the merger agreement, voting agreement, employment agreements, and other matters. Finally, Sandler O'Neill reviewed the financial terms of the transaction, provided a financial analysis of the proposed transaction and orally expressed an opinion that the exchange ratio was fair to UnionBancorp's stockholders from a financial point of view, which Sandler O'Neill subsequently confirmed in writing by letter dated June 30, 2006. After extensive discussion, UnionBancorp's board determined that the proposed merger of equals with Centru Financial was in the best interests of its stockholders and unanimously approved the merger agreement and related transactions.

The merger agreement was signed by both Centru Financial and UnionBancorp after the closing of stock markets on June 30, 2006, and was publicly announced on June 30, 2006.

UnionBancorp's Reasons for the Merger and Board Recommendation

The UnionBancorp board believes that the merger is fair to, and in the best interests of, UnionBancorp and the UnionBancorp stockholders. Accordingly, the UnionBancorp board has unanimously approved the merger agreement and unanimously recommends that the UnionBancorp stockholders vote FOR the adoption of the merger agreement.

The UnionBancorp board believes that the consummation of the merger presents a unique opportunity to combine with one of central Illinois' leading community banking franchises to create an even stronger Illinois community banking franchise with an enhanced geographic presence and product development capabilities.

In reaching its decision to approve the merger agreement, the UnionBancorp board consulted with UnionBancorp's management, as well as with its financial and legal advisors, and considered a variety of factors, including the following:

the fact that the exchange ratio represented an at-market transaction based on the ratio of the market price of Centru Financial common stock to the market price of UnionBancorp common stock, which the UnionBancorp board believed presented a unique and attractive opportunity, and that the exchange ratio would be fixed thereby reducing the risk that the transaction would become dilutive to UnionBancorp's stockholders;

the potential cost saving opportunities and the related potential positive impact on the combined company's earnings, including, specifically, the elimination of UnionBancorp's current need to upgrade its operating platform by converting to the operating platform currently in use at Centru Financial;

the opportunities for revenue enhancements through the development of more extensive product offerings, including cash management and private banking, by a combined company with significantly greater resources than either standing alone, and the ability to leverage UnionBancorp's asset management business over a larger franchise;

the opportunity to build greater brand recognition and awareness;

the governance arrangements with respect to the combined company post-merger, including the fact that Mr. McDonnell would serve as Chairman of the combined company, Mr. Yeoman would serve as Chief Operating Officer, and Mr. Stevenson would serve as Chief Financial Officer, as well as, the proposed composition of the board of directors;

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the belief of UnionBancorp's senior management that the managements and employees of Centru Financial and UnionBancorp possess complementary skills and expertise and the potential advantages of a larger institution when pursuing, or seeking to retain, production and management talent;

the benefit and convenience to the combined company's customers resulting from the greater number of retail banking outlets spread over a broader geographic area that would become available to them for the conduct of their banking business, as well as the increased penetration of the northern, central and southwestern Illinois markets;

the opportunity to leverage UnionBancorp's recent success in centralization, standardization, and consolidation of non-sales related operations across Centru Financial's diverse operations platforms, thereby enhancing revenue-generating activities in all branch locations;

the complementary nature and similarities in the markets served by Centru Financial and UnionBancorp;

Centru Financial's community banking philosophy, and stated commitment to local decision-making, and involvement by its leaders in the communities that it serves;

the tax-free nature of the transaction due to the all-stock consideration to be utilized in the merger;

the competence, experience, and integrity of Centru Financial's senior officers;

the growing accounting, legal and regulatory compliance costs for publicly-traded institutions and the ability to spread such costs over a significantly larger revenue base;

the increasingly high costs of product development and technology and the probability that such costs are likely to continue to increase in the future;

the belief that, following the merger, the combined entity will be well-positioned to continue to grow through possible future acquisitions or expansions while at the same time increasing its attractiveness as a possible merger candidate; and correspondingly, the ability to make strategic divestitures from time-to-time which should have a reduced impact on a larger-sized institution;

the opinion of Sandler O'Neill that, as of June 30, 2006, the exchange ratio in the merger was fair from a financial point of view to UnionBancorp stockholders (see Fairness Opinion of UnionBancorp's Financial Advisor);

the anticipated increase in the liquidity of the combined company's stock resulting from a significantly expanded stockholder base and the potential increase in interest from institutional investors and securities analysis; and

the likelihood that the merger will be approved by the appropriate regulatory authorities in a timely manner (see Regulatory Approvals).

The foregoing discussion of the information and factors considered by the UnionBancorp board is not intended to be exhaustive, but includes all material factors considered by the UnionBancorp board. In reaching its determination to approve and recommend the merger, the UnionBancorp board did not assign any relative or specific weights to the foregoing factors, and individual directors may have given differing weights to different factors. The UnionBancorp board is unanimous in its recommendation that UnionBancorp stockholders vote for approval and adoption of the merger agreement.

Centru Financial's Reasons for the Merger and Board Recommendation

*The Centru Financial board of directors believes that the merger is fair to, and in the best interests of, Centru Financial and its stockholders. Accordingly, the Centru Financial board has unanimously approved the merger agreement and unanimously recommends that its stockholders vote **FOR** the approval of the merger agreement and the transactions it contemplates.*

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Centrue Financial's board has concluded that the proposed merger offers stockholders an extremely attractive opportunity to achieve the board's strategic business objectives. These objectives included increasing stockholder value and growing the size of the business to one of the premier financial institutions in central Illinois.

In deciding to approve the merger agreement and the transactions it contemplates, Centrue Financial's board consulted with management, as well as its legal counsel and financial advisors, and considered numerous factors, including the following:

information with respect to the businesses, earnings, operations, financial condition, prospects, capital levels and asset quality of Centrue Financial and UnionBancorp, both individually and as a combined company; in particular, the Centrue Financial board focused on the strategic fit of the business lines and the operating philosophies of the two institutions;

the perceived risks and uncertainties attendant to Centrue Financial's execution of its strategic growth plans as an independent banking organization, including the need to hire and retain management personnel, including a Chief Financial Officer, in order to support and enhance future growth;

the fact that the merger would combine two solid and emerging banking franchises to create a \$1.3 billion bank that would have a top 50 deposit share in Illinois;

the consistency of the merger with Centrue Financial's long-term strategic vision to seek profitable future expansion in the far southern and southwestern Chicago suburbs, providing the foundation for advancement into both the Chicago metropolitan and St. Louis metropolitan areas, leading to continued growth in overall stockholder value;

the complementary nature of the businesses of Centrue Financial and UnionBancorp and the anticipated improved stability of the combined company's business and earnings in varying economic and market climates relative to Centrue Financial on a stand-alone basis;

