



# TRICO BANCSHARES

PRESS RELEASE  
For Immediate Release

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## TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

CHICO, Calif. – (April 26, 2006) – TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced quarterly earnings of \$6,535,000 for the quarter ended March 31, 2006. This represents a 24.7% increase when compared with earnings of \$5,239,000 for the quarter ended March 31, 2005. Diluted earnings per share for the quarter ended March 31, 2006 increased 25.0% to \$0.40 from \$0.32 for the quarter ended March 31, 2005. Total assets of the Company increased \$173,914,000 (10.5%) to \$1,829,526,000 at March 31, 2006 versus \$1,655,612,000 at March 31, 2005. Total loans of the Company increased \$217,675,000 (18.4%) to \$1,400,108,000 at March 31, 2006 versus \$1,182,433,000 at March 31, 2005. Total deposits of the Company increased \$128,642,000 (9.2%) to \$1,527,391,000 at March 31, 2006 versus \$1,398,749,000 at March 31, 2005.

Richard Smith, President and Chief Executive Officer, commented, “We are pleased with the performance of our company during the quarter ended March 31, 2006. Loan growth during this most recent quarter was good and consistent with the pattern we have seen during the first quarter of recent years. The credit quality of our loan portfolio remained excellent during this most recent quarter. Deposit growth of nine percent from the year-ago quarter end and another quarter of double-digit growth in earnings per share when compared to the year-ago quarter are evidence that our growth strategy has been effective. We will continue to execute our growth strategy throughout the Central Valley of California as evidenced by the January 2006 opening of our full service branch in the Wal-Mart supercenter at 1150 Harter Road in Yuba City, California, the March 2006 opening of our full service branch in the Raley’s supermarket at 25025 Blue Ravine Road in Folsom, California, and the April 2006 opening of our full service branch in the Bel Air supermarket at 3250 Arena Boulevard in North Natomas, California. The Folsom and North Natomas branches represent our ninth and tenth branches in the Sacramento metropolitan area, and our fiftieth and fifty-first branches overall.”

The improvement in results from the year-ago quarter was due to a \$2,712,000 (14.5%) increase in fully tax-equivalent net interest income to \$21,468,000, and a \$1,121,000 (21.0%) increase in noninterest income. These contributing factors were partially offset by a \$400,000 (400%) increase in provision for loan losses to \$500,000 and a \$1,309,000 (8.7%) increase in noninterest expense to \$16,422,000 for the quarter ended March 31, 2006.

The \$2,712,000 increase in net interest income (FTE) was due to increased average balances of earning assets (up \$182,749,000 or 12.5% to \$1,646,777,000) and a 9 basis point increase in net interest margin (FTE) to 5.21% in the quarter ended March 31, 2006 compared to 5.12% in the year-ago quarter.

The \$400,000 increase in provision for loan losses was mainly due to loan growth as credit quality remained excellent. Net loan charge-offs during the quarter were \$82,000. Nonperforming loans, net of government agency guarantees, were \$4,048,000 at March 31, 2006 compared to \$2,961,000 and \$4,072,000 at December 31, 2005 and March 31, 2005, respectively. The Company's allowance for losses, which consists of the allowance for loan losses and the reserve for unfunded commitments, was \$18,457,000 or 1.32% of total loans outstanding and 456% of nonperforming loans.

The \$1,121,000 (21.0%) increase in noninterest income from the year-ago quarter was mainly due to a \$440,000 (14.5%) increase in service charges on deposit accounts to \$3,474,000, a \$180,000 (81.8%) gain in the increase in cash value of life insurance, and a \$218,000 increase related to the change in value of mortgage servicing rights. The increase in service charges on deposit accounts was primarily due to the introduction of a business overdraft privilege product in March 2005 and growth in customer count. The gain in the increase in cash value of life insurance was due to higher earning rates on the related insurance policies. The increase related to the change in value of mortgage servicing rights is due to the adoption of market value accounting for mortgage servicing rights effective January 1, 2006 and the related change in market value from January 1, 2006 to March 31, 2006.

