



# TRICO BANCSHARES

PRESS RELEASE  
For Immediate Release

Contact: Thomas J. Reddish  
EVP & CFO (530) 898-0300

## TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

CHICO, Calif. – (July 26, 2007) – TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced quarterly earnings of \$6,755,000 for the quarter ended June 30, 2007. This represents a 3.0% increase when compared with earnings of \$6,557,000 for the quarter ended June 30, 2006. Diluted earnings per share for the quarter ended June 30, 2007 increased 2.5% to \$0.41 from \$0.40 for the quarter ended June 30, 2006. Total assets of the Company increased \$15,871,000 (0.9%) to \$1,887,027,000 at June 30, 2007 from \$1,871,156,000 at June 30, 2006. Total loans of the Company increased \$51,620,000 (3.6%) to \$1,507,628,000 at June 30, 2007 from \$1,456,008,000 at June 30, 2006. Total deposits of the Company decreased \$3,561,000 (0.2%) to \$1,510,879,000 at June 30, 2007 from \$1,514,440,000 at June 30, 2006. Diluted earnings per share for the six months ended June 30, 2007 and 2006 were \$0.80 and \$0.80, respectively, on earnings of \$13,199,000 and \$13,092,000, respectively.

The improvement in results from the year-ago quarter was due to a \$950,000 (4.4%) increase in fully tax-equivalent (FTE) net interest income to \$22,308,000, a \$54,000 (9.7%) decrease in the provision for loan losses to \$500,000, and a \$498,000 (7.6%) increase in noninterest income to \$7,029,000. These contributing factors were partially offset by a \$1,167,000 (7.2%) increase in noninterest expense to \$17,443,000 for the quarter ended June 30, 2007.

The increase in net interest income (FTE) was due to a \$21,915,000 (1.3%) increase in average balances of interest-earning assets to \$1,698,620,000 and a 0.15% increase in net interest margin (FTE) to 5.25%. This increase in net interest margin was mainly due to an 0.16% increase in the impact of net noninterest-bearing funds from the year-ago three month period that was partially offset by a 0.01% decrease in net interest spread as the average yield on interest-earning assets increased 0.51% while the average rate paid on interest-bearing liabilities increased 0.52% from the year-ago three month period.

The Company provided \$500,000 for loan losses in the second quarter of 2007 versus \$554,000 in the second quarter of 2006. During the second quarter of 2007, the Company recorded \$396,000 of net loan charge offs versus \$305,000 of net loan charge-offs in the year earlier quarter. The \$396,000 of net loan charge-offs during the second quarter of 2007 represented 0.11% of average loan balances on an annualized basis. At June 30, 2007, the combination of the Company's allowance for loan losses (\$16,999,000) and reserve for unfunded commitments (\$2,040,000) represented 143% of non-performing loans net of government agency guarantees (\$13,360,000). The \$13,360,000 of non-performing loans net of government guarantees at June 30, 2007 represents an increase of \$7,369,000 from the \$5,991,000 balance of such loans at March 31, 2007. \$7,175,000 of the \$7,369,000 increase was related to two residential real estate construction loans to a single borrower that matured, were well secured and in the process of refinance at June 30, 2007 with an entity other than the Company. The loans were paid off in full on July 26, 2007.

The increase in noninterest income from the year-ago quarter was mainly due to a \$152,000 (4.1%) increase in service charges on deposit accounts to \$3,858,000, a \$150,000 (16.7%) increase in ATM fees and interchange to \$1,046,000, and a \$115,000 improvement in change in value of mortgage servicing rights to \$73,000. The increase in service charges on deposit accounts was primarily due to growth in customer count. The increase in ATM fees and interchange was due to growth in customer count and expansion of ATM network as part of new branch openings. The improvement in change in value of mortgage servicing rights is primarily due to a slowdown in refinance activity which extends the estimated life of existing mortgages and enhances the value of the related mortgage servicing rights.

Noninterest expense for the second quarter of 2007 increased \$1,167,000 (7.2%) compared to the second quarter of 2006. Salaries and benefits expense increased \$1,001,000 (11.6%) to \$9,619,000, mainly due to annual salary increases, and a 1.5% increase in average full time equivalent staff made up primarily of new employees at the Company's recently opened branches. Other categories of noninterest expense such as equipment, occupancy and ATM network charges also increased, in part, due to these newly opened branches. Intangible amortization decreased \$228,000 (65%) to \$122,000 during the second quarter of 2007 as the core deposit intangible related to the purchase of several branches in 1997 became fully amortized in the fourth quarter of 2006.

As of June 30, 2007, the Company had repurchased 394,371 shares of its common stock under its stock repurchase plan announced on July 31, 2003 and amended on April 9, 2004, which left 105,629 shares available for repurchase under the plan.

Richard Smith, President and Chief Executive Officer commented, "We are pleased with our results for the second quarter of 2007 as TriCo realized a small improvement over the second quarter of 2006 results and a nicer improvement over the first quarter of 2007 results. We continue to believe that the slowdown in real estate value appreciation and real estate activity in general is affecting both wholesale and retail banking growth rates. However, we are optimistic about the prospects of our Company as we continue to add customers and expand our franchise in a profitable manner despite the challenging interest rate environment and competitive pressures."