the combination of the significant management talent of both organizations, which would provide for operational synergies and efficiencies;

the belief of Centrue Financial's senior management and the Centrue Financial board that the two companies share a common vision with respect to delivering financial performance and stockholder value and that their executive officers and employees possess complementary skills and expertise;

the advantages of a combination with an institution such as UnionBancorp that already has a significant market share in the northern central Illinois markets and the opportunities for increased efficiencies and significant cost savings resulting from a combination with UnionBancorp's current organization, resulting in increased profitability of the combined entity over time, as compared to a possible combination without a similar market presence;

the fact that the combined company would continue to be publicly held following the merger, providing the combined company's stockholders with continued access to a public trading market, and that stockholders would be expected to have increased liquidity for their shares as a result of the higher market capitalization of the combined company;

the fact that the market capitalization of the combined institution, as compared with Centrue Financial's market capitalization as a stand-alone entity, was expected to provide the company with increased access to capital markets to finance the combined company's capital requirements, and in addition would provide for enhanced

market visibility;

the fact that the higher market capitalization of the combined company was expected to enhance the attractiveness of the company's stock going forward, which would make the stock more attractive as consideration to be used in future acquisition opportunities that may allow for increased stockholder value;

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the current and prospective economic and competitive environments facing Centrue Financial and other financial institutions, characterized by intensifying competition from both banks and nonbank financial service organizations, and the growing costs associated with regulatory compliance in the industry;

the belief that the market value of UnionBancorp's common stock prior to the execution of the merger agreement offered favorable prospects for future appreciation as a result of the proposed merger and other strategic initiatives that would be implemented by the combined company;

the belief that the merger would result in stockholders of Centrue Financial receiving stock in a high quality combined company that should benefit stockholders through enhanced operating efficiencies and better penetration of commercial and consumer banking markets in Illinois;

the belief that, while no assurances could be given, the business and financial advantages contemplated in connection with the merger were likely to be achieved within a reasonable time frame, particularly in light of the fact that the organizations have transition experience due to recent successfully completed acquisitions, divestitures, charter consolidations and/or data processing conversions;

the opinion of Keefe Bruyette that, as of June 30, 2006, the exchange ratio offered in the merger was fair from a financial point of view to Centrue Financial's stockholders (see Fairness Opinion of Centrue Financial's Financial Advisor); and

the likelihood that the merger will be approved by the relevant bank regulatory authorities (see Regulatory Approval).

The above discussion of the information and factors considered by the Centrue Financial board is not intended to be exhaustive, but includes the material factors they considered. In arriving at its determination to approve the merger agreement and the transactions it contemplates, and recommend that the Centrue Financial stockholders vote to approve them, the Centrue Financial board did not assign any relative or specific weights to the above factors, and individual directors may have given differing weights to different factors. The Centrue Financial board unanimously recommends that its shareholders vote to approve the merger agreement and the related transactions.

Fairness Opinion of UnionBancorp's Financial Advisor

By letter dated May 25, 2006, UnionBancorp retained Sandler O'Neill to act as its financial advisor in connection with a possible business combination with Centrue Financial. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as financial advisor to UnionBancorp in connection with the proposed transaction. At the June 30, 2006 meeting at which UnionBancorp's board considered and approved the merger agreement, Sandler O'Neill delivered to the board its oral opinion, that, as of such date, the exchange ratio was fair to UnionBancorp and UnionBancorp's shareholders from a financial point of view. **The full text of Sandler O'Neill's opinion is attached as Appendix B to this joint proxy statement/ prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. Sandler O'Neill urges UnionBancorp's shareholders to read the entire opinion carefully in connection with their consideration of the proposed merger.**

Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to UnionBancorp's board and is directed only to the fairness of the Centrue exchange ratio to UnionBancorp and UnionBancorp's shareholders from a financial point of view. It does not address the underlying business decision of UnionBancorp to engage in the merger or any other aspect of the merger and is not a recommendation to any UnionBancorp shareholder as to how such shareholder should vote at the special

meeting with respect to the merger or any other matter.

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In connection with rendering its June 30, 2006 opinion, Sandler O'Neill reviewed and considered, among other things:

the merger agreement;

certain publicly available financial statements and other historical financial information of UnionBancorp that they deemed relevant;

certain publicly available financial statements and other historical financial information of Centru Financial that they deemed relevant;

earnings per share estimates for UnionBancorp for the years ending December 31, 2006 through 2009 as provided by, and reviewed with, senior management of UnionBancorp;

internal financial projections for Centru Financial for the years ending December 31, 2006 through 2008 provided by and reviewed with senior management of Centru Financial and as reviewed with and adjusted by senior management of UnionBancorp and estimated financial projections for the year ended December 31, 2009 as discussed with senior management of UnionBancorp;

the pro forma financial impact of the Merger on UnionBancorp, based on assumptions relating to transaction expenses, purchase accounting adjustments and cost savings determined by the senior management of UnionBancorp;

the publicly reported historical price and trading activity for UnionBancorp's and Centru Financial's common stock, including a comparison of certain financial and stock market information for UnionBancorp and Centru Financial and similar publicly available information for certain other companies the securities of which are publicly traded;

to the extent publicly available, the financial terms of certain recent merger of equals type business combinations in the commercial banking industry;

the current market environment generally and the banking environment in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as they considered relevant.

Sandler O'Neill also discussed with certain members of senior management of UnionBancorp the business, financial condition, results of operations and prospects of UnionBancorp and held similar discussions with certain members of senior management of Centru Financial regarding the business, financial condition, results of operations and prospects of Centru Financial.

In performing its reviews and analyses and in rendering its opinion, Sandler O'Neill relied upon the accuracy and completeness of all the financial and other information that was available to them from public sources or that was provided to Sandler O'Neill by UnionBancorp or Centru Financial or their respective representatives and have assumed such accuracy and completeness for purposes of such reviews and analysis and in rendering its opinion. Sandler O'Neill further relied on the assurances of the managements of each UnionBancorp and Centru Financial that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O'Neill was not asked to undertake, and did not undertake, an independent verification of any such information and Sandler O'Neill assumes no responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing the assets or the liabilities (contingent or otherwise) of UnionBancorp or Centru Financial or any of their subsidiaries, or

the collectibility of any such assets, nor was Sandler O Neill furnished with any such evaluations or appraisals. Sandler O Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of UnionBancorp or Centru Financial nor has Sandler O Neill reviewed any individual credit files relating to UnionBancorp or Centru Financial. Sandler O Neill assumed, with UnionBancorp s consent, that the respective allowances for loan losses for both UnionBancorp and Centru Financial were adequate to cover such losses.

