

CENTRUE FINANCIAL CORP
Form DEF 14A
March 23, 2012

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant S

Filed by a Party other than the Registrant o

Check the appropriate box:

Preliminary Proxy Statement Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional

Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

CENTRUE FINANCIAL CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies: NA

(2) Aggregate number of securities to which transaction applies: NA

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): NA

(4) Proposed maximum aggregate value of transaction: NA

(5) Total fee paid: NA

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: NA

(2) Form, Schedule or Registration Statement No.: NA

(3) Filing Party: NA

(4) Date Filed: NA

Notes:

March 23, 2012

Dear Fellow Stockholder:

You are cordially invited to attend Centrue Financial Corporation's annual meeting of stockholders at the Hilton Chicago O'Hare Airport, O'Hare International Airport, Chicago, Illinois, on Wednesday, April 25, 2012, at 8:00 a.m. local time.

Your board of directors has nominated two persons to serve as Class II directors on the board of directors. Their names appear in the enclosed proxy materials. Both of the nominees are incumbent directors. The board of directors recommends that you vote your shares for each of the nominees.

You are welcome to attend the meeting in person. Because it is important that your shares be represented at the meeting, please sign and return the enclosed proxy, whether or not you plan to attend the meeting. This will save us additional expense in soliciting proxies and will ensure that your shares are represented at the meeting.

A copy of our annual report to stockholders for 2011 is also enclosed. Thank you for your attention to this important matter.

Very truly yours,

Kurt R. Stevenson

President and
Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD APRIL 25, 2012

TO HOLDERS OF COMMON STOCK:

The annual meeting of stockholders of Centrue Financial Corporation, a Delaware corporation, will be held at the Hilton Chicago O'Hare Airport, O'Hare International Airport, Chicago, Illinois, on Wednesday, April 25, 2012, at 8:00 a.m. local time, for the purpose of considering and voting upon the following matters:

1. To elect two Class II directors.
2. To consider an advisory (non-binding) vote ratifying the appointment of Crowe Horwath LLP as our independent auditors for the fiscal year ending December 31, 2012.
3. To consider an advisory (non-binding) vote approving executive compensation.
4. To take action with respect to any other matters that may be properly brought before the meeting and that might be considered by the stockholders of a Delaware corporation at their annual meeting.

We are not aware of any other business to come before the meeting. Only those stockholders of record as of the close of business on March 1, 2012, shall be entitled to notice of the meeting and to vote at the meeting and any adjournments or postponements of the meeting. In the event there are not sufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the meeting, the meeting may be adjourned or postponed in order to permit our further solicitation of proxies.

By Order of the Board of Directors

Kurt R. Stevenson

President and
Chief Executive Officer

St. Louis, Missouri
March 23, 2012

PLEASE SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON. YOUR VOTE IS IMPORTANT TO ENSURE THAT A MAJORITY OF THE STOCK IS REPRESENTED. YOU ARE WELCOME TO ATTEND THE MEETING, AND IF YOU DO YOU MAY VOTE YOUR STOCK IN PERSON IF YOU WISH. IF YOU LATER FIND THAT YOU MAY BE PRESENT AT THE MEETING OR FOR ANY OTHER REASON DESIRE TO REVOKE YOUR PROXY, YOU MAY DO SO AT ANY TIME PRIOR TO ITS EXERCISE. STOCKHOLDERS HOLDING SHARES IN BROKERAGE ACCOUNTS (“STREET NAME” HOLDERS) WHO WISH TO VOTE AT THE MEETING WILL NEED TO OBTAIN A PROXY FROM THE INSTITUTION THAT HOLDS THEIR SHARES.

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation by the board of directors of Centru Financial Corporation of proxies to be voted at the annual meeting of stockholders to be held at the Hilton Chicago O'Hare Airport, O'Hare International Airport, Chicago, Illinois, on Wednesday, April 25, 2012, at 8:00 a.m., local time, or at any adjournments or postponements of the meeting.

Centru Financial Corporation, a Delaware corporation, is a regional financial services company based in St. Louis, Missouri which has one bank subsidiary. Our offices serve a market area which extends from the far western and southern suburbs of the Chicago metropolitan area across Central and Northern Illinois down to the metropolitan St. Louis area.

