

TRICO BANCSHARES /  
Form 8-K  
August 03, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

FORM 8-K

Current report pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

July 29, 2010

TriCo Bancshares  
(Exact name of registrant as specified in its charter)

|   |                                  |   |
|---|----------------------------------|---|
| California<br>(State or other jurisdiction of<br>incorporation or organization) | 0-10661<br>(Commission File No.) | 94-2792841<br>(I.R.S. Employer<br>Identification No.) |
|---|----------------------------------|---|

|  |                     |
|--|---------------------|
| 63 Constitution Drive, Chico, California<br>(Address of principal executive offices) | 95973<br>(Zip Code) |
|--|---------------------|

Registrant's telephone number, including area code: (530) 898-0300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01: Other Events

On July 29, 2010, TriCo Bancshares announced its quarterly earnings for the period ended June 30, 2010. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01: Financial Statements and Exhibits

(c) Exhibits

99.1 Press release dated July 29, 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 2, 2010

TRICO BANCSHARES  
By/s/Thomas J. Reddish  
Thomas J. Reddish, Executive Vice  
President and Chief  
Financial Officer (Principal  
Financial and Accounting Officer

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PRESS RELEASE  
 Smith  
 For Immediate Release  
 (530) 898-0300

Contact: Richard P.  
 President & CEO

### TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

CHICO, Calif. – (July 29, 2010) – TriCo Bancshares (NASDAQ: TCBK) (the "Company"), parent company of Tri Counties Bank (the "Bank"), today announced quarterly earnings of \$1,320,000 for the quarter ended June 30, 2010. This represents a decrease of \$1,192,000 (48%) when compared with earnings of \$2,512,000 for the quarter ended June 30, 2009. Diluted earnings per share for the quarter ended June 30, 2010 decreased 50% to \$0.08 compared to \$0.16 for the quarter ended June 30, 2009. Diluted earnings per share for the six months ended June 30, 2010 and 2009 were \$0.18 and \$0.34, respectively, on earnings of \$2,878,000 and \$5,394,000, respectively.

Total assets of the Company increased \$136,804,000 (6.6%) to \$2,224,645,000 at June 30, 2010 from \$2,087,841,000 at June 30, 2009. Total loans of the Company decreased \$47,142,000 (3.0%) to \$1,505,093,000 at June 30, 2010 from \$1,552,235,000 at June 30, 2009. Total deposits of the Company increased \$152,564,000 (8.8%) to \$1,889,949,000 at June 30, 2010 from \$1,737,385,000 at June 30, 2009.

Included in the Company's results for the three and six month periods ended June 30, 2010 is the acquisition by Tri Counties Bank of the banking operations of Granite Community Bank ("Granite"), Granite Bay, California from the FDIC under a whole bank purchase and assumption agreement with loss sharing on May 28, 2010. With this acquisition, Tri Counties Bank added one traditional bank branch in each of Granite Bay, Roseville and Auburn, California. This acquisition is consistent with the Company's community banking expansion strategy and provides further opportunity to fill in the Company's market presence in the greater Sacramento, California market. Additional information regarding the Granite acquisition is presented near the end of this announcement.

The following is a summary of the components of fully taxable equivalent ("FTE") net income for the periods indicated (dollars in thousands):

|                            | Three months ended June 30, |          |
|----------------------------|-----------------------------|----------|
|                            | 2010                        | 2009     |
| Net Interest Income (FTE   | \$ 22,245                   | \$23,288 |
| Provision for loan losses  | (10,000 )                   | (7,850)  |
| Noninterest income         | 8,104                       | 7,996    |
| Noninterest expense        | (18,408 )                   | (19,344) |
| Provision for income taxes |                             |          |
| (FTE)                      | (621 )                      | (1,578)  |
| Net income                 | \$1,320                     | \$2,512  |

For the three months ended June 30, 2010, net income was \$1,320,000, or \$0.08 per diluted share, as compared to net income of \$2,512,000, or \$0.16 per diluted share for the three months ended June 30, 2009. The decrease in net income for the three months ended June 30, 2010 compared to the same period of the prior year was the result of decreased net interest income, and increased provision for loan losses that were partially offset by increased noninterest income and decreased noninterest expense. Noninterest income for the three month period ended June 30, 2010 includes a bargain purchase gain on acquisition of \$232,000 relating to the acquisition of Granite. The Bank assumed certain assets and liabilities of Granite on May 28, 2010, and the results of the acquired operations are

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included in the Company's financial results starting on May 28, 2010.