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With respect to the earnings estimates for UnionBancorp and Centru Financial reviewed with the managements of UnionBancorp and Centru Financial respectively and used by Sandler O Neill in its analyses, UnionBancorp's and Centru Financial's managements confirmed to Sandler O Neill that they reflected the best currently available estimates and judgments of the respective managements of the respective future financial performances of UnionBancorp and Centru Financial, respectively. With respect to the projections of transaction expenses and cost savings determined by and reviewed with the senior management of UnionBancorp, such senior management confirmed to Sandler O Neill that they reflected the best currently available estimates and judgments of such senior management and Sandler O Neill assumed that such performances would be achieved. Sandler O Neill expressed no opinion as to such financial projections or the assumptions on which they were based. Sandler O Neill also assumed that there has been no material change in UnionBancorp's and Centru Financial's assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to Sandler O Neill. Sandler O Neill assumed in all respects material to its analysis that UnionBancorp and Centru Financial would remain as going concerns for all periods relevant to Sandler O Neill's analyses, that all of the representations and warranties contained in the Agreement and all related agreements were true and correct, that each party to the agreements will perform all of the covenants required to be performed by such party under the agreements, that the conditions precedent in the agreements are not waived and that the Merger will be a tax-free reorganization for federal income tax purposes. Finally, with Union's consent, Sandler O Neill relied upon the advice UnionBancorp received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the Merger and the other transactions contemplated by the Agreement.

Sandler O Neill's opinion was necessarily based upon financial, economic, market and other conditions as they existed on, and could be evaluated as of, the date of its opinion. Events occurring after the date of its opinion could materially affect Sandler O Neill's opinion. Sandler O Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of its opinion. Sandler O Neill expressed no opinion as to what the value of UnionBancorp's common stock will be when it is issued to Centru Financial's shareholders pursuant to the Agreement or the prices at which UnionBancorp's and Centru Financial's common stock may trade at any time.

In rendering its June 30, 2006 opinion, Sandler O Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O Neill, but is not a complete description of all the analyses underlying Sandler O Neill's opinion. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O Neill's comparative analyses described below is identical to UnionBancorp or Centru Financial and no transaction is identical to those described in the registration statement. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of UnionBancorp and Centru Financial and the companies to which they are being compared.

In performing its analyses, Sandler O Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of UnionBancorp, Centru Financial and Sandler O Neill. The analyses performed by Sandler O Neill are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. Sandler O Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to the UnionBancorp board at the board's

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June 30, 2006 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different.

Summary of Proposal. Sandler O Neill reviewed the financial terms of the proposed transaction. Using a fixed exchange ratio of 1.20 share of UnionBancorp common stock for each share of Centru Financial common stock and based upon 3,742,651 common shares outstanding, 301,675 options outstanding at a weighted-average exercise price of \$15.74 for UnionBancorp, and 2,238,164 common shares outstanding and 204,800 options outstanding at a weighted-average exercise price of \$25.28 for Centru Financial. Sandler O Neill calculated the following pro forma ownership ratios:

Pro Forma Ownership

	UnionBancorp	Centru Financial
Diluted Ownership(1)	58.7%	41.3%

(1) Based on the estimated dilutive impact of options.

Based upon the closing price of UnionBancorp's common stock on June 29, 2006 of \$20.10, Sandler O Neill calculated implied consideration of \$24.12 per Centru Financial share. Based upon financial information for Centru Financial for the twelve months ended March 31, 2006, Sandler O Neill calculated the following ratios:

Transaction Ratios

Transaction price/last 12 months earnings per share	14.4x(1)
Transaction price/tangible book value per share	125.5%
Transaction price/stated book value per share	201.7%
Tangible book premium/core deposits(2)	6.2%
Premium to market price(3)	5.3%

(1) Excludes \$80,000 non-recurring loss.

(2) Assumes 74.7% of Centru Financial's deposits are core deposits.

(3) Based on Centru Financial's closing price of \$22.91 as of June 29, 2006.

For the purposes of Sandler O Neill's analyses, earnings per share were based on fully diluted earnings per share. The aggregate transaction value was approximately \$55.1 million, based upon the share and option information for Centru Financial noted above.

Contribution Analysis. Sandler O Neill reviewed the relative contributions to be made by UnionBancorp and Centru Financial to the combined institution based on the financial information of both companies as of March 31, 2006. This analysis indicated that the implied contributions to the combined entity were as follows:

	Contribution Analysis UnionBancorp	Centru Financial
Assets	51.4%	48.6%
Net loans	48.1%	51.9%
Core deposits(1)	45.7%	54.3%
Tangible equity	68.4%	31.6%

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Last 12 months net income(2)	52.6%	47.4%
Budgeted 2006 net income(3)(4)	58.6%	41.4%
Budgeted 2007 net income(4)	59.0%	41.0%
Pro forma diluted ownership(5)	58.7%	41.3%

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- (1) For Centrue Financial, assumes 74.7% of deposits are core deposits. For UnionBancorp assumes 61.6% of deposits are core deposits.
- (2) For Centrue Financial, last twelve months net income excludes \$80,000 of non-recurring loss. For UnionBancorp, it excludes \$800,000 of negative provision.
- (3) For UnionBancorp, estimated 2006 net income excludes \$800,000 of negative provision.
- (4) Based upon internal financial projections produced by respective management teams of Centrue Financial and UnionBancorp.
- (5) Based upon the 1.20 exchange ratio.

Analysis of Selected Merger of Equals Transactions. Sandler O Neill reviewed 14 merger of equals transactions from across the nation announced from January 1, 2001 through June 29, 2006 involving commercial banks with transaction values less than \$1.0 billion. Sandler O Neill reviewed the relative levels of pro forma ownership, pro forma board room representation including board chairman, the composition of the pro forma management team, the relative asset contribution, relative earnings contribution of the merging parties and the market premium offered to the acquired party. The median results were compared with the proposed merger and are displayed in the table below:

	Merger of Equals Median (Surviving Entity Non-Surviving Entity)	UnionBancorp-Centrue Financial
Board representation	50.0%-50.0%	50.0%-50.0%
Pro forma ownership(1)	51.7%-48.3%	58.7%-41.3%
Asset contribution	54.8%-45.2%	51.4%-48.6%
Earnings contribution(2)	52.7%-47.3%	52.6%-47.4%
Market premium	22.3%	5.3%

- (1) Based upon diluted pro forma ownership for UnionBancorp/ Centrue Financial.
- (2) Based upon last twelve months net income as of 3/31/06. Relative earnings contribution projected to be 51.1%-48.9% and 51.2%-48.8% in 2006 and 2007 respectively for UnionBancorp and Centrue Financial.
Comparable Company Analysis. Sandler O Neill used publicly available information to perform a comparison of selected financial and market trading information for UnionBancorp and Centrue Financial.
Sandler O Neill used publicly available information to compare selected financial and market trading information for UnionBancorp, Centrue Financial and a group of financial institutions selected by Sandler O Neill (the Peer Group). The Peer Group consisted of the following publicly traded commercial banks headquartered in the Midwest (1) with total assets between \$550 million and \$725 million:

Alerus Financial Corporation
Baraboo Bancorporation, Incorporated
Community Bank Shares of Indiana, Inc.
DCB Financial Corp
Fentura Financial, Inc.
First Banking Center, Inc.