This proxy statement and the accompanying notice of meeting and proxy are first being mailed to holders of shares of our common stock, par value \$1.00 per share, on or about March 23, 2012 to stockholders of record as of March 1, 2012. We are required to file an annual report, called a Form 10-K, with the SEC. A copy of Form 10-K for the fiscal year ended December 31, 2011 is enclosed for your reference.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting

The proxy statement and annual report to security holders are available in the investor relations section of our website at www.centru.com.

Voting Rights and Proxy Information

The board of directors has fixed the close of business on March 1, 2012, as the record date for the determination of stockholders entitled to notice of, and to vote at, the annual meeting. Our transfer books will not be closed between the record date and the date of the annual meeting. The board of directors hopes that all stockholders can be represented at the annual meeting. Whether or not you expect to be present, please sign and return your proxy in the enclosed self-addressed, stamped envelope. Stockholders giving proxies retain the right to revoke them at any time before they are voted by written notice of revocation to the secretary of Centru Financial Corporation and stockholders present at the meeting may revoke their proxy and vote in person.

The shares represented by each valid proxy received in time will be voted at the annual meeting and, if a choice is specified on the proxy, it will be voted in accordance with that specification. If no instructions are specified in a signed proxy returned to the company, the shares represented thereby will be voted **FOR** the election of the directors listed in the enclosed proxy, **FOR** approval of the independent auditors and **FOR** the non-binding executive compensation proposal. If any other matters are properly presented at the annual meeting, including, among other things, consideration of a motion to adjourn the meeting to another time or place, the individuals named as proxies and acting thereunder will have the authority to vote on those matters according to their best judgment to the same extent

as the person delivering the proxy would be entitled to vote. If the annual meeting is adjourned or postponed, a proxy will remain valid and may be voted at the adjourned or postponed meeting. As of the date of printing of this proxy statement, we do not know of any other matters that are to be presented at the annual meeting other than the election of two Class II directors, ratification of the company's independent auditors and the non-binding executive compensation proposal.

Stockholders giving proxies retain the right to revoke them at any time before they are voted by written notice of revocation to the secretary of Centrue Financial Corporation or by a later executed proxy. Attendance at the annual meeting will not automatically revoke a proxy, but a stockholder attending the annual meeting may request a ballot and vote in person, thereby revoking a prior granted proxy.

On March 1, 2012, we had 6,063,441 issued and outstanding shares of common stock. For the election of directors, and for all other matters to be voted upon at the annual meeting, each share of common stock is entitled to one vote. A majority of the outstanding shares of the common stock must be present in person or represented by proxy to constitute a quorum for purposes of the annual meeting. Abstentions and broker non-votes (i.e., shares held by brokers in street name, voting on certain matters due to discretionary authority or instructions from the beneficial owners but not voting on other matters due to lack of authority to vote on such matters without instructions from the beneficial owner) will be counted for purposes of determining a quorum. Broker non-votes will not count toward the determination of whether such matters are approved or directors are elected. Abstentions do not affect the election of directors but have the same effect as a negative vote on all other matters. Directors will be elected by a plurality of the votes present in person or represented by proxy at the meeting and entitled to vote. In all other matters, the affirmative vote of the majority of shares of common stock present in person or represented by proxy at the annual meeting and entitled to vote on the subject matter shall be required to constitute stockholder approval.

I. ELECTION OF DIRECTORS

We have a staggered board of directors, divided into four classes. Three classes are elected by the common stockholders. One class of directors is elected by the preferred stockholder. With regard to the classes elected by common stockholders, one class is elected annually to serve for three years. In addition, the U. S. Treasury, holder of our preferred stock, is entitled to elect up to two Class C directors on an annual basis. At the annual meeting, our stockholders will be entitled to elect two Class II directors for terms of three years or until their successors are elected and qualified. Each of the nominees for election as Class II directors are incumbent directors. Our board of directors has reviewed the independence of the nominees for election to the board and the independence of the incumbent directors in accordance with the standards of the Nasdaq Stock Market. In accordance with such review, the board of directors has determined that each of Messrs. Breipohl, Ganim, McDonnell, Peterson, Shinkle, Smith and Sullivan are independent under those standards.