Net interest income (FTE) for the three months ended June 30, 2010 was \$22,245,000, a decrease of \$1,043,000 or 4.5% compared to the same period in 2009. The results for the three month period ended June 30, 2010 as compared to the same period in 2009 are attributable to a change in the mix of interest-earning assets, with average loan balances decreasing and other categories of lower yielding assets increasing. Net interest margin (net interest income as a percentage of average interest-earning assets) on a fully tax-equivalent basis was 4.41% for the three months ended June 30, 2010, a decrease of 41 basis points as compared to the same period in 2009. The decrease in net interest margin for the three months ended June 30, 2010 as compared to same period in 2009 was mainly due to a lower average yield earned on loans and a change in the mix of interest-earning assets away from loans and towards lower yielding interest-earning cash at the Federal Reserve Bank combined with continued deposit growth despite extremely low rates being offered by the Company for those deposits. The Company is attempting to balance new customer acquisition and deposit growth with the opportunities it has, in the current economic environment, to invest or loan that deposit growth without undue risk and in a profitable manner.

The following table details the components of the net interest income and net interest margin on a fully tax-equivalent (FTE) basis for the quarters ended June 30, 2010 and 2009:

| (Dollars in thousands)                        | Quarter ended June 30, 2010 |          |             | Quarter ended June 30, 2009 |          |             |
|---|-----------------------------|----------|-------------|-----------------------------|----------|-------------|
|   | Average Balance             | Income   | Yield/ Rate | Average Balance             | Income   | Yield/ Rate |
| <b>Assets:</b>                                |                             |          |             |                             |          |             |
| Loans   | \$1,463,475                 | \$22,701 | 6.20%       | \$1,555,778                 | \$25,218 | 6.48%       |
| Securities                                    | 294,301                     | 3,032    | 4.12%       | 267,896                     | 3,301    | 4.93%       |
| Cash at Fed and other banks                   | 261,910                     | 154      | 0.24%       | 109,959                     | 55       | 0.20%       |
| Total earning assets                          | 2,019,686                   | 25,887   | 5.13%       | 1,933,633                   | 28,574   | 5.91%       |
| Other assets                                  | 171,974                     |          |             | 155,242                     |          |             |
| Total assets                                  | 2,169,660                   |          |             | 2,088,875                   |          |             |
| <b>Liabilities and shareholders' equity:</b>  |                             |          |             |                             |          |             |
| <b>Interest-bearing demand</b>                |                             |          |             |                             |          |             |
| deposits                                      | \$386,788                   | \$586    | 0.61%       | \$286,777                   | \$444    | 0.63%       |
| Savings deposits                              | 541,710                     | 613      | 0.45%       | 425,759                     | 759      | 0.71%       |
| Time deposits                                 | 544,320                     | 1,528    | 1.12%       | 664,863                     | 3,575    | 2.15%       |
| Junior sub debt                               | 41,238                      | 313      | 3.04%       | 41,238                      | 396      | 3.84%       |
| Other borrowings                              | 61,629                      | 602      | 3.91%       | 73,565                      | 112      | 0.61%       |
| Total interest-bearing liabilities            | \$1,575,685                 | 3,642    | 0.92%       | \$1,489,202                 | 5,286    | 1.42%       |
| <b>Noninterest-bearing</b>                    |                             |          |             |                             |          |             |
| deposits                                      | 376,300                     |          |             | 361,035                     |          |             |
| Other liabilities                             | 36,147                      |          |             | 35,042                      |          |             |
| Shareholders' equity                          | 203,528                     |          |             | 203,596                     |          |             |
| Total liabilities and shareholders' equity    | \$2,191,660                 |          |             | \$2,088,875                 |          |             |
| Net interest rate spread                      |                             |          | 4.21%       |                             |          | 4.49%       |
| Net interest income/net interest margin (FTE) |                             | 22,245   | 4.41%       |                             | 23,288   | 4.82%       |
| FTE adjustment                                |                             | (111)    |             |                             | (142)    |             |
|   |                             | \$22,134 |             |                             | \$23,146 |             |

Net interest income  
before FTE adjustment

The provision for loan losses was \$10,000,000 for the three months ended June 30, 2010, compared to \$7,850,000 for the same period in 2009. The increases in the provision for loan losses for the three month period ended June 30, 2010 as compared to the same period in 2009 were primarily the result of changes in the make-up of the loan portfolio and the Bank's loss factors in reaction to increased losses in the construction, commercial real estate, commercial & industrial (C&I), home equity and auto indirect loan portfolios. Management re-evaluates its loss ratios and assumptions quarterly and makes changes as appropriate based upon, among other things, changes in loss rates experienced, collateral support for underlying loans, changes and trends in the economy, and changes in the loan mix.