ISB Financial Corporation
Kentucky Bancshares, Inc.
Landmark Bancorp, Inc.
MidWestOne Financial Group, Inc.
NB&T Financial Group, Inc.
O.A.K. Financial Corporation

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First Business Financial Services, Inc.
Foresight Financial Group, Inc.

Team Financial, Inc.
Tower Financial Corporation

- (1) Midwest region defined with the following states: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin

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The analysis compared publicly available financial information for UnionBancorp, Centru Financial and the high, low, mean, and median financial and market trading data for the Peer Group as of and for the twelve months ended March 31, 2006. The table below sets forth the data for UnionBancorp, Centru Financial and the median data for the Peer Group as of and for the twelve months ended March 31, 2006, with pricing data as of June 29, 2006.

Comparable Group Analysis

	Peer Group Median	Centru Financial	UnionBancorp
Total Assets (<i>in millions</i>)	\$ 663.8	\$ 626.3	\$ 661.7
Tangible Equity/ Tangible Assets	7.62%	4.38%	8.85%
Intangible Assets/ Total Equity	6.52%	37.76%	11.40%
Net Loans/ Total Assets	74.42%	68.69%	60.32%
Gross Loans/ Total Deposits	91.54%	88.18%	76.59%
Total Borrowings/ Total Assets	11.11%	10.61%	9.14%
Non-performing Assets/ Assets	0.33%	0.70%	0.50%
Loan Loss Reserve/ Gross Loans	1.22%	1.02%	1.85%
Net Interest Margin	3.71%	3.34%	3.55%
Non-interest Income/ Average Assets	0.97%	1.14%	1.13%
Fees/ Revenues	20.24%	27.84%	26.47%
Non-interest Expense/ Average Assets	2.86%	3.24%	3.40%
Efficiency Ratio	66.23%	78.90%	79.36%
Return on Average Assets	0.99%	0.60%	0.73%
Return on Average Equity	10.72%	8.68%	7.16%
EPS CAGR (2001-Last Twelve Months)	10.31%	5.43%	2.78%
Price/ Book Value	159.73%	119.20%	115.08%
Price/ Tangible Book Value	171.36%	191.52%	129.89%
Price/ Last Twelve Months EPS	14.43x	13.97%	17.03%
Price/ Last Twelve Months Core EPS	14.53x	13.69%	18.26%
Dividend Payout Ratio	26.98%	0.00%	38.14%
Dividend Yield	1.86%	0.00%	2.24%
Market Capitalization (<i>in millions</i>)	\$ 72.9	\$ 51.1	\$ 75.2

Net Present Value Analysis. Sandler O'Neill performed an analysis that estimated the net present value per share of Centru Financial common stock through December 31, 2009 under various circumstances and assuming that Centru Financial performs in accordance with management's financial projections and forecasted growth for the years ended December 31, 2006, 2007 and 2008 and the estimated financial projections for 2009 as discussed with senior management of UnionBancorp. To approximate the terminal value of Centru Financial common stock at December 31, 2009, Sandler O'Neill applied price to last twelve months earnings per share multiples of 14.0x to 18.0x and multiples of tangible book value ranging from 125% to 200%. The terminal values were then discounted to present values using different discount rates ranging from 9.0% to 15.0% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Centru Financial common stock. In addition, the terminal value of Centru Financial's common stock at December 31, 2009 was calculated using the same range of price to last twelve months earnings multiples (14.0x to 18.0x) applied to a range of discounts and premiums to management's projections. The range applied to the projected net income was 25% under projections to 25% over projections, using a discount rate of 12.10% for the tabular analysis. As illustrated in the following tables, this analysis indicated an imputed range of values per share for Centru Financial common stock of \$20.95 to \$32.50 when applying the price to earnings multiples to the matched financial projections, \$17.18 to \$36.82 when applying

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the price to earnings multiples to the -25% to +25% projection range, and \$15.33 to \$29.58 when applying multiples of tangible book value to the matched financial projections.

Present Value Per Share Based on Price/ Earnings; Net Present Value for the Period Ending 12/31/2009.

Discount Rate	14.0x	15.0x	16.0x	17.0x	18.0x
9.0%	\$ 25.27	\$ 27.08	\$ 28.88	\$ 30.69	\$ 32.50
10.0	24.48	26.23	27.98	29.72	31.47
11.0	23.72	25.41	27.10	28.80	30.49
12.0	22.98	24.62	26.27	27.91	29.55
13.0	22.28	23.87	25.46	27.05	28.64
14.0	21.60	23.15	24.69	26.23	27.77
15.0	20.95	22.45	23.95	25.44	26.94

Present Value Per Share Based on Price/ Earnings; Net Present Value for the Period Ending 12/31/2009.

Projections Variance	14.0x	15.0x	16.0x	17.0x	18.0x
(25.0)%	\$ 17.18	\$ 18.41	\$ 19.64	\$ 20.87	\$ 22.09
(20.0)	18.33	19.64	20.95	22.26	23.57
(15.0)	19.47	20.87	22.26	23.65	25.04
(10.0)	20.62	22.09	23.57	25.04	26.51
(5.0)	21.77	23.32	24.87	26.43	27.98
0.0	22.91	24.55	26.18	27.82	29.46
5.0	24.06	25.78	27.49	29.21	30.93
10.0	25.20	27.00	28.80	30.60	32.40
15.0	26.35	28.23	30.11	31.99	33.88
20.0	27.49	29.46	31.42	33.38	35.35
25.0	28.64	30.68	32.73	34.78	36.82

Discount Rate	125%	150%	175%	200%
9.0%	\$ 18.49	\$ 22.18	\$ 25.88	\$ 29.58
10.0	17.91	21.49	25.07	28.65
11.0	17.35	20.82	24.29	27.76
12.0	16.81	20.17	23.54	26.90
13.0	16.30	19.56	22.81	26.07
14.0	15.80	18.96	22.12	25.28
15.0	15.33	18.39	21.46	24.52

Sandler O'Neill also performed an analysis that estimated the net present value per share of UnionBancorp common stock through December 31, 2009 under various circumstances and assuming that UnionBancorp performs in accordance with management's financial projections for the years ended December 31, 2006, 2007, 2008 and 2009. To approximate the terminal value of UnionBancorp common stock at December 31, 2009, Sandler O'Neill applied price to last twelve months earnings per share multiples of 14.0x to 18.0x and multiples of tangible book value ranging from 125% to 200%. The terminal values were then discounted to present values using different discount rates ranging from 9.0% to 15.0% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of UnionBancorp common stock. In addition, the terminal value of UnionBancorp's common stock at

December 31, 2009 was calculated using the same range of price to last twelve months earnings multiples (14.0x to 18.0x) applied to a range of discounts and premiums to management's projections. The range applied to the projected net income

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was 25% under projections to 25% over projections, using a discount rate of 12.10% for the tabular analysis. As illustrated in the following tables, this analysis indicated an imputed range of values per share for UnionBancorp common stock of \$16.55 to \$24.93 when applying the price/earnings multiples to the matched financial projections, \$13.95 to \$27.90 when applying the price/earnings multiples to the -25% to +25% projection range, and \$16.36 to 30.16 when applying multiples of tangible book value to the matched financial projections.