Noninterest expense for the first quarter of 2006 increased \$1,309,000 (8.7%) to \$16,422,000 compared to the first quarter of 2005. Salaries and benefits expense increased \$787,000 (9.4%) to \$9,156,000. The increase in salaries and benefits expense was mainly due to annual salary increases, and new employees at the Company's recently opened branches in Lincoln (February 2005), Folsom-East Bidwell (March 2005), Roseville-Pleasant Grove (November 2005), Yuba City-Marketplace (January 2006), and Folsom-Empire Ranch/Blue Ravine (March 2006). Other categories of noninterest expense such as equipment, occupancy, ATM network charges, and other also increased, in part, due to these newly opened branches. Advertising and marketing expense increased \$98,000 (28.7%) to \$440,000. Also, on January 1, 2006 the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (SFAS 123R), using the modified-prospective transition method, and began expensing the grant-date fair value of all unvested stock options outstanding as of December 31, 2005 over their remaining vesting periods. As such, the Company included \$139,000 of expense related to vesting of stock options in noninterest expense during the first quarter of 2006 compared to no such expense during the first quarter of 2005. The after-tax effect of adopting SFAS 123R was a reduction of net income of \$100,000 and \$0, and a reduction in diluted earnings per share of \$0.006 and \$0, for the first quarters of 2006 and 2005, respectively.

As of March 31, 2006, the Company had repurchased 374,371 shares of its common stock under its stock repurchase plan announced on July 31, 2003 and amended on April 9, 2004, which left 125,629 shares available for repurchase under the plan.

In addition to the historical information contained herein, this press release contains certain forward-looking statements. 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, 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. 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.

TriCo Bancshares and Tri Counties Bank are headquartered in Chico, California. Tri Counties Bank has a 31-year history in the banking industry. Tri Counties Bank operates 32 traditional branch locations and 19 in-store branch locations in 22 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 58 ATMs and a 24-hour, seven days a week telephone customer service center. Brokerage services are provided at the Bank's offices by the Bank's association with Raymond James Financial, Inc. For further information please visit the Tri Counties Bank web-site at <http://www.tricountiesbank.com>.

**TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA**

(Unaudited. Dollars in thousands, except per share data)

	Three months ended				
	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
<b>Statement of Income Data</b>					
Interest income	\$27,978	\$26,876	\$25,334	\$23,910	\$22,636
Interest expense	6,773	6,100	5,519	4,789	4,121
Net interest income	21,205	20,776	19,815	19,121	18,515
Provision for loan losses	500	561	947	561	100
Noninterest income:					
Service charges and fees	4,857	4,790	4,795	4,505	4,062
Other income	1,591	1,832	1,837	1,805	1,265
Total noninterest income	6,448	6,622	6,632	6,310	5,327
Noninterest expense:					
Salaries and benefits	9,156	8,565	8,584	8,408	8,369
Intangible amortization	346	346	346	346	343
Provision for losses - unfunded commitments	-	139	3	39	100
Other expense	6,920	6,750	6,747	6,724	6,301
Total noninterest expense	16,422	15,800	15,680	15,517	15,113
Income before taxes	10,731	11,037	9,820	9,353	8,629
Net income	\$6,535	\$6,734	\$5,961	\$5,737	\$5,239
<b>Share Data</b>					
Basic earnings per share	\$0.42	\$0.43	\$0.38	\$0.37	\$0.33
Diluted earnings per share	0.40	0.41	0.37	0.35	0.32
Book value per common share	9.68	9.52	9.30	9.10	8.87
Tangible book value per common share	\$8.44	\$8.25	\$8.04	\$7.81	\$7.57
Shares outstanding	15,778,090	15,707,835	15,728,106	15,684,092	15,733,517
Weighted average shares	15,736,544	15,711,257	15,687,547	15,701,867	15,729,725
Weighted average diluted shares	16,379,595	16,336,888	16,330,035	16,288,728	16,366,705
<b>Credit Quality</b>					
Non-performing loans, net of government agency guarantees	\$4,048	\$2,961	\$3,048	\$2,922	\$4,072
Other real estate owned	-	-	-	-	-
Loans charged-off	357	392	479	513	295
Loans recovered	\$275	\$261	\$436	\$281	\$233
Allowance for losses to total loans <sup>(1)</sup>	1.32%	1.30%	1.32%	1.32%	1.37%
Allowance for losses to NPLs <sup>(1)</sup>	456%	609%	573%	567%	398%
Allowance for losses to NPAs <sup>(1)</sup>	456%	609%	573%	567%	398%
<b>Selected Financial Ratios</b>					
Return on average total assets	1.43%	1.51%	1.37%	1.37%	1.29%
Return on average equity	16.93%	18.00%	16.26%	16.03%	14.83%
Average yield on loans	7.24%	7.11%	6.93%	6.85%	6.69%
Average yield on interest-earning assets	6.86%	6.72%	6.51%	6.39%	6.25%
Average rate on interest-bearing liabilities	2.11%	1.94%	1.79%	1.62%	1.43%
Net interest margin (fully tax-equivalent)	5.21%	5.21%	5.10%	5.12%	5.12%
Total risk based capital ratio	11.1%	10.8%	11.2%	11.5%	11.9%
Tier 1 Capital ratio	10.0%	9.8%	10.1%	10.5%	10.8%