Noninterest income for the three months ended June 30, 2010 was \$8,104,000, an increase of \$108,000, or 1%, as compared to the same period in 2009. The following table presents the key components of noninterest income for the three months ended June 30, 2010 and 2009:

| (Dollars in<br>thousands)                             | Three months<br>ended June<br>30, |         | Change | Change  |
|---|-----------------------------------|---------|--------|---------|
|   | 2010                              | 2009    | Amount | Percent |
| Service charges on deposit accounts                   | \$4,443                           | \$4,136 | \$307  | 7%      |
| ATM fees and interchange revenue                      | 1,531                             | 1,222   | 309    | 25%     |
| Other service fees                                    | 678                               | 553     | 125    | 23%     |
|   |                                   |         | (840)  |         |
| Change in value of mortgage servicing rights          | (569)                             | 271     |        | (310%)  |
| Gain on sale of loans                                 | 577                               | 948     | (371)  | (39%)   |
| Commissions on sale of nondeposit investment products | 362                               | 492     | (130)  | (26%)   |
| Increase in cash value of life insurance              | 426                               | 270     | 156    | 58%     |
| Gain (loss) on disposition of foreclosed assets       | 310                               | (4)     | 314    |         |
| Bargain purchase gain on acquisition                  | 232                               | 0       | 232    |         |
| Other noninterest income                              | 114                               | 108     | 6      | 6%      |
| Total noninterest income                              | \$8,104                           | \$7,996 | \$108  | 1%      |

The increase in service charges in the three months ended June 30, 2010 over the same period in 2009 is mainly due to an increase in nonsufficient funds per item fees that took effect in April 2009. ATM fees and interchange revenue increased due to increased customer point-of-sale transactions that are the result of incentives for such usage. Other service fees increase mainly due to increased loan servicing fees from higher balances of loans being serviced. Change in value of mortgage servicing rights decreased primarily due to decreased residential mortgage rates that are expected to increase the pace of future mortgage refinancing that in turn adversely effect the value of mortgage servicing rights. Gain on sale of loans decreased due to decreased mortgage refinancing when compared to prior year similar periods. The improvement in increase in cash value of life insurance is due to increased earnings rates from such insurance policies.

Noninterest expense for the three months ended June 30, 2010 was \$18,408,000, a decrease of \$936,000, or 5%, as compared to the same period in 2009. The following table presents the key components of noninterest expense for the three months ended June 30, 2010 and 2009:

Change

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| (dollars in thousands)                                | Three months ended June 30, |          |         | Change  |        |
|---|-----------------------------|----------|---------|---------|--------|
|   | 2010                        | 2009     | Amount  | Percent |        |
| Base salaries, net of deferred loan origination costs | \$6,990                     | \$6,676  | \$314   |         | 5%     |
| Incentive compensation                                | 526                         | 916      | (390)   |         | (43%)  |
| Benefits and other compensation costs                 | 2,469                       | 2,477    | (8)     |         | (1%)   |
| Total salaries and related benefits                   | 9,985                       | 10,069   | (84)    |         | (1%)   |
| Occupancy   | 1,407                       | 1,269    | 138     |         | 11%    |
| Equipment   | 1,060                       | 905      | 155     |         | 17%    |
| Telecommunications                                    | 461                         | 433      | 28      |         | 7%     |
| Data processing and software                          | 661                         | 664      | (3)     |         | (1%)   |
| Provisions for losses – unfunded commitments          | (800)                       | 400      | (1,200) |         | (300%) |
| ATM network charges                                   | 446                         | 589      | (143)   |         | (24%)  |
| Professional fees                                     | 704                         | 423      | 281     |         | 66%    |
| Advertising and marketing                             | 627                         | 514      | 113     |         | 22%    |
| Courier service                                       | 201                         | 212      | (11)    |         | (5%)   |
| Postage   | 311                         | 228      | 83      |         | 36%    |
| Intangible amortization                               | 72                          | 64       | 8       |         | 13%    |
| Operational losses                                    | 120                         | 90       | 30      |         | 33%    |
| Provision for foreclosed asset losses                 | 55                          | -        | 55      |         | -      |
| Foreclosed asset expense                              | 66                          | 33       | 33      |         | 100%   |
| Assessments   | 812                         | 1,288    | (476)   |         | (37%)  |
| Other   | 2,220                       | 2,163    | 57      |         | 3%     |
| Total other noninterest expense                       | 8,423                       | 9,275    | (852)   |         | (9)    |
| Total noninterest expense                             | \$18,408                    | \$19,344 | (\$936) |         | (5)    |
| Average full time equivalent staff                    | 655                         | 639      |         |         |        |