Present Value Per Share Based on Price/ Earnings; Net Present Value for the Period Ending 12/31/2009.

Discount Rate	14.0x	15.0x	16.0x	17.0x	18.0x
9.0%	\$ 19.80	\$ 21.08	\$ 22.36	\$ 23.65	\$ 24.93
10.0	19.20	20.44	21.69	22.93	24.17
11.0	18.63	19.83	21.03	22.24	23.44
12.0	18.08	19.24	20.41	21.57	22.74
13.0	17.55	18.68	19.81	20.94	22.07
14.0	17.04	18.13	19.23	20.32	21.42
15.0	16.55	17.61	18.67	19.73	20.80

Present Value Per Share Based on Price/ Earnings; Net Present Value for the Period Ending 12/31/2009.

Projections Variance	14.0x	15.0x	16.0x	17.0x	18.0x
(25.0)%	\$ 13.95	\$ 14.83	\$ 15.70	\$ 16.57	\$ 17.44
(20.0)	14.77	15.70	16.63	17.56	18.49
(15.0)	15.58	16.57	17.56	18.54	19.53
(10.0)	16.40	17.44	18.49	19.53	20.58
(5.0)	17.21	18.31	19.42	20.52	21.62
0.0	18.02	19.18	20.35	21.51	22.67
5.0	18.84	20.06	21.28	22.50	23.72
10.0	19.65	20.93	22.21	23.48	24.76
15.0	20.46	21.80	23.13	24.47	25.81
20.0	21.28	22.67	24.06	25.46	26.85
25.0	22.09	23.54	24.99	26.45	27.90

Present Value Per Share Based on Tangible Book Value; Net Present Value for the Period Ending 12/31/2009.

Discount Rate	125%	150%	175%	200%
9.0%	\$ 19.57	\$ 23.10	\$ 26.63	\$ 30.16
10.0	18.98	22.40	25.82	29.23
11.0	18.41	21.72	25.04	28.35
12.0	17.87	21.08	24.29	27.50
13.0	17.34	20.46	23.57	26.68
14.0	16.84	19.86	22.88	25.89
15.0	16.36	19.28	22.21	25.14

In connection with its analyses, Sandler O Neill considered and discussed with the UnionBancorp board how the present value analyses would be affected by changes in the underlying assumptions. Sandler O Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of

actual values or future results.

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Stock Trading History. Sandler O'Neill reviewed the history of the reported trading prices and volume of Centru Financial's and UnionBancorp's common stock and the relationship between the movements in the price of Centru Financial's and UnionBancorp's common stock and the movements in the prices of the Standard & Poor's 500 Index, the NASDAQ Bank Index, the Standard & Poor's Bank Index and the median performance of the Peer Group. The composition of the Peer Group is discussed under the relevant section under "Comparable Company Analysis" above.

Sandler O'Neill analyzed Centru Financial's and UnionBancorp's common stock for the one year period ended June 28, 2006. During this period, Centru Financial's common stock generally underperformed UnionBancorp, the indices and the Peer Group to which it was compared. During this same period, UnionBancorp's common stock generally performed in-line with the Peer Group and outperformed Centru Financial and the indices to which it was compared.

One Year Stock Performance

	Beginning Index Value June 28, 2005	Ending Index Value June 28, 2006
Centru Financial	100.00%	88.94%
UnionBancorp	100.00	95.13
The Peer Group	100.00	109.21
S&P 500 Index	100.00	103.70
NASDAQ Bank Index	100.00	102.63
S&P Bank Index	100.00	103.21

Sandler O'Neill analyzed Centru Financial's and UnionBancorp's common stock for the three year period ended June 28, 2006. During this period, Centru Financial's common stock generally underperformed UnionBancorp and the Peer Group, and generally outperformed the indices and to which it was compared. During this same period, UnionBancorp's common stock generally outperformed Centru Financial, the Peer Group and the indices to which it was compared.

Three Year Stock Performance

	Beginning Index Value June 28, 2003	Ending Index Value June 28, 2006
Centru Financial	100.00%	98.54%
UnionBancorp	100.00	100.75
The Peer Group	100.00	134.58
S&P 500 Index	100.00	127.64
NASDAQ Bank Index	100.00	127.18
S&P Bank Index	100.00	127.14

Pro Forma Merger Analysis. Sandler O'Neill analyzed certain potential pro forma effects of the merger, assuming the following: (1) the merger closes on December 31, 2006; (2) 100.0% of Centru Financial shares are exchanged for Merger Sub common stock at a fixed exchange ratio of 1.20 and 100% of UnionBancorp shares are exchanged for Merger Sub common stock at a fixed exchange ratio of 1.00; (3) Centru Financial's 2006, 2007, and 2008 financial and growth projections; (4) UnionBancorp's 2006, 2007, 2008, and 2009 financial projections; (6) purchase accounting adjustments, charges and transaction costs associated with the merger and cost savings determined by the senior managements of UnionBancorp and Centru Financial. The analyses indicated that for the year ending December 31, 2007 (the first full year of combined operations), the merger would be accretive to UnionBancorp's projected earnings per share and, at December 31, 2006 (the assumed closing date of the merger) the merger would be dilutive to UnionBancorp's tangible book value per share. The actual results achieved by the combined company may vary from

projected results and the variations may be material.

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UnionBancorp has paid Sandler O'Neill an initial retainer of \$25,000 as well as a fairness opinion fee in connection with the delivery of its opinion of \$100,000 and will pay Sandler O'Neill an additional fee of \$75,000 upon the closing of the transaction. UnionBancorp has also agreed to reimburse certain of Sandler O'Neill's reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Sandler O'Neill and its affiliates and their respective partners, directors, officers, employees, agents, and controlling persons against certain expenses and liabilities, including liabilities under securities laws.

