

OLD SECOND BANCORP INC
Form 424B2
December 28, 2007

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Registration No. 333-148173

Proxy Statement/Prospectus

**Proxy Statement for HeritageBanc, Inc. Special Meeting
Prospectus of Old Second Bancorp, Inc.**

Dear HeritageBanc Shareholder:

You are cordially invited to attend a special meeting of the shareholders of HeritageBanc, Inc., or HeritageBanc, to be held on January 30, 2008 at 2:00 p.m., local time, at the office of Heritage Bank, located at 20201 South LaGrange Road, Frankfort, Illinois.

At the special meeting, you will be asked to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger that HeritageBanc entered into with Old Second Bancorp, Inc., or Old Second, on November 5, 2007, which we refer to as the merger agreement, and the merger of Old Second Acquisition, Inc., a newly formed, wholly-owned subsidiary of Old Second, with and into HeritageBanc. If the merger is completed, Old Second will pay the HeritageBanc shareholders aggregate merger consideration of approximately \$86 million in cash and shares of Old Second common stock. In the merger, you may elect to receive cash or shares of Old Second common stock or a combination of cash and shares of Old Second common stock for your shares of HeritageBanc common stock, except that on an aggregate basis, 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive shares of Old Second common stock and 50% of the outstanding shares of HeritageBanc common stock will be converted into the right to receive cash. Therefore, depending on elections made by other shareholders, you may ultimately receive more or fewer shares of Old Second common stock and/or more or less cash than you otherwise elected to receive.

All elections for merger consideration are subject to possible proration as described in this proxy statement/prospectus. Subject to possible proration, if you elect to receive the merger consideration in cash, you will receive \$10,332.81 per share in cash. Subject to possible proration, if you elect to receive the merger consideration in shares of Old Second common stock, you will receive between 320.3972 and 375.7386 shares of Old Second common stock depending on the 30-day volume weighted average closing price per share of Old Second common stock on the

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NASDAQ Global Select Market, determined three days prior to the completion of the merger, which average price we refer to as the final VWAP.

Assuming that the final VWAP is between \$27.50 and \$32.25 per share, if you elect to receive Old Second common stock, the consideration paid in Old Second common stock to you in the merger for each share of HeritageBanc common stock will be valued at \$10,332.81 at the time the stock exchange ratio is calculated. If the final VWAP is less than \$27.50, you will receive 375.7386 shares of Old Second common stock for each HeritageBanc share, the value of which will be less than \$10,332.81 if the market price of Old Second common stock is below \$27.50 when the merger is completed; if the final VWAP is greater than \$32.25, you will receive 320.3972 shares of Old Second common stock for each HeritageBanc share, the value of which will be more than \$10,332.81 if the market price of Old Second common stock is above \$32.25 when the merger is completed.

The formula for determining the appropriate stock election exchange ratio for each share of HeritageBanc common stock is set forth in detail in this proxy statement/prospectus. For examples of how the value of the consideration may change, see *The Merger Illustrative Calculation of Per Share Consideration* on page 26.

Neither the stock election exchange ratio nor the final allocation of merger consideration will be determined until after the date of the special meeting. Therefore, at the time of the special meeting, you will not know the precise value of the stock merger consideration you may receive on the date the merger is completed, and you will not know the actual breakdown of cash and stock you will receive. Old Second can issue no more than 1,563,636 shares of Old Second common stock to HeritageBanc shareholders as contemplated by the merger agreement.

The affirmative vote of the holders of at least two-thirds of the outstanding shares of HeritageBanc common stock is required to approve and adopt the merger agreement. The merger is also subject to certain other conditions, including regulatory approvals.

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

We urge you to read this proxy statement/prospectus carefully because it contains a detailed description of the merger and related matters. In particular, for a description of certain significant considerations in connection with the merger and related matters described in this proxy statement/prospectus, see Risk Factors beginning on page 11.

Additional information regarding the transaction, the merger agreement, HeritageBanc and Old Second is set forth in the attached proxy statement/prospectus. This document also serves as the prospectus for up to 1,563,636 shares of common stock that may be issued by Old Second in connection with the merger.

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Old Second common stock is traded on the NASDAQ Global Select Market under the symbol OSBC. The closing price of Old Second common stock on December 24, 2007 was \$28.61. HeritageBanc common stock is not registered on a national securities exchange or quoted on the NASDAQ Stock Market.

Whether or not you plan to attend the special meeting personally, please complete, sign and date the enclosed proxy card and mail it as soon as possible in the enclosed postage-paid envelope. If you attend the special meeting, you may vote in person if you wish, even if you have previously mailed in your proxy card.

To elect to receive cash, Old Second common stock or a combination thereof for your shares of HeritageBanc common stock, you must return the election form indicating your preference for stock along with your HeritageBanc stock certificates by the deadline indicated on the election materials that you will receive in the mail at a later time.

We thank you for your prompt attention to this matter and appreciate your support.

Sincerely,

John Ladowicz
Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The shares of Old Second common stock are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. Stock is subject to investment risks, including loss of value.

The date of this proxy statement/prospectus is December 28, 2007 and is being first mailed to HeritageBanc shareholders on or about December 28, 2007.

This proxy statement/prospectus incorporates by reference important business information and financial information about Old Second that is not included in or delivered with this proxy statement/prospectus. See **Where You Can Find More Information** on page 71 of this proxy

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statement/prospectus for a list of documents that Old Second has incorporated by reference into this proxy statement/prospectus. These documents are available to you without charge upon written or oral request made to Old Second Bancorp, Inc., Attention: Investor Relations, 37 S. River Street, Aurora, Illinois 60506, Phone: (630) 892-0202.

To obtain documents in time for the special meeting, your request should be received by January 23, 2008.

**20201 South LaGrange Road
Frankfort, Illinois 60423**

Notice of Special Meeting of Shareholders

To Be Held On January 30, 2008

A special meeting of the shareholders of HeritageBanc, Inc., an Illinois corporation, to be held on January 30, 2008 at 2:00 p.m., local time, at the office of Heritage Bank, located at 20201 South LaGrange Road, Frankfort, Illinois, for the following purposes:

1. to consider and approve the Agreement and Plan of Merger, dated November 5, 2007, among Old Second Bancorp, Inc., a Delaware corporation, Old Second Acquisition, Inc., a Delaware corporation and newly formed, wholly-owned subsidiary of Old Second, and HeritageBanc, pursuant to which Old Second Acquisition will merge with and into HeritageBanc, and approve the transactions it contemplates;
2. to approve any adjournment of the special meeting if necessary to solicit additional proxies in order to approve the merger agreement; and
3. to transact such other business as may properly be brought before the special meeting, or any adjournments or postponements of the special meeting, including whether or not to adjourn the special meeting.

The close of business on December 27, 2007, has been fixed as the record date for determining those shareholders entitled to vote at the special meeting and any adjournments or postponements of the special meeting. Accordingly, only shareholders of record on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Whether or not you plan to attend the special meeting in person, please take the time to vote by completing and mailing the enclosed proxy card. If you attend the special meeting, you still may vote in person if you wish, even if you have previously returned your proxy card. Because the affirmative vote of the holders of at least two-thirds of the outstanding shares of HeritageBanc common stock is required to approve proposal 1 above, the failure to vote by proxy or in person will have the same effect as a vote against such proposal. Abstentions will have the same effect as a vote against this proposal.

The board of directors of HeritageBanc unanimously recommends that you vote **FOR** approval of the merger agreement and the transactions it contemplates.

By Order of the Board of Directors

HERITAGEBANC, INC.

December 28, 2007

John Ladowicz
Chairman of the Board and Chief Executive Officer

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