Salaries and related benefits decreased \$84,000, or 1% in the three months ending June 30, 2010, as compared to the same period in the prior year. The increase was due to a two percent increase in average full time equivalent staff, primarily in new branches and loan collection functions, and annual salary merit increases that were substantially offset by reduced incentive compensation in all product lines. The May 28, 2010 acquisition of Granite added \$80,000 to salaries and benefits expense through June 30, 2010.

Occupancy and equipment expenses increased for the three months ended June 30, 2010, as compared to the same period in the prior year, primarily due to four new branch openings, one each in the third and fourth quarters of 2009 and one each in the first and second quarters of 2010, and three branches and one admin facility acquired in the Granite acquisition on May 28, 2010. The decrease in provision for losses – unfunded commitments was due to reduced estimates of future uses of such commitments and reduced estimates of loss rates on such future commitments. The increase in professional fees is mainly due to legal fees related to loan collection efforts. The May 28, 2010 acquisition of Granite added expenses totaling \$77,000 in various categories other noninterest expense through June 30, 2010.

The effective tax rate for the three months ended June 30, 2010 was 27.9% and reflects a decrease from 36.4% for the three months ended June 30, 2009. The provision for income taxes for all periods presented is primarily attributable to the respective level of earnings and the incidence of allowable deductions, particularly from increase in cash value of life insurance, tax-exempt loans and state and municipal securities.

The assets acquired and liabilities assumed in the Granite acquisition have been accounted for under the acquisition method of accounting (formerly the purchase method). The acquired loan portfolio and foreclosed assets are referred to as “covered loans” and “covered foreclosed assets”, respectively, and are presented as separate line items in the Company’s consolidated balance sheet. Collectively these balances are referred to as “covered assets”.

The Company did not immediately acquire all the real estate, banking facilities, furniture or equipment of Granite as part of the purchase and assumption agreement. However, the Bank has the option to purchase or lease the real estate and furniture and equipment from the FDIC. The term of this option expires 90 days from the acquisition dates, unless extended by the FDIC. Acquisition costs of the real estate and furniture and equipment that the Bank may purchase from the FDIC will be based on current appraisals and determined at a later date.

The operations of Granite are included in the Company's operating results from May 28, 2010, and added revenue of \$595,000, including a bargain purchase gain of \$232,000, and noninterest expense of \$157,000, that resulted in a contribution to net income after-tax of \$254,000 for the second quarter of 2010. Such operating results are not necessarily indicative of future operating results. Granite's results of operations prior to the acquisition are not included in the Company's operating results. The assets acquired and liabilities assumed in the Granite acquisition, both tangible and intangible, were recorded on the Company's balance sheet at their estimated fair values on the acquisition date as follows (in thousands):

|  |           |
|--|-----------|
|  | May 28,   |
| Asset acquired:                              | 2010      |
| Cash and cash equivalents                    | \$18,764  |
| Investment securities                        | 3,650     |
| Covered loans                                | 64,802    |
| Premises and equipment                       | 17        |
| Core deposit intangible                      | 562       |
| Covered foreclosed assets                    | 4,629     |
| FDIC indemnification asset                   | 7,466     |
| Other assets                                 | 392       |
| Total assets acquired                        | \$100,282 |
| Liabilities assumed:                         |           |
| Deposits                                     | 95,001    |
| Other borrowings                             | 5,000     |
| Other liabilities                            | 49        |
| Total liabilities assumed                    | 100,050   |
| Net assets acquired/bargain<br>purchase gain | \$232     |

The fair value amounts for assets acquired and liabilities assumed in the Granite acquisition are subject to change for up to one year after the closing date of the acquisition as additional information relating to closing date fair values becomes available. The amounts are also subject to adjustments based upon final settlement with the FDIC. In addition, the tax treatment of FDIC assisted acquisitions is complex and subject to interpretations that may result in future adjustments of deferred taxes as of the acquisition date.