In the ordinary course of its business as a broker-dealer, Sandler O'Neill may purchase securities from and sell securities to UnionBancorp and Centru Financial and their respective affiliates. Sandler O'Neill may also actively trade the debt and/or equity securities of UnionBancorp or Centru Financial or their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

Fairness Opinion of Centru Financial's Financial Advisor

In May 2006, the Centru Financial board of directors retained Keefe Bruyette as its financial advisor in connection with Centru Financial's consideration of a possible merger transaction with a third party and to render an opinion with respect to the fairness from a financial point of view of the consideration to be received by Centru Financial's stockholders. As Centru Financial's financial advisor, Keefe Bruyette assisted Centru Financial in analyzing UnionBancorp's proposal and negotiating certain terms of the merger included in the merger agreement. In connection with Keefe Bruyette's engagement, Centru Financial asked Keefe Bruyette to evaluate the fairness of the merger consideration to Centru Financial's stockholders from a financial point of view. On June 13, 2006, Keefe Bruyette delivered its preliminary oral opinion to Centru Financial's board of directors that, as of June 13, 2006, and based upon and subject to various matters set forth in that opinion, the merger consideration was fair to Centru Financial's stockholders from a financial point of view. On June 30, 2006, Keefe Bruyette delivered its final oral opinion to Centru Financial's board of directors, subsequently confirmed in writing, that as of June 30, 2006, and based upon and subject to various matters set forth in that opinion, the merger consideration was fair to Centru Financial's stockholders from a financial point of view.

With Keefe Bruyette's consent, the full text of Keefe Bruyette's opinion, dated June 30, 2006, which sets forth a description of the procedures followed, assumptions made, matters considered and limits on the review undertaken in connection with such opinion, is attached to this document as *Appendix C* and is incorporated herein by reference. Centru Financial stockholders are urged to read the opinion in its entirety. Keefe Bruyette's opinion is directed to Centru Financial's board of directors and relates only to the fairness of the consideration provided in the merger agreement from a financial point of view and does not address any other aspect of the proposed merger or any related transaction, and does not constitute a recommendation to any stockholder as to how such a stockholder should vote with respect to the merger or any other matter. The following summary of the opinion is qualified in its entirety by reference to the full text of the opinion. This summary does not purport to be a complete description of the analysis performed by Keefe Bruyette and should not be construed independent of the other information considered by Keefe Bruyette in rendering its opinion. Selecting portions of Keefe Bruyette's analysis or isolating certain aspects of the comparable transactions without considering all analyses and factors could create an incomplete or potentially misleading view of the evaluation process.

In rendering its opinion, Keefe Bruyette reviewed, analyzed and relied upon the following material relating to the financial and operating condition of Centru Financial and UnionBancorp:

a draft of the merger agreement;

historical financial and other information concerning UnionBancorp, including UnionBancorp's annual reports to stockholders and annual reports on Form 10-K for the three fiscal years ended December 31, 2005, and certain quarterly reports on Form 10-Q;

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historical financial and other information concerning Centru Financial, including annual reports to stockholders and annual reports on Form 10-K for the three fiscal years ended December 31, 2005, and certain quarterly reports on Form 10-Q;

discussions with senior management of Centru Financial and UnionBancorp with respect to their past and current business operations, regulatory matters, financial condition and future prospects;

earnings per share estimates for Centru Financial for the years ending December 31, 2006, 2007 and 2008, as prepared by management and discussed with Centru Financial management;

earnings per share estimates for UnionBancorp for the years ending December 31, 2006, 2007 and 2008, as prepared by management and discussed with UnionBancorp management;

historical stock prices and trading volumes of the common stock of Centru Financial and UnionBancorp;

the pro forma financial impact of the merger on UnionBancorp and Centru Financial, based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies determined by the senior management of UnionBancorp and Centru Financial;

certain publicly available information of other financial institutions that Keefe Bruyette deemed comparable or otherwise relevant to its inquiry, and a comparison of Centru Financial and UnionBancorp from a financial point of view with certain of those institutions;

financial terms of certain recent business combinations in the banking industry that Keefe Bruyette deemed comparable or otherwise relevant to its inquiry; and

other financial studies, analyses and investigations and such other information as Keefe Bruyette deemed appropriate to enable it to render its opinion.

Keefe Bruyette also considered such financial and other factors as it deemed appropriate under the circumstances and took into account its assessment of general economic, market and financial conditions and its experience in similar transactions, as well as its experience in securities valuation and its knowledge of financial institutions, including banks, bank holding companies, thrifts and other financial services companies generally. Keefe Bruyette's opinion was based upon conditions as they existed on the date of the opinion and could only be evaluated as of such date thereof. In addition, the opinion was based upon information made available to Keefe Bruyette through the date of its opinion. The analyses performed by Keefe Bruyette are not necessarily indicative of actual value or future results, which may be significantly more or less favorable than suggested by such analyses and do not purport to be appraisals or reflect the prices at which a business may be sold.

In conducting its review and arriving at its opinion, Keefe Bruyette relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available, and Keefe Bruyette did not attempt to verify such information independently. Keefe Bruyette relied upon the management of Centru Financial as to the reasonableness and achievability of the financial and operating forecasts (and the assumptions and bases therefor) provided to Keefe Bruyette and assumed that such forecasts reflected the best available estimates and judgments of Centru Financial and UnionBancorp's management and that such forecasts would be realized in the amounts and in the time periods estimated by management. Keefe Bruyette also assumed, without independent verification, that Centru Financial's aggregate allowance for loan losses is adequate to cover such losses. Keefe Bruyette did not make or obtain any evaluations or appraisals of the property of Centru Financial or UnionBancorp, nor did Keefe Bruyette examine any individual loan credit files.

For purposes of rendering its opinion, Keefe Bruyette assumed that, in all respects material to its analyses: the merger will be completed substantially in accordance with the terms set forth in the merger agreement;

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the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger will be satisfied without any waivers; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of Centru Financial, UnionBancorp or the combined entity, as the case may be, or the contemplated benefits of the merger.

The following summary contains the material financial analyses employed by Keefe Bruyette in connection with providing its opinion, including summaries relating to the consideration structure and transaction overview, selected comparable public company analysis for Centru Financial and UnionBancorp, a pro forma merger analysis, selected merger transactions comparison and discounted cash flow analysis. For purposes of such analyses, the financial information used by Keefe Bruyette for Centru Financial and UnionBancorp and the comparable companies was as of, and for the quarter and twelve months ended, March 31, 2006, and market price information was as of June 27, 2006, unless otherwise noted. This summary does not purport to be a complete description of all analyses employed by Keefe Bruyette.