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

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(Unaudited. Dollars in thousands, except per share data)

	Three months ended				
	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
<b>Balance Sheet Data</b>					
Cash and due from banks	\$78,742	\$90,562	\$85,413	\$79,287	\$77,365
Federal funds sold	-	2,377	218	235	181
Securities, available-for-sale	244,441	260,278	271,134	288,902	293,730
Federal Home Loan Bank Stock	7,691	7,602	7,516	7,440	6,781
Loans					
Commercial loans	134,049	143,175	141,057	137,620	125,354
Consumer loans	510,809	508,233	494,277	456,247	425,437
Real estate mortgage loans	630,821	623,511	600,875	573,836	556,059
Real estate construction loans	124,429	110,116	91,881	82,349	75,583
Total loans, gross	1,400,108	1,385,035	1,328,090	1,250,052	1,182,433
Allowance for loan losses	(16,644)	(16,226)	(15,796)	(14,892)	(14,563)
Premises and equipment	21,068	21,291	21,223	21,182	20,599
Cash value of life insurance	42,168	41,768	41,519	41,099	40,699
Goodwill	15,519	15,519	15,519	15,519	15,519
Intangible assets	4,061	4,407	4,373	4,719	5,065
Other assets	32,372	28,662	27,647	27,100	27,803
Total assets	1,829,526	1,841,275	1,786,856	1,720,643	1,655,612
Deposits					
Noninterest-bearing demand deposits	354,514	368,412	346,456	332,887	312,738
Interest-bearing demand deposits	249,064	244,193	243,926	236,134	238,787
Savings deposits	432,087	438,177	449,893	466,062	484,660
Time certificates	491,726	446,015	398,024	365,094	362,564
Total deposits	1,527,391	1,496,797	1,438,299	1,400,177	1,398,749
Federal funds purchased	45,800	96,800	103,200	83,000	20,700
Reserve for unfunded commitments	1,813	1,813	1,674	1,671	1,632
Other liabilities	29,046	23,744	24,412	24,161	25,483
Other borrowings	31,441	31,390	31,711	27,628	28,176
Junior subordinated debt	41,238	41,238	41,238	41,238	41,238
Total liabilities	1,676,729	1,691,782	1,640,534	1,577,875	1,515,978
Total shareholders' equity	152,797	149,493	146,322	142,768	139,634
Accumulated other					
comprehensive loss	(5,330)	(3,825)	(2,538)	(1,468)	(2,242)
Average loans	1,384,541	1,344,654	1,284,977	1,209,061	1,167,039
Average interest-earning assets	1,646,777	1,615,901	1,574,392	1,511,668	1,464,028
Average total assets	1,822,441	1,784,018	1,744,015	1,679,653	1,628,827
Average deposits	1,498,825	1,473,625	1,421,055	1,407,586	1,363,064
Average total equity	\$154,410	\$149,619	\$146,660	\$143,196	\$141,264