In addition to the historical information contained herein, this press release may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The reader of this press release should understand that all such forward-looking statements are subject to various uncertainties and risks that could affect their outcome. The Company's actual results could differ materially from those suggested by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, variances in the actual versus projected growth in assets, return on assets, interest rate fluctuations, economic conditions in the Company's primary market area, demand for loans, regulatory and accounting changes, loan losses,

expenses, rates charged on loans and earned on securities investments, rates paid on deposits, competition effects, fee and other noninterest income earned as well as other factors detailed in the Company's reports filed with the Securities and Exchange Commission which are incorporated herein by reference, including the Form 10-K for the year ended December 31, 2009. These reports and this entire press release should be read to put such forward-looking statements in context and to gain a more complete understanding of the uncertainties and risks involved in the Company's business. Any forward-looking statement may turn out to be wrong and cannot be guaranteed. The Company does not intend to update any of the forward-looking statements after the date of this release.

TriCo Bancshares and Tri Counties Bank are headquartered in Chico, California. Tri Counties Bank has a 35-year history in the banking industry. It operates 35 traditional branch locations and 27 in-store branch locations in 23 California counties. Tri Counties Bank offers financial services and provides a diversified line of products and services to consumers and businesses, which include demand, savings and time deposits, consumer finance, online banking, mortgage lending, and commercial banking throughout its market area. It operates a network of 70 ATMs and a 24-hour, seven days-a-week telephone customer service center. Brokerage services are provided by the Bank's investment services affiliate, Raymond James Financial Services, Inc. For further information please visit the Tri Counties Bank web site at <http://www.tricountiesbank.com>.

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## TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA

(Unaudited. Dollars in thousands, except share data)

|  | Three months ended |                   |                      |                       |                  |
|--|--------------------|-------------------|----------------------|-----------------------|------------------|
|  | June 30,<br>2010   | March 31,<br>2010 | December 31,<br>2009 | September 30,<br>2009 | June 30,<br>2009 |
| <b>Statement of Income Data</b>                    |                    |                   |                      |                       |                  |
| Interest income                                    | \$25,776           | \$25,936          | \$27,130             | \$27,889              | \$28,432         |
| Interest expense                                   | 3,642              | 3,958             | 4,661                | 4,784                 | 5,286            |
| Net interest income                                | 22,134             | 21,978            | 22,469               | 23,105                | 23,146           |
| Provision for loan losses                          | 10,000             | 8,500             | 7,800                | 8,000                 | 7,850            |
| Noninterest income:                                |                    |                   |                      |                       |                  |
| Service charges and fees                           | 6,082              | 5,735             | 5,943                | 5,645                 | 6,182            |
| Other income                                       | 2,022              | 1,812             | 1,982                | 2,148                 | 1,814            |
| Total noninterest income                           | 8,104              | 7,547             | 7,925                | 7,793                 | 7,996            |
| Noninterest expense:                               |                    |                   |                      |                       |                  |
| Base salaries net of deferred                      |                    |                   |                      |                       |                  |
| loan origination costs                             | 6,990              | 6,974             | 7,031                | 6,827                 | 6,676            |
| Incentive compensation expense                     | 526                | 546               | 308                  | 980                   | 916              |
| Employee benefits and other                        |                    |                   |                      |                       |                  |
| compensation expense                               | 2,469              | 2,630             | 2,350                | 2,456                 | 2,477            |
| Total salaries and                                 | 9,985              | 10,150            | 9,689                | 10,263                | 10,069           |
| benefits expense                                   |                    |                   |                      |                       |                  |
| Intangible amortization                            | 72                 | 65                | 65                   | 65                    | 64               |
| Provision for losses -                             |                    |                   |                      |                       |                  |
| unfunded commitments                               | (800)              | -                 | -                    | 500                   | 400              |
| Other expense                                      | 9,151              | 8,588             | 9,774                | 8,549                 | 8,811            |
| Total noninterest expense                          | 18,408             | 18,803            | 19,528               | 19,377                | 19,344           |
| Income before taxes                                | 1,830              | 2,222             | 3,066                | 3,521                 | 3,948            |
| Net income   | \$1,320            | \$1,558           | \$2,313              | \$2,255               | \$2,512          |
| <b>Share Data</b>                                  |                    |                   |                      |                       |                  |
| Basic earnings per share                           | \$0.08             | \$0.10            | \$0.15               | \$0.14                | \$0.16           |
| Diluted earnings per share                         | \$0.08             | \$0.10            | \$0.14               | \$0.14                | \$0.16           |
| Book value per common share                        | \$12.76            | \$12.63           | \$12.71              | \$12.79               | \$12.67          |
| Tangible book value per common share               | \$11.74            | \$11.63           | \$11.71              | \$11.78               | \$11.66          |
| Shares outstanding                                 | 15,860,138         | 15,860,138        | 15,787,753           | 15,787,753            | 15,782,753       |
| Weighted average shares                            | 15,860,138         | 15,822,789        | 15,787,753           | 15,787,264            | 15,782,753       |
| Weighted average diluted shares                    | 16,107,909         | 16,073,875        | 16,012,078           | 16,015,952            | 15,997,437       |
| <b>Credit Quality</b>                              |                    |                   |                      |                       |                  |
| Non-performing non-covered loans, net              |                    |                   |                      |                       |                  |
| of government agency guarantees                    | \$68,034           | \$65,431          | \$44,896             | \$46,607              | \$43,373         |
| Non-covered foreclosed assets, net of allowance    | 5,621              | 5,579             | 3,726                | 2,372                 | 2,622            |
| Loans charged-off                                  | 8,424              | 8,101             | 7,258                | 7,471                 | 7,308            |
| Loans recovered                                    | \$513              | \$468             | \$380                | \$398                 | \$308            |
| Allowance for losses to total non-covered loans(1) | 2.87%              | 2.75%             | 2.61%                | 2.49%                 | 2.37%            |
| Allowance for losses to non-covered NPLs(1)        | 61%                | 61%               | 87%                  | 82%                   | 85%              |

