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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



04033507

FORM 11-K

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2003**

OR

- TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-49729

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

UnionBancorp, Inc. 401(k) Profit Sharing Plan

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UnionBancorp, Inc.  
321 West Main Street  
Ottawa, Illinois 61350

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## **REQUIRED INFORMATION**

The UnionBancorp, Inc. 401(k) Profit Sharing Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Accordingly, the financial statements prepared in accordance with ERISA are provided as Exhibit 99.1 to this Form 11-K. The written consent of Crowe Chizek and Company LLC is attached as Exhibit 99.2 to this Form 11-K.

## SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**UNIONBANCORP, INC.**  
**401(k) PROFIT SHARING PLAN**

Date: June 24, 2004

By:   
Dewey R. Yaeger  
President and  
Chief Executive Officer

**UNIONBANCORP, INC. 401(k) PROFIT SHARING PLAN**

**EXHIBIT INDEX  
TO  
ANNUAL REPORT ON FORM 11-K**

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99.2	Consent of Crowe Chizek and Company LLC	17

**UNIONBANCORP, INC.**  
**401(k) PROFIT SHARING PLAN**  
Ottawa, Illinois

**FINANCIAL STATEMENTS**  
December 31, 2003 and 2002

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
Ottawa, Illinois

FINANCIAL STATEMENTS  
December 31, 2003 and 2002

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Crowe Chizek and Company LLC  
Member Horwath International

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator of  
UnionBancorp, Inc. 401(k) Profit Sharing Plan  
Ottawa, Illinois

We have audited the accompanying statement of net assets available for benefits of the UnionBancorp, Inc. 401(k) Profit Sharing Plan ("the Plan") as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. These financial statements are the responsibility of the Plan's Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2003 and 2002, and the changes in its net assets available for benefits for the year ended December 31, 2003, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic 2003 financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2003 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2003 financial statements taken as a whole.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Oak Brook, Illinois  
April 16, 2004

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
December 31, 2003 and 2002

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	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Cash	\$ 740	\$ 107
Investments (Note 4)	<u>4,807,925</u>	<u>3,260,844</u>
 <b>NET ASSETS AVAILABLE FOR BENEFITS</b>	 <u>\$ 4,808,665</u>	 <u>\$ 3,260,844</u>

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See accompanying notes to financial statements.

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
Year ended December 31, 2003

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**Additions to net assets attributed to**

Investment income

Net appreciation in fair value of investments (Note 4)	\$ 729,842
Interest	4,749
Dividends	<u>44,178</u>
	778,769

Contributions

Participant wage deferrals	673,220
Rollovers	132,157
Employer	<u>341,874</u>
	1,147,251

Total additions 1,926,020

**Deductions from net assets attributed to**

Benefits paid to participants	349,924
Administrative expenses	<u>28,275</u>
Total deductions	<u>378,199</u>

**Net increase** 1,547,821

**Net assets available for plan benefits**

Beginning of year	<u>3,260,844</u>
End of year	<u>\$ 4,808,665</u>

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See accompanying notes to financial statements.

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

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**NOTE 1 - DESCRIPTION OF PLAN**

The following brief description of the UnionBancorp, Inc. 401(k) Profit Sharing Plan ("the Plan") is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering employees of UnionBancorp, Inc. ("the Company") and certain of its subsidiaries, including UnionBank; UnionBank/West; UnionBank/Central; UnionBank/Northwest, and UnionFinancial Services and Trust Company. The Plan was established effective January 1, 1998 and covers all employees who have completed six months of service and are age twenty and one-half or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The administrator of the Plan is UnionBancorp, Inc. ("the Administrator") and the trustee of the Plan is UnionBank ("the Trustee"), which is a subsidiary of the Administrator. The Trustee is the custodian of the Plan's assets.

Contributions: Each year participants may contribute up to the maximum allowed under Internal Revenue Code Sections 402(g) and 415 of their annual compensation. The Company can make a discretionary contribution, subject to certain limitations under applicable federal income tax laws and regulations, on an annual basis. The Company's discretionary contribution is allocated to participant accounts on the last day of the year based on the ratio of each participant's eligible compensation for the year to total eligible compensation for the year. The Company's discretionary matching contribution is allocated to participant accounts on the last day of the year based on each participant's voluntary contributions. The employer contributed 3% of eligible wages for the 2003 plan year.