The proxy provides instructions for voting for all director nominees or for withholding authority to vote for one or more director nominees. Unless instructed to the contrary, the persons acting under the proxy which we are soliciting will vote for the nominees listed below. In the event, however, that any nominee shall be unable to serve, which is not now contemplated, the proxy holders reserve the right to vote at the annual meeting for a substitute nominee.

Information About Directors and Nominees

Set forth below is information, current as of March 1, 2012, concerning the nominees for election and for the other directors whose terms of office will continue after the meeting, including the age, year first elected a director and business experience of each during the previous five years, and the specific factors that led the board to conclude that the person should serve as a director. When identifying nominees for directors, the corporate governance and nominating committee seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. After reviewing the particular experience, qualification and skills of each nominee and director, the board concluded that each individual is qualified to serve as a director. Unless otherwise indicated, each person has held the positions shown for at least five years. The two nominees, if elected at the annual meeting, will serve as Class II directors for three-year terms, expiring in 2015. **We recommend that you vote your shares FOR both nominees.**

NOMINEES

Name
(Age) **Position with Centrue Financial Corporation**
and Principal Occupation

Class II
(term expires
2015)

*Dennis J.
McDonnell*

(69) Director and Chairman of the Board of Centrue Financial Corporation; Director and Chairman of the Board of Centrue Bank; Chairman, McDonnell Investment Management, LLC. With more than 40 years of investment industry experience, Mr. McDonnell’s qualifications and experience includes significant executive leadership in the asset management and financial services industries and allow him to provide critical insight and guidance on the company’s highest level strategic business decisions.
Director since 2000

John A.
Shinkle
(60)
Director
since 1997

Director of Centrue Financial Corporation and Centrue Bank; Senior Vice President, Stifel Nicolaus & Company, Inc. (2006-present); Executive Vice President and Director, Synovus Securities, Inc. (1986-2006). Mr. Shinkle’s professional qualifications and experience with securities brokerage, investment banking, trading and investment advisory services allow him to provide important insight on various aspects of the company’s investment and business strategies.

CONTINUING DIRECTORS

Name
(Age) **Position with Centrue Financial Corporation**
and Principal Occupation

Class III
(term
expires
2013)

*Kurt R.
Stevenson*
(45)

*Director
since 2011*

Director, President and Chief Executive Officer of Centrue Financial Corporation and Centrue Bank. As the CEO of the Company, Mr. Stevenson’s qualifications and experience includes nearly 25 years of progressive experience with the company. As the liaison between the board and management, Mr. Stevenson’s leadership role within the organization allows him to provide the board with critical insight and perspective on key strategic business initiatives.

*Mark L.
Smith*

(62) Director of Centrue Financial Corporation and Centrue Bank; CPA/Shareholder, Smith, Koelling, Dykstra & Ohm, P.C. (President 1975-May 2011), managing member of Solutions for Wealth Management, LLC and member of North Convent, LLC. As a Certified Public Accountant and business owner, Mr. Smith’s professional qualifications meet the SEC’s definition of a “financial expert,” while his local roots in one of the company’s key market areas provide him with a unique perspective on business development efforts.
Director since 2006

*Scott C.
Sullivan
(57)*

Director of Centrue Financial Corporation and Centrue Bank; Attorney/Partner, Williams McCarthy LLP. As a licensed attorney and partner in an Illinois law firm, Mr. Sullivan's professional qualifications and expertise in corporate law and commercial litigation allow him to provide important insight on complex company matters and to provide valuable guidance to the board and management.

*Director
since 1996*

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Name **Position with Centrue Financial Corporation**
(Age) **and Principal Occupation**

Class I
 (term
 expires
 2014)

*Walter E.
 Breipohl*
 (58)

Director of Centrue Financial Corporation and Centrue Bank; Owner, Walter E. Breipohl & Company. As a licensed real estate broker and business owner, Mr. Breipohl's professional qualifications make him a valuable resource for the company's credit activities, while his local roots in one of the company's key market areas provide him with a unique perspective on business development efforts.