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|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Allowance for losses to non-covered<br>NPAs(1) | 56%   | 56%   | 80%   | 78%   | 80%   |
| Selected Financial Ratios                      |       |       |       |       |       |
| Return on average total assets                 | 0.24% | 0.29% | 0.43% | 0.43% | 0.48% |
| Return on average equity                       | 2.61% | 3.05% | 4.51% | 4.43% | 4.94% |
| Average yield on loans                         | 6.20% | 6.21% | 6.46% | 6.48% | 6.48% |
| Average yield on interest-earning assets       | 5.13% | 5.19% | 5.48% | 5.70% | 5.91% |
| Average rate on interest-bearing liabilities   | 0.92% | 1.02% | 1.22% | 1.27% | 1.42% |
| Net interest margin (fully tax-equivalent)     | 4.41% | 4.40% | 4.55% | 4.72% | 4.82% |

(1) Allowance for losses includes allowance for loan losses and reserve for unfunded commitments.

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## TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA

(Unaudited. Dollars in thousands)

|   | Three months ended |                   |                         |                          |                  |
|---|--------------------|-------------------|-------------------------|--------------------------|------------------|
|   | June 30,<br>2010   | March 31,<br>2010 | December<br>31,<br>2009 | September<br>30,<br>2009 | June 30,<br>2009 |
| Balance Sheet Data                          |                    |                   |                         |                          |                  |
| Cash and due from banks                     | \$322,644          | \$308,664         | \$346,589               | \$234,570                | \$182,923        |
| Securities, available-for-sale              | 275,783            | 292,065           | 211,622                 | 230,962                  | 252,104          |
| Federal Home Loan Bank Stock                | 9,523              | 9,274             | 9,274                   | 9,274                    | 9,274            |
| Loans held for sale                         | 4,153              | -                 | -                       | -                        | -                |
| Loans                                       |                    |                   |                         |                          |                  |
| Commercial loans                            | 151,349            | 147,988           | 163,181                 | 171,583                  | 172,732          |
| Consumer loans                              | 436,598            | 444,831           | 458,083                 | 473,411                  | 486,548          |
| Real estate mortgage loans                  | 810,469            | 813,770           | 820,016                 | 814,132                  | 813,898          |
| Real estate construction loans              | 40,116             | 48,600            | 58,931                  | 72,086                   | 79,057           |
| Total non-covered loans, gross              | 1,438,532          | 1,455,189         | 1,500,211               | 1,531,212                | 1,552,235        |
| Allowance for loan losses                   | (38,430)           | (36,340)          | (35,473)                | (34,551)                 | (33,624)         |
| Covered loans                               | 62,408             | -                 | -                       | -                        | -                |
| Non-covered foreclosed assets               | 5,621              | 5,579             | 3,726                   | 2,372                    | 2,622            |
| Covered foreclosed assets                   | 4,324              | -                 | -                       | -                        | -                |
| Premises and equipment                      | 19,001             | 19,178            | 18,742                  | 18,102                   | 18,208           |
| Cash value of life insurance                | 49,546             | 49,120            | 48,694                  | 47,635                   | 47,365           |
| Goodwill                                    | 15,519             | 15,519            | 15,519                  | 15,519                   | 15,519           |
| Intangible assets                           | 750                | 260               | 325                     | 389                      | 454              |