Participant Accounts: Each participant's account is credited with that employee's contributions and employer contributions. Employer contributions are allocated to participant accounts in proportion to employee contributions or employee compensation, as provided in the plan document. Each participant receives the income attributable to the participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Upon termination of a participant, the portion of the employer contribution account not vested will be forfeited and allocated to eligible participants as of the last day of the plan year the terminated participant receives a distribution.

Retirement, Death, and Disability: A participant is entitled to 100% of his or her account balance upon attainment of early retirement age (55) and completion of seven years of service, normal retirement age (65), death, or disability.

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(Continued)

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

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**NOTE 1 - DESCRIPTION OF PLAN (Continued)**

Vesting: Participants are immediately vested in their voluntary contributions and any employer safe-harbor contributions plus actual earnings thereon. In the event the Company makes matching contributions, a participant would be 100% vested after six years of service. Vesting in the remainder of their account is based on years of continuous service. A participant is 100% vested after seven years of credited service in accordance with the table below.

<u>Years of Service</u>	<u>Percent Vested</u>
Less than three	0%
Three	20%
Four	40%
Five	60%
Six	80%
Seven	100%

Payment of Benefits: Upon retirement, death, disability, or other termination of employment with the Company, participants or designated beneficiaries may receive distributions of their vested accounts in lump-sum amounts.

Loan Provisions: Participants may borrow up to 50% of their account balance up to a maximum of \$50,000. The loan will accrue interest as defined by the Plan.

Investment Options: Upon enrollment in the Plan, a participant may direct contributions in the investment options made available by the Administrator. The employee may elect to direct these contributions in multiples of 10%. Employer contributions are allocated in the same percentages as the employee has elected. The investment options are derived from a combination of various mutual funds and a money market fund. Plan participants are allowed to reallocate funds between investment options on a daily basis.

**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES**

Accounting Method: The Plan uses the accrual basis of accounting.

Estimates: The preparation of financial statements in conformity with U.S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

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(Continued)

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

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**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

Investments: Investments in mutual funds are stated at quoted market prices. The fair value of money market accounts is the amount payable on demand at the reporting date. Investments in common stock are stated at fair value. The fair value of UnionBancorp, Inc. common stock is determined by a quoted market price. Purchases and sales of investments are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned. Participant loans are carried at their remaining balance, which approximates fair value.

Risks and Uncertainties: The Plan provides for various investment options in mutual funds and employer stock. The underlying investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits and the participants' individual account balances.

**NOTE 3 - PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and its related regulations. In the event of the Plan's termination, participants will become 100% vested in their accounts.

**NOTE 4 - INVESTMENTS**

The following table presents the fair value of plan investments as of December 31, 2003 and 2002. Investments that represent 5% or more of the Plan's net assets are separately identified.

	<u>2003</u>	<u>2002</u>
<b>Investments at fair value as determined by</b>		
<b>quoted market prices</b>		
Money market funds		
Federated Automated Cash Management Fund	\$ 982,923	\$ 925,985
Mutual funds		
Federated Kaufmann Fund	465,063	-
Federated Capital Appreciation Fund	367,979	226,514
Federated Managed Growth Portfolio	392,117	342,067

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(Continued)

UNIONBANCORP, INC.  
 401(k) PROFIT SHARING PLAN  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2003 and 2002

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**NOTE 4 - INVESTMENTS (Continued)**

	<u>2003</u>	<u>2002</u>
<b>Investments at fair value as determined by quoted market prices (continued)</b>		
Federated Managed Moderate Growth Portfolio	\$ 400,504	\$ 283,235
Federated Total Return Bond Fund	273,685	176,300
Common stock		
UnionBancorp, Inc. common stock (23,201 and 20,362 shares at December 31, 2003 and 2002)	506,710	308,688

During the year ended December 31, 2003, the Plan's investments (including investments bought, sold, and held during the year) appreciated in fair value as follows:

Mutual funds	\$ 544,809	
Common stock	<u>185,033</u>	
Net change in fair value	<u>\$ 729,842</u>	

For the plan year-end December 31, 2003, the plan investments earned dividends and interest of \$44,178 and \$4,749, respectively.