*Director
 since 1993*

*Randall E.
 Ganim*
 (58)

Director of Centrue Financial Corporation and Centrue Bank; CPA/ Principal, Larson Allen, LLP (2009-present); CPA/President/Principal, Ganim, Meder, Childers & Hoering, P.C. (1986-2009). In early January 2012, Larson Allen, LLP and Clifton Gunderson LLP merged to form CliftonLarsonAllen, LLP.

*Director
 since 2006*

As a Certified Public Accountant and business owner, Mr. Ganim's professional qualifications meet the SEC's definition of a "financial expert," while his local roots in one of the company's key market areas provide him with a unique perspective on business development efforts.

Class C

**(term
 expires
 annually)**

The United States Department of the Treasury as the sole holder of the Company's Class C Fixed Rate Cumulative Perpetual Preferred Stock elected the following individuals to serve on the Company's board of directors. Class C directors are appointed for a one-year term and will be annually reelected by the holder of the preferred stock.

*Richard C.
 Peterson*
 (61)

Director of Centrue Financial Corporation and Centrue Bank; Independent Consultant, RCP Consulting; Formerly, Managing Principal and Co-Founder of Hermitage Capital Partners. With 30 plus years of executive leadership within high profile banking organizations, Mr. Peterson's qualifications and experience includes managing and co-founding a start-up private equity venture formed to acquire, re-capitalize and aggregate troubled community banks in the Chicago market which allows him to serve as a critical resource to the organization. In addition his leadership experience in retail banking and in increasing net income allows him to provide guidance on the company's customer acquisition and retention strategies.

*Director
 since 2011*

*Dennis O.
 Battles*
 (65)

Director of Centrue Financial Corporation and Centrue Bank. With 30 plus years of banking experience, Mr. Battles is a retired executive of US Bank where he headed Corporate Banking. In this position, he was accountable for corporate lending across the United States along with attendant corporate products including Treasury Management, International Banking, Foreign Exchange and Trading, Government

Director since 2012 Banking and Commercial Customer Service. Prior to its merger with US Bank, Mr. Battles was chief credit officer for Mercantile Bancorporation in St. Louis where he also held positions in Mergers and Acquisitions, Strategic Planning and regional/community banking.

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All of our directors will hold office for the terms indicated, or until their respective successors are duly elected and qualified. There are no arrangements or understandings between Centrue Financial Corporation and any person pursuant to which any director has been selected. No member of the board of directors is related to any other member of the board of directors.

Separation of the Chairman and Chief Executive Officer Roles and Board Oversight of Risk

The chairman and chief executive officer roles are currently separate. While the company's by-laws permit the chairman and the chief executive officer to be the same person, we believe separation of these roles provides important checks and balances for the CEO role and those areas reporting to the board. The board has delegated to the audit committee the responsibility of implementing internal audit controls and maintaining the safety, soundness and integrity of the institution by properly mitigating and managing risk. On a daily basis, these duties are the responsibilities of the chief risk officer. This individual has a direct reporting relationship to the chairman of the audit committee who, in turn, provides regular updates to the full board. In addition, the board receives regular updates from key business leaders in the organization on critical business issues as part of the board's oversight function. From a leadership perspective, the board does interact periodically with key members of management through their participation in various board committee meetings. However, most routine matters are delegated to the CEO.

Board Committees and Meetings

Our board of directors generally meets on a quarterly basis. The board of directors met eleven times during 2011. During 2011 all directors attended at least 75 percent of the meetings of the board and the committees on which they served. Our board of directors has standing executive and compensation, corporate governance and nominating and audit committees.

Executive and Compensation Committee

The members of the executive and compensation committee are Messrs. Shinkle (Chairman) and McDonnell. The committee met 3 times during 2011. The executive and compensation committee adopted a charter on June 16, 2005, which was last revised in April 2011. The executive and compensation committee charter combines the duties of both the executive committee and the compensation committee and is available on the company's website at www.centrue.com.

The executive and compensation committee is organized, and its members appointed, by the board of directors to carry out the responsibilities of the board of directors relating to the effective administration of the company's executive compensation and benefits programs as well as the general oversight of the company's compensation program for all company employees. The committee responsibilities include reviewing the performance of the CEO and all compensation matters for our executive officers. The executive committee also has the authority to act on other

matters, not related to compensation, in between meetings of the board of directors. The committee is comprised of two independent directors and is responsible for providing oversight to ensure that the company's compensation incentives and benefits are competitive and are aligned with company goals so that such goals can be successfully achieved.