Transaction Overview. In providing an overview of the merger, Keefe Bruyette noted that each Centru Financial stockholder would be receiving \$24.06 per share (based on the closing price of UnionBancorp common stock on June 27, 2006) or an implied total consideration of \$54.3 million (based on the number of Centru Financial common shares outstanding on June 27, 2006 of 2,233,939, and an additional 6,789 shares representing 36,800 options based on the treasury method plus an additional 14,750 restricted shares from the management retention program).

Keefe Bruyette calculated the following multiples:

Transaction Multiples Centru Financial (Data as of 3/31/2006)

Premium/ Market price	4.8%(1)
Price/ Last 12 months earnings per share (\$1.64)	14.7x
Price/2006 estimated earnings per share (\$1.75)	13.8x
Price/2007 estimated earnings per share (\$2.10)	11.5x
Price/ Book value per share (\$19.22)	125%
Price/ Tangible book value per share (\$11.96)	201%
Tangible premium/ Core deposits	6.6%

(1) Based on Centru Financial's stock price as of June 27, 2006.

Comparable Public Company Analysis. Keefe Bruyette compared the financial and market performances of Centru Financial and UnionBancorp to a standalone peer group and a pro forma peer group. Keefe Bruyette reviewed various financial measures, including earnings performance, operating efficiency, capital adequacy and asset quality, and various measures of market performance, including: price to last twelve months operating earnings, price to forward estimated earnings, price to book values, price to tangible book values, core deposit premium, dividend payout ratio and dividend yield. Keefe Bruyette uses these measurements to determine relative value of the respective companies within the financial services industry.

The set of comparable companies selected as Centru Financial and UnionBancorp's standalone peers was comprised of 13 select public banks located in Iowa, Illinois, Indiana, Missouri and Wisconsin with total

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assets between \$500 million and \$1 billion. These companies are listed as follows, along with the state in which each is headquartered:

Princeton National Bancorp, Inc. (IL)	Community Bank Shares of IN, Inc. (IN)
First Mid-Illinois Bancshares, Inc. (IL)	MidWestOne Financial Group, Inc. (IA)
Ames National Corporation (IA)	First Business Financial Services, Inc. (WI)
Home Federal Bancorp (IN)	Foresight Financial Group, Inc. (IL)
Tri City Bankshares Corporation (WI)	Tower Financial Corporation (IN)
Monroe Bancorp (IN)	PSB Holdings, Inc. (WI)
Northern States Financial Corp. (IL)	

The set of comparable companies selected as pro forma peers for the combined entity was comprised of 23 select public banks located in the Midwest with total assets between \$900 million and \$2 billion. These companies are listed as follows, along with the state in which each is headquartered:

Macatawa Bank Corporation (MI)	Oak Hill Financial, Inc. (OH)
Mercantile Bank Corporation (MI)	Exchange National Bancshares (MO)
MainSource Financial Group, Inc. (IN)	Mercantile Bancorp, Inc. (IL)
Peoples Bancorp Inc. (OH)	Baylake Corp. (WI)
Farmers Capital Bank Corporation (KY)	Horizon Bancorp (IN)
Lakeland Financial Corporation (IN)	QCR Holdings, Inc. (IL)
MBT Financial Corporation (MI)	Camco Financial Corporation (OH)
Main Street Trust, Inc. (IL)	Firstbank Corporation (MI)
Merchants and Manufacturers Bancorp (WI)	German American Bancorp, Inc (IN)
S.Y. Bancorp, Inc. (KY)	Bank of Kentucky Financial Corp. (KY)
West Bancorporation, Inc. (IA)	Princeton National Bancorp, Inc. (IL)
Enterprise Financial Services Corp (MO)	

The following table compares various financial condition measures of Centrue Financial and UnionBancorp to their standalone peer group and pro forma peer group:

Financial Condition Measures	Centrue Financial	Union Bancorp	Standalone	Pro	Pro
			Peer Group Median	Forma Company	Forma Peer Group Median
Assets (millions)	\$ 626	\$ 662	\$ 708	\$ 1,347	\$ 1,258
Loans/ Deposits	88.18%	76.59%	94.95%	82.17%	94.94%
Tangible equity/ Tangible assets	4.38	8.85	7.30	6.46	6.68
Operating EPS CAGR 02 05	24.85	4.75	4.99	NA	6.69
Operating return on average assets	0.43	0.67(1)	0.73	0.84(2)	1.02
Operating return on average equity	6.24	6.90(1)	8.34	9.15(2)	11.57
Net interest margin	3.35	3.46	3.42	3.40	3.46
Efficiency ratio	81.93	74.70	67.08	73.64	62.81

Note: Data as of the three months ended March 31, 2006. Pro forma company data as of close, December 31, 2006.

- (1) Removed negative \$800,000 pre-tax loan loss provision in 2006Q1 to normalize UnionBancorp's earnings.
- (2) Pro forma transaction as of year end 2007.

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The following table compares various capital and asset quality measures of Centru Financial and UnionBancorp to their standalone peer group and pro forma peer group:

Capital and Asset Quality Measures	Centru Financial	Union Bancorp	Standalone Peer Group Median	Pro Forma Company	Pro Forma Peer Group Median
Leverage ratio	7.06%	9.18%	8.64%	7.90%	8.40%
Tier 1 capital ratio	10.44	12.20	11.02	11.11	10.48
Total capital ratio	12.72	13.50	11.96	12.36	11.74
NPAs/ Loans & OREO	1.00	0.82	0.59	0.91	0.72
Loan loss reserves/ NPAs	101.8	226.0	183.2	155.5	153.0
Loan loss reserves/ Gross loans	1.02	1.85	1.13	1.42	1.17
Net charge-offs/ Average loans	0.12	0.05	0.04	0.02	0.08
Loan loss provision/ Net charge-offs	58.59	NM	143.27	NM	101.65

Note: Data as of the three months ended March 31, 2006. Pro forma company data as of close, December 31, 2006.

Keefe Bruyette also compared the market performance ratios of the standalone peer group and pro forma peer group on June 27, 2006 to Centru Financial's and UnionBancorp's market ratios.

Market Performance Ratio	Centru Financial	Union Bancorp	Standalone Peer Group Median	Pro Forma Peer Group Median
Price to:				
Last 12 months operating EPS	14.0x	16.8x	17.5x	14.8x
2006 estimated earnings per share	13.1x(1)	14.9x(1)	16.2x	14.1x
2007 estimated earnings per share	11.0x(1)	13.7x(1)	15.2x	12.8x
Book value per share	119%	116%	156%	163%
Tangible book value per share	192%	131%	158%	224%
Core deposit premium	5.8%	4.6%	7.1%	11.5%
Dividend payout ratio	0.0%	28.6%	33.3%	38.6%
Dividend yield	0.0%	2.4%	2.7%	2.9%
Average daily volume (1 month)	479	1,326	1,833	11,153

(1) Earnings estimates from management projections.