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 23 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 62 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 share data)

	Three months ended				
	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
<b>Statement of Income Data</b>					
Interest income	\$31,986	\$30,661	\$31,545	\$31,421	\$29,379
Interest expense	9,895	9,216	9,821	9,576	8,275
Net interest income	22,091	21,445	21,724	21,845	21,104
Provision for loan losses	500	482	-	235	554
Noninterest income:					
Service charges and fees	5,375	5,061	4,940	5,056	4,956
Other income	1,654	1,539	1,687	1,593	1,575
Total noninterest income	7,029	6,600	6,627	6,649	6,531
Noninterest expense:					
Salaries and benefits	9,619	9,742	9,405	9,276	8,618
Intangible amortization	122	123	350	350	350
Provision for losses - unfunded commitments	74	117	-	-	36
Other expense	7,628	6,978	7,247	7,400	7,272
Total noninterest expense	17,443	16,960	17,002	17,026	16,276
Income before taxes	11,177	10,603	11,349	11,233	10,805
Net income	\$6,755	\$6,444	\$6,918	\$6,820	\$6,557
<b>Share Data</b>					
Basic earnings per share	\$0.42	\$0.41	\$0.44	\$0.43	\$0.42
Diluted earnings per share	0.41	0.39	0.42	0.42	0.40
Book value per common share	11.22	10.96	10.69	10.41	9.96
Tangible book value per common share	\$10.16	\$9.89	\$9.60	\$9.22	\$8.75
Shares outstanding	15,917,291	15,910,291	15,857,207	15,857,107	15,855,107
Weighted average shares	15,916,313	15,878,929	15,857,166	15,855,933	15,798,565
Weighted average diluted shares	16,463,389	16,415,845	16,396,320	16,365,858	16,388,855
<b>Credit Quality</b>					
Non-performing loans, net of government agency guarantees	\$13,360	\$5,991	\$4,512	\$4,523	\$3,913
Other real estate owned	187	187	-	-	-
Loans charged-off	751	739	498	368	564
Loans recovered	\$355	\$238	\$419	\$233	\$259
Allowance for losses to total loans <sup>(1)</sup>	1.26%	1.26%	1.24%	1.25%	1.29%
Allowance for losses to NPLs <sup>(1)</sup>	143%	315%	416%	417%	479%
Allowance for losses to NPAs <sup>(1)</sup>	141%	305%	416%	417%	479%
<b>Selected Financial Ratios</b>					
Return on average total assets	1.44%	1.38%	1.46%	1.45%	1.42%
Return on average equity	15.11%	14.79%	16.23%	16.64%	16.68%
Average yield on loans	7.93%	7.63%	7.81%	7.82%	7.44%
Average yield on interest-earning assets	7.58%	7.30%	7.43%	7.44%	7.07%
Average rate on interest-bearing liabilities	3.02%	2.85%	2.97%	2.86%	2.50%
Net interest margin (fully tax-equivalent)	5.25%	5.12%	5.13%	5.19%	5.10%
Total risk based capital ratio	11.8%	11.8%	11.3%	11.1%	11.1%
Tier 1 Capital ratio	10.8%	10.8%	10.3%	10.1%	10.1%

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

## TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA

(Unaudited. Dollars in thousands)

	Three months ended				
	June 30, 2007	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006
<b>Balance Sheet Data</b>					
Cash and due from banks	\$93,636	\$75,263	\$102,220	\$78,281	\$84,663
Federal funds sold	1,715	-	794	1,387	526
Securities, available-for-sale	175,891	188,478	198,361	209,886	221,828
Federal Home Loan Bank Stock	8,543	8,442	8,320	8,206	8,103
<b>Loans</b>					
Commercial loans	159,822	142,083	153,105	153,705	146,952
Consumer loans	526,575	516,550	525,513	527,185	517,588
Real estate mortgage loans	687,744	687,088	679,661	661,962	642,422
Real estate construction loans	133,487	149,893	151,600	164,307	149,046
Total loans, gross	1,507,628	1,495,614	1,509,879	1,507,159	1,456,008
Allowance for loan losses	(16,999)	(16,895)	(16,914)	(16,993)	(16,893)
Premises and equipment	20,891	20,924	21,830	21,556	21,597
Cash value of life insurance	44,346	43,941	43,536	42,991	42,571
Goodwill	15,519	15,519	15,519	15,519	15,519
Intangible assets	1,421	1,543	1,666	3,361	3,711
Other assets	34,436	33,492	34,755	32,651	33,523
Total assets	1,887,027	1,866,321	1,919,966	1,904,004	1,871,156
<b>Deposits</b>					
Noninterest-bearing demand deposits	366,321	364,401	420,025	357,754	354,576
Interest-bearing demand deposits	226,591	235,497	230,671	229,143	235,100
Savings deposits	387,422	381,069	374,605	369,933	388,847
Time certificates	530,545	555,882	573,848	568,344	535,917
Total deposits	1,510,879	1,536,849	1,599,149	1,525,174	1,514,440
Federal funds purchased	80,500	38,000	38,000	106,500	96,700
Reserve for unfunded commitments	2,040	1,966	1,849	1,849	1,849
Other liabilities	28,878	32,524	30,383	28,254	24,964
Other borrowings	44,892	41,347	39,911	35,848	33,971
Junior subordinated debt	41,238	41,238	41,238	41,238	41,238
Total liabilities	1,708,427	1,691,924	1,750,530	1,738,863	1,713,162
Total shareholders' equity	178,600	174,397	169,436	165,141	157,994
<b>Accumulated other</b>					
comprehensive loss	(4,779)	(3,988)	(4,521)	(3,607)	(5,629)
Average loans	1,506,913	1,490,055	1,498,040	1,477,551	1,427,735
Average interest-earning assets	1,698,620	1,692,574	1,711,743	1,701,166	1,676,705
Average total assets	1,871,260	1,865,448	1,890,765	1,880,029	1,850,487
Average deposits	1,500,733	1,534,473	1,550,979	1,501,630	1,497,571
Average total equity	\$178,836	\$174,262	\$170,518	\$163,919	\$157,232