The executive and compensation committee does not generally delegate any matters relating to the compensation and benefits of named executive officers to any other party other than to the full board of directors. Items of daily management and decisions relating to company-wide compensation and benefits, not specifically targeting named executive officers, is delegated to company management to the extent that it does not result in decisions that may materially benefit named executive officers in comparison with the overall employee population. The company's chief executive officer may recommend or provide information for consideration regarding the compensation and benefits of named executive officers to members of the board of directors.

The executive and compensation committee also periodically reviews director compensation. This oversight may be done in conjunction with or as delegated to the corporate governance committee or the full board of directors.

Audit Committee

The audit committee is responsible for assisting the board of directors with oversight of (1) the integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence and (4) the performance of our internal accounting function and independent auditors. The audit committee has the direct authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors, and is an "audit committee" for purposes of Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the audit committee are Messrs. Smith (Chair), Ganim and Sullivan. The committee met six times during 2011.

Corporate Governance and Nominating Committee

Our board of directors has a corporate governance and nominating committee which consists of three directors. Messrs. McDonnell (Chair), Smith and Sullivan are the current members of this committee. The corporate governance and nominating committee identifies individuals to become board members and selects, or recommends for the board's selection, director nominees to be presented for stockholder approval at the annual meeting of stockholders or to fill any vacancies. The corporate governance and nominating committee met twice during 2011.

Our board of directors has adopted a written charter for the corporate governance and nominating committee. The charter and principles are available on the company's website at www.centrue.com. Based upon the review described above under the section "Election of Directors", the board of directors has determined that each of the members of our corporate governance and nominating committee is independent under the applicable standards of the Nasdaq Stock Market.

The corporate governance and nominating committee will consider director nominees recommended by stockholders. A stockholder who wishes to recommend a person or persons for consideration as a nominee for election to the board of directors must send a written notice by mail, c/o corporate governance and nominating committee, Centrue Financial Corporation, 7700 Bonhomme Avenue, St. Louis, Missouri 63105, that sets forth: (1) the name, address (business and residence), date of birth and principal occupation or employment (present and for the past five years) of each person whom the stockholder proposes to be considered as a nominee; (2) the number of shares of the common stock beneficially owned (as defined by section 13(d) of the Securities Exchange Act of 1934) by each such proposed nominee; (3) any other information regarding such proposed nominee that would be required to be disclosed in a definitive proxy statement to stockholders prepared in connection with an election of directors pursuant to section 14(a) of the Securities Exchange Act of 1934; and (4) the name and address (business and residential) of the stockholder making the recommendation and the number of shares of the common stock beneficially owned (as defined by section 13(d) of the Securities Exchange Act of 1934) by the stockholder making the recommendation.

We may require any proposed nominee to furnish additional information as may be reasonably required to determine the qualifications of such proposed nominee to serve as a director of Centrue Financial Corporation. Stockholder recommendations will be considered only if received no less than 120 days or no more than 150 days before the one year anniversary of the date of the proxy statement sent to stockholders in connection with the previous year's annual meeting of stockholders. The corporate governance and nominating committee will consider any nominee

recommended by a stockholder in accordance with the preceding paragraph under the same criteria as any other potential nominee.

While the corporate governance and nominating committee seeks board members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity, the company does not have a formal written diversity policy for director nominations. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon contributions they can make to the board in performing its oversight responsibilities. The corporate governance and nominating committee uses a subjective process for identifying and evaluating nominees for director, based on the information available to, and the subjective judgments of, the members of the corporate governance and nominating committee and our then current needs. We do not believe there would be any difference in the manner in which the committee evaluates nominees based on whether the nominee is recommended by a stockholder or not.

Code of Ethics

The company has adopted a code of ethics that applies to all of our employees, officers and directors, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our code of ethics contains written standards that we believe are reasonably designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications we make;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting of violations of the code to an appropriate person or persons named in the code; and
- Accountability for adherence to the code.