**NOTE 5 - PARTIES-IN-INTEREST TRANSACTIONS**

Parties-in-interest are defined under DOL regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Fees in the amount of \$19,395 and \$8,880 were paid to UnionFinancial Services and Trust Company and Federated for trustee and plan recordkeeping services, respectively. Professional fees for the audit of the Plan and other administrative costs of the Plan were paid by the Company. At December 31, 2003 and 2002, all plan assets were considered to be party-in-interest investments.

**NOTE 6 - TERMINATED PARTICIPANTS**

Included in net assets available for benefits are amounts allocated to individuals who have elected to withdraw from the Plan but have not been paid as of the Plan's year end. Amounts allocated to these participants were \$316,242 and \$41,022 at December 31, 2003 and 2002, respectively.

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(Continued)

UNIONBANCORP, INC.  
401(k) PROFIT SHARING PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2003 and 2002

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**NOTE 7 - TAX STATUS**

The Internal Revenue Service has determined and informed the Company by letter dated November 19, 2001 that the Non-Standardized Profit Sharing Plan ("Prototype") upon which the Company's plan is based is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan's Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. The Plan was also restated to comply with GUST and EGTRRA effective January 1, 2002. The tax acts that are included in GUST are GATT (the Uruguay Round Agreements Act of the General Agreement on Tariffs and Trade), USERRA (the Uniformed Services Employment and Reemployment Rights Act of 1994), SBJPA (the Small Jobs Protection Act of 1996), and TR '97 (the Taxpayer Relief Act of 1997). In addition to GUST, the Plan was also updated for IRSRRA (the Internal Revenue Service Restructuring and Reform Act of 2000) and CRA (the Community Renewal Tax Relief Act of 2000). EGTRRA is the Economic Growth and Tax Relief Reconciliation Act.

**SUPPLEMENTAL SCHEDULE**

UNIONBANCORP, INC.  
 401(k) PROFIT SHARING PLAN  
 SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 December 31, 2003

Name of Plan Sponsor: UnionBancorp, Inc.  
 Employer Identification Number: 36-3145350  
 Three Digit Plan Number: 002

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost**	(e) Current Value
		<u>Money Market Funds</u>		
*	Federated	Automated Cash Management Fund		\$ 982,923
*	Federated	Stock Liquidity Fund		20,662
		<u>Mutual Funds</u>		
*	Federated	Managed Growth Portfolio Allocation Fund		392,117
*	Federated	Total Return Bond Fund		273,685
*	Federated	Managed Moderate Growth Portfolio Allocation Fund		400,504
*	Federated	Managed Conservative Growth Portfolio Allocation Fund		133,455
*	Federated	Mini-Cap Fund		76,796
*	Federated	Mid-Cap Fund		202,986
*	Federated	Max-Cap Fund		226,292
*	Federated	International Equity Fund		151,743
*	Federated	Capital Appreciation Fund		367,979
*	Federated	Growth Strategies Fund		165,282
*	Federated	Kaufmann Fund		465,063
*	Federated	Stock Trust Fund		219,331
*	Federated	Communications Technology Fund		141,422
		<u>Common Stock</u>		
*	UnionBancorp, Inc.	23,201 shares		<u>506,710</u>
		<u>Participant Loans</u>		
*	Participant loans	Interest rates 5.0% to 10.50%		<u>80,975</u>
	Total investments			<u>\$ 4,807,925</u>

\* Party-in-interest.

\*\* Not applicable for participant-directed investments.



Crowe Chizek and Company LLC  
Member Horwath International

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statement on Form S-8 of UnionBancorp, Inc. 401(k) Profit Sharing Plan ("the Plan") of our report dated April 16, 2004 appearing in this Annual Report on Form 11-K of the Plan for the year ended December 31, 2003.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Oak Brook, Illinois  
June 22, 2004