Implied Exchange Ratio Analysis. Keefe Bruyette performed an implied exchange ratio analysis by comparing the historical relationship between the market prices of Centru Financial and UnionBancorp. The following table lists the average of this ratio over various periods and compares the percentage premium that these averages represents over an exchange ratio of 1.20 (based on the closing price of UnionBancorp common stock on June 27, 2006 of \$20.05).

**Implied
Exchange**

	Ratio	Premium to 1.20x
3-Year average	1.28x	7.0%
Last 12 months average	1.24x	3.2%
Last 6 months average	1.24x	3.1%
Last 90 days average	1.22x	1.9%
Last 30 days average	1.20x	(0.4)%

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Contribution Analysis. Keefe Bruyette analyzed the relative contribution of each of Centru Financial and UnionBancorp to certain pro forma balance sheet and income statement items of the combined entity. Keefe Bruyette compared the relative contribution of balance sheet and income statement items with the estimated pro forma ownership percentage Centru Financial stockholders would represent in UnionBancorp pro forma. The results of Keefe Bruyette's analysis are set forth in the following.

Category	UnionBancorp	Centru Financial
Assets	51.4	48.6
Gross loans	48.3	51.7
Deposits	51.9	48.1
Core deposits	46.8	53.2
Equity	60.2	39.8
Tangible equity	68.2	31.8
2005 earnings	48.8	51.2
5/31/06 YTD earnings	65.0	35.0
5/31/06 YTD adjusted earnings(1)	59.5	40.5
2006 budgeted earnings	56.8	43.2
2007 budgeted earnings	54.4	45.6
Ownership at transaction consideration mix	58.6	41.4

Note: All earnings are GAAP basis. Does not include purchase accounting adjustments.

(1) UnionBancorp net income adjusted to exclude negative \$800,000 pre-tax loan loss provision in first quarter of 2006.

Pro Forma Merger Analysis. Keefe Bruyette performed a pro forma financial analysis for the merger.

Assumptions regarding the core deposit intangible amortization, earnings, fair market value adjustments and cost savings were used to calculate the projected financial impact that the merger would have on certain pro forma financial results of Centru Financial and UnionBancorp stockholders. The following assumptions were made:

2.7 million shares of UnionBancorp common stock issued as stock consideration, based on the number of shares of Centru Financial common stock outstanding as of June 27, 2006, including shares underlying restricted stock units but excluding shares underlying stock options;

UnionBancorp 2006 and 2007 GAAP earnings per share of \$1.34 and \$1.46 per UnionBancorp management;

Centru Financial 2006 and 2007 GAAP earnings per share of \$1.75 and \$2.10 per Centru Financial management;

Cost savings of 9.3% of the combined entity's projected non-interest expense; 64% of cost saves achieved in 2007 and 100% achieved in 2008;

Transaction related expenses of \$2.7 million after-tax;

Core deposit intangibles equal to 3% of Centru Financial's core deposits totaling \$7.6 million of intangibles, taxed at 35%, amortized using straight-line over 10 years;

\$2.8 million in net asset (held-to-maturity and available-for-sale securities) adjustments resulting in \$360,000 in after tax GAAP amortization income in 2007 and 2008.

Keefe Bruyette also calculated the year end 2007 and 2008 projected pro forma GAAP and cash earnings per share accretion/(dilution) to UnionBancorp and Centru Financial, while including the purchase accounting fair market value adjustments estimated by Centru Financial management.

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	Centrue Financial Accretion	UnionBancorp Accretion
2007 GAAP EPS accretion	4.79%	25.05%
2007 Cash EPS accretion	4.35	23.25
2008 GAAP EPS accretion	6.76	37.18
2008 Cash EPS accretion	6.21	35.19

Keefe Bruyette analyzed the pro forma capital impact to UnionBancorp arising from the Centrue Financial merger, while including purchase accounting fair market value adjustments estimated by Centrue Financial management.

Year Ended December 31,	2007	2008
Leverage ratio	8.33%	9.09%
Tier 1 capital ratio	11.70	12.30
Total capital ratio	12.95	13.55
Tangible equity/ Tangible assets	6.97	7.47

Keefe Bruyette also calculated the year end 2007 and 2008 projected pro forma book and tangible book value accretion/(dilution) to UnionBancorp and Centrue Financial, while including the purchase accounting fair market value adjustments estimated by Centrue Financial management.

UnionBancorp Pro Forma Impact For the Year Ended December 31,	2007	2008
Book value	7.69%	10.15%
Tangible book value	(13.60)	(9.11)

Centrue Financial Pro Forma Impact for the Year Ended December 31,	2007	2008
Book value	7.43%	5.19%
Tangible book value	12.94	9.52

Comparable Acquisitions Analysis. Keefe Bruyette analyzed a group of select bank and thrift merger of equals transactions. The analysis compared the announced deal value of these transactions relative to the last twelve months earnings, estimated earnings, stated book value, stated tangible book value, core deposit premium, and one month market premium. The information analyzed was compiled by Keefe Bruyette from internal sources as well as from a data firm that monitors and publishes transaction summaries and descriptions of mergers and acquisitions in the financial services industry.

The merger transaction group included 10 bank and thrift mergers with transaction values ranging from approximately \$173.4 million to \$1.9 billion announced between October 28, 1991 and June 27, 2006 which were selected based on their merger of equals characteristics.

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Merger Transaction Comparables

Acquiror

Acquiree

UNB Corporation	BancFirst Ohio Corp. (Zanesville, OH)
MB Financial, Inc.	MidCity Financial Corporation (Chicago, IL)
Chemical Financial Corporation	Shoreline Financial Corporation (Benton Harbor, MI)
National Commerce Bancorp	CCB Financial Corporation (Durham, NC)
Santa Barbara Bancorp	Pacific Capital Bancorp (Salinas, CA)
First Hawaiian Inc.	Bank of the West (San Francisco, CA)
Citizens Bancshares Inc.	Mid Am, Inc. (Bowling Green, OH)
Associated Banc-Corp	First Financial Corporation (Stevens Point, WI)(1)
Southern National Corporation	BB&T Financial Corporation (Wilson, NC)
Comerica Incorporated	Manufacturers National Corporation (Detroit, MI)

(1) Indicates thrift transaction.

The following table compares information derived by Keefe Bruyette with respect to the selected transactions and transaction multiples as of their announcement dates. For purposes of this analysis, transaction multiples from the UnionBancorp/ Centru Financial merger were derived from the assumed \$24.06 per Centru Financial share transaction price for Centru Financial and from other financial data primarily determined as of March 31, 2006.