Stockholder Communications with the Board and Policy for Director Attendance at Annual Meetings

Our board of directors has a process for stockholders to send communications to the board of directors, its executive and compensation committee, its corporate governance and nominating committee or its audit committee, including complaints regarding accounting, internal accounting controls, or auditing matters. Communications can be sent to the board of directors, its executive and compensation committee, its corporate governance and nominating committee or its audit committee or specific directors either by regular mail to the attention of the board of directors, its executive and compensation committee, its corporate governance and nominating committee, its audit committee or specific directors, at our principal executive offices at 7700 Bonhomme Avenue, St. Louis, Missouri 63105. All of these communications will be reviewed by our secretary (1) to filter out communications that our secretary deems, in his or her reasonable judgment, are not appropriate for our directors, such as spam and communications offering to buy or sell products or services, and (2) to sort and relay the remainder to the appropriate committee or directors.

We expect and encourage all of our directors and nominees for election as directors to attend the annual meeting of stockholders, absent a compelling reason. All of our directors at the time of the 2011 annual meeting attended that meeting.

Compensation of Directors

Each non-employee Centrue Financial Corporation director received an annual retainer of \$5,000, and each non-employee Centrue Bank director received an annual retainer of \$5,000. Additionally, the audit committee chairman received an annual retainer of \$20,000. Each non-employee Centrue Financial Corporation director earned a fee of \$750 for each board meeting attended and \$500 for each committee meeting attended, and each non-employee Centrue Bank director earned \$750 for each board meeting attended and \$500 for each committee meeting attended. Non-employee directors may also receive an annual grant of options to purchase shares of common stock under the company's 2003 Stock Option Plan. The 2003 Stock Option Plan provides for annual formula grants to each of our directors of options to purchase shares of common stock with an exercise price of not less than 100% of the then current market price of the common stock on the date of the grant. Such previously issued options were exercisable over five years. During 2011, non-employee directors were not granted stock options.

Director Compensation

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$)	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Change in		Total (\$)
					Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (\$)	
Walter E. Breipohl	\$27,500	—	—	—	—	—	\$27,500
Randall E. Ganim	\$29,000	—	—	—	—	—	\$29,000
Dennis J. McDonnell	\$18,500	—	—	—	—	—	\$18,500
Richard C. Peterson	\$3,417	—	—	—	—	—	\$3,417
John A. Shinkle	\$31,500	—	—	—	—	—	\$31,500
Mark L. Smith	\$40,000	—	—	—	—	—	\$40,000
Scott C. Sullivan	\$18,000	—	—	—	—	—	\$18,000

(1) Includes deferrals of director fees earned in 2011 pursuant to the Centrue Financial Corporation Non-Employee Directors' Deferred Compensation Plan, which became effective January 1, 2007. The Plan allows participants to defer up to 100% of director fees earned. Participant deferrals are invested in a phantom account representing

units of Centrue Financial Corporation common stock. As of December 31, 2011, participants in the Plan held the following shares in their accounts: Mr. Ganim-44,622 shares; Mr. Smith-15,926 shares; and Mr. Sullivan-19,511 shares. Also includes fees related to bank committees including the asset liability management committee and credit committee.

(2) Stock options were not granted to directors in 2011. As of December 31, 2011, the directors listed in the table above have the following number of option awards outstanding: Mr. Breipohl-28,750 shares; Mr. Ganim-21,000 shares; Mr. McDonnell-22,500 shares; Mr. Shinkle-28,750 shares; Mr. Smith-39,000 shares and Mr. Sullivan-28,750 shares.

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II. ADVISORY (NON-BINDING) VOTE RATIFYING INDEPENDENT AUDITORS

The audit committee of the board has selected Crowe Horwath LLP as our independent auditors for our fiscal year ending December 31, 2012. We are submitting the selection of independent auditors for stockholder ratification at the annual meeting. A representative of Crowe Horwath LLP will be present at the annual meeting and will be available to respond to appropriate questions from stockholders. Crowe Horwath LLP also served as our independent auditors for our fiscal year ended December 31, 2011.

Our organizational documents do not require that our stockholders ratify the selection of our independent auditors. If our stockholders do not ratify the selection, the audit committee will reconsider whether to retain Crowe Horwath LLP, but may retain them nonetheless. Even if the selection is ratified, the audit committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of the company.