| Mortgage servicing rights                   | 4,033              | 4,310             | 4,089                   | 4,033                    | 3,895            |
| FDIC indemnification asset                  | 7,515              | -                 | -                       | -                        | -                |
| Accrued interest receivable                 | 7,472              | 7,715             | 7,763                   | 7,666                    | 7,575            |
| Other assets                                | 36,251             | 39,054            | 39,439                  | 28,483                   | 29,291           |
| Total assets                                | 2,224,645          | 2,169,587         | 2,170,520               | 2,095,666                | 2,087,841        |
| Deposits                                    |                    |                   |                         |                          |                  |
| Noninterest-bearing demand deposits         | 386,617            | 378,695           | 377,334                 | 349,949                  | 358,618          |
| Interest-bearing demand deposits            | 383,578            | 375,313           | 359,179                 | 314,160                  | 291,641          |
| Savings deposits                            | 552,616            | 533,115           | 511,671                 | 473,915                  | 431,424          |
| Time certificates                           | 567,138            | 546,174           | 580,328                 | 613,871                  | 655,702          |
| Total deposits                              | 1,889,949          | 1,833,297         | 1,828,512               | 1,751,895                | 1,737,385        |
| Accrued interest payable                    | 2,487              | 3,064             | 3,614                   | 4,136                    | 5,094            |
| Reserve for unfunded commitments            | 2,840              | 3,640             | 3,640                   | 3,640                    | 3,140            |
| Other liabilities                           | 25,257             | 27,112            | 26,114                  | 26,623                   | 27,107           |
| Other borrowings                            | 60,452             | 60,952            | 66,753                  | 66,197                   | 73,898           |
| Junior subordinated debt                    | 41,238             | 41,238            | 41,238                  | 41,238                   | 41,238           |
| Total liabilities                           | 2,022,223          | 1,969,303         | 1,969,871               | 1,893,729                | 1,887,862        |
| Total shareholders' equity                  | 202,422            | 200,284           | 200,649                 | 201,937                  | 199,979          |
| Accumulated other comprehensive gain (loss) | 4,132              | 2,053             | 2,278                   | 3,934                    | 2,322            |
| Average loans                               | 1,463,473          | 1,469,685         | 1,508,472               | 1,538,239                | 1,555,778        |
| Average interest-earning assets             | 2,019,684          | 2,008,896         | 1,988,011               | 1,969,043                | 1,933,633        |
| Average total assets                        | 2,191,660          | 2,169,138         | 2,135,622               | 2,099,053                | 2,088,875        |
| Average deposits                            | 1,849,118          | 1,825,190         | 1,784,271               | 1,744,336                | 1,735,434        |

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|                                |           |           |           |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Average total equity           | \$203,528 | \$204,200 | \$205,256 | \$203,452 | \$203,596 |
| Total risk based capital ratio | 13.6%     | 13.5%     | 13.4%     | 13.2%     | 12.9%     |
| Tier 1 capital ratio           | 12.3%     | 12.3%     | 12.1%     | 11.9%     | 11.6%     |
| Tier 1 leverage ratio          | 10.2%     | 10.3%     | 10.5%     | 10.6%     | 10.7%     |
| Tangible capital ratio         | 8.4%      | 8.6%      | 8.6%      | 8.9%      | 8.9%      |