The board of directors unanimously recommends a vote “FOR” approval of the independent auditors.

III. ADVISORY (NON-BINDING) VOTE ON EXECUTIVE COMPENSATION

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009. Among other things, the broad sweeping legislation requires that “TARP recipients during the period in which any obligation arising from financial assistance provided under the TARP remains outstanding shall permit a separate [nonbinding] shareholder vote to approve the compensation of executives, as disclosed pursuant to the compensation disclosure rules of the Commission.” The non-binding vote is required annually at each annual or other meeting of shareholders during the period that any obligation arising from financial assistance provided under the TARP remains outstanding.

On January 9, 2009, the company completed the sale of \$32.7 million of preferred stock and a warrant to purchase up to 508,320 shares of the company’s common stock to the U.S. Treasury under the TARP Program. As a result, the company is submitting this nonbinding proposal for consideration by shareholders in compliance with Section 7001 of the American Recovery and Reinvestment Act of 2009.

This proposal, commonly known as a “Say-on-Pay” proposal, gives you as a shareholder the opportunity to endorse or not endorse our executive pay program and policies through the following resolution:

“Resolved, that the shareholders approve the executive compensation of the company, as described in the accompanying narrative disclosure in this proxy statement.”

Because your vote is advisory, it will not be binding upon the board. However, the executive and compensation committee will take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” APPROVAL OF THE EXECUTIVE COMPENSATION OF THE COMPANY, AS DESCRIBED IN THE ACCOMPANYING NARRATIVE DISCLOSURE IN THIS PROXY STATEMENT.

SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock at March 1, 2012, by each person known by us to be the beneficial owner of more than 5% of the outstanding common stock, by each director or nominee, by each executive officer named in the summary compensation table which can be found later in this proxy statement, and by all of our directors and executive officers as a group.

The following table is based on information supplied to us by the directors, officers and stockholders described above. The company has determined beneficial ownership in accordance with the rules of the SEC. Shares of common stock subject to options that are either currently exercisable or exercisable within 60 days of March 1, 2012 are treated as outstanding and beneficially owned by the option holder for the purpose of computing the percentage ownership of the option holder. However, these shares are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The table lists applicable percentage ownership based on 6,063,441 shares outstanding as of March 1, 2012. Unless otherwise indicated, the address for each person listed below is 7700 Bonhomme Avenue, St. Louis, Missouri 63105.

Name of Individual or Number of Individuals in Group	Amount and Nature of Beneficial Ownership ⁽¹⁾⁽²⁾⁽³⁾		Percent of Class	
5% Stockholders				
Wayne W. Whalen 4920 South Greenwood Avenue Chicago, Illinois 60615	879,396	(4)	14.50	%
Directors and Nominees				
Walter E. Breipohl	49,829		*	
Randall E. Ganim	104,699	(5)	1.73	%
Dennis J. McDonnell	705,171	(6)	11.63	%
Richard C. Peterson	—		*	
John A. Shinkle	39,449	(7)	*	
Mark L. Smith	72,640	(8)	1.20	%
Kurt R. Stevenson	44,128	(9)	*	
Scott C. Sullivan	60,479	(10)	1.00	%
Other Named Executive Officers				
Kenneth A. Jones	20,743	(11)	*	

Everett J. Solon	80,417	(12)	1.33	%
All directors and all executive officers as a group (19 persons)	1,241,823	(13)	20.48	%

* Less than 1%.

(1) The information contained in this column is based upon information furnished to us by the persons named above and the members of the designated group. Amounts reported include shares held directly as well as shares which are held in retirement accounts and shares held by members of the named individuals' families or held by trusts of which the named individual is a trustee or substantial beneficiary, with respect to which shares the respective individual may be deemed to have sole or shared voting and/or investment power. The nature of beneficial ownership for shares shown in this column is sole voting and investment power, except as set forth in the footnotes below. Inclusion of shares shall not constitute an admission of beneficial ownership or voting and investment power over included shares.

Amounts shown include shares obtainable as of March 1, 2012 or obtainable within 60 days of March 1, 2012) through the exercise of options to purchase shares of common stock granted under the company's stock option plans as follows: Mr. Breipohl-25,000 shares; Mr. Ganim-21,000 shares; Mr. McDonnell-22,500 shares; Mr. (2) Shinkle-25,000 shares; Mr. Smith-39,000 shares; Mr. Stevenson-28,892 shares; Mr. Sullivan-25,000 shares; Mr. Jones-8,000 shares and Mr. Solon-19,935 shares. Option holders have the sole power to exercise their respective options and would also be entitled to exercise sole voting and investment power over the shares issued upon the exercise of such options.

Amounts shown also include phantom shares obtainable as of March 1, 2012 (or obtainable within 60 days of March 1, 2012) in accordance with the terms of the company's non-employee directors' deferred compensation (3) plan and the executive deferred compensation plan to participants as follows: Mr. Ganim-44,622 shares; Mr. Smith-15,926 shares; Mr. Stevenson-4,899 shares; Mr. Sullivan-19,511 shares; Mr. Solon-3,922 shares and Mr. Jones-3,757 shares.

Includes shares held by Mr. Whalen's wife, Paula Wolff, Mr. Whalen's children, the WPW Family Foundation and (4) WPW Associates, L.P., a family limited partnership, with shared voting and investment power over such shares. The amount above also includes approximately 86,021 shares which are issuable upon the conversion of 1,381 shares of Centru Financial Corporation convertible preferred stock held by Mr. Whalen.

(5) Includes 38,200 shares held by Mr. Ganim's spouse, over which Mr. Ganim has no voting or investment power.

Includes shares held jointly by Mr. McDonnell and his wife over which voting and dispositive power is shared. Also includes shares held in trust for which Mr. McDonnell is trustee. The amount above also includes (6) approximately 86,021 shares which are issuable upon the conversion of 1,381 shares of Centru Financial Corporation convertible preferred stock held by Mr. McDonnell. Mr. McDonnell's address is 1515 W. 22^d Street, 11th Floor, Oak Brook, Illinois 60523.

Includes 5,870 shares held in trust for which Mr. Shinkle serves as trustee and 1,079 shares held jointly by Mr. (7) Shinkle and his spouse, over which Mr. Shinkle has voting and investment power. Also includes 100 shares held by Mr. Shinkle's spouse, over which Mr. Shinkle has no voting or investment power.

(8) Includes 11,366 shares held jointly by Mr. Smith and his spouse, over which voting and investment power is shared and 480 shares held by Mr. Smith's spouse, over which Mr. Smith has no voting or investment power.

(9) Includes 425 shares held by Mr. Stevenson jointly with his spouse, over which shares Mr. Stevenson has shared voting and investment power. Also includes 9,012 shares held by Mr. Stevenson in his 401(k) retirement plan.

(10) Includes 1,687 shares held by Mr. Sullivan's spouse and 1,000 shares held by members of Mr. Sullivan's family, over which shares Mr. Sullivan has shared voting and investment power.

(11) Includes 6,986 shares held by Mr. Jones in his 401(k) retirement plan.

(12) Includes 9,695 shares held jointly by Mr. Solon with his spouse, over which shares Mr. Solon has shared voting and investment power and 35,425 shares held by Mr. Solon in his 401(k) retirement plan.

(13) Footnotes (2), (3) and (5) through (12) are incorporated herein.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that our executive officers, directors and persons who own more than 10% of our common stock file reports of ownership and changes in ownership with the Securities and Exchange Commission. They are also required to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms, and, if appropriate, representations made to us by any reporting person concerning whether a Form 5 was required to be filed for 2011, we are not aware that any of our directors, executive officers or 10% stockholders failed to comply with the filing requirements of Section 16(a) during 2011.

EXECUTIVE COMPENSATION SUMMARY

Philosophy

The executive and compensation committee's principal responsibilities include acting upon matters delegated to the committee by the full board and ensuring the alignment of compensation with the strategic objectives of the organization.

The executive and compensation committee recognizes that the company's success is largely dependent on the selection, training and development of top caliber executive, managerial and professional talent. The committee has established an objective that the company's executives be among the most highly qualified and talented professionals available in their respective areas of expertise, when compared to a peer group that represents competition for business and talent. The committee evaluates the performance of the chief executive officer and other executive officers of the organization considering input from other board members, the chief ex