



TRICO BANCSHARES

PRESS RELEASE
For Immediate Release

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TRICO BANCSHARES ANNOUNCES RECORD QUARTERLY EARNINGS

CHICO, Calif. – (October 24, 2006) – TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced record quarterly earnings of \$6,820,000 for the quarter ended September 30, 2006. This represents a 14.4% increase when compared with earnings of \$5,961,000 for the quarter ended September 30, 2005. Diluted earnings per share for the quarter ended September 30, 2006 increased 13.5% to \$0.42 from \$0.37 for the quarter ended September 30, 2005. Total assets of the Company increased \$117,148,000 (6.6%) to \$1,904,004,000 at September 30, 2006 from \$1,786,856,000 at September 30, 2005. Total loans of the Company increased \$179,069,000 (13.5%) to \$1,507,159,000 at September 30, 2006 from \$1,328,090,000 at September 30, 2005. Total deposits of the Company increased \$86,875,000 (6.0%) to \$1,525,174,000 at September 30, 2006 from \$1,438,299,000 at September 30, 2005. Diluted earnings per share for the nine months ended September 30, 2006 and 2005 were \$1.22 and \$1.04, respectively, on earnings of \$19,912,000 and \$16,937,000, respectively.

The improvement in results from the year-ago quarter was due to a \$1,991,000 (9.9%) increase in fully tax-equivalent (FTE) net interest income to \$22,077,000, and a \$712,000 (75.2%) decrease in provision for loan losses. These contributing factors were partially offset by a \$1,346,000 (8.6%) increase in noninterest expense to \$17,026,000 for the quarter ended September 30, 2006.

The increase in net interest income (FTE) was due to a \$126,774,000 (8.1%) increase in average balances of interest-earning assets to \$1,701,166,000 and a 0.09% increase in net interest margin (FTE) to 5.19%. The increase in net interest margin was mainly due to an 0.23% increase in the impact of net noninterest-bearing funds to 0.61% from 0.38% in the quarter ended September 30, 2005 that was partially offset by a 0.14% decrease in net interest spread as the average yield on interest-earning assets increased 0.93% while the average rate paid on interest-bearing liabilities increased 1.07% from the quarter ended September 30, 2005.

The Company provided \$235,000 for loan losses in the third quarter of 2006 versus \$947,000 in the third quarter of 2005. During the third quarter of 2006, the Company recorded \$135,000 of net loan charge offs versus \$43,000 of net loan charge-offs in the third quarter of 2005. The net loan charge-offs of \$135,000 during the third quarter of 2006 represented 0.04% of average loan balances on an annualized basis. At September 30, 2006, the Company's combined allowance for loan losses (\$16,993,000) and reserve for unfunded commitments (\$1,849,000) represented 417% of non-performing loans net of government agency guarantees (\$4,523,000).

Noninterest income for the third quarter of 2006 increased \$17,000 (0.3%) from the third quarter of 2005, mainly due to a \$50,000 (1.4%) increase in service charges on deposit accounts to \$3,703,000, a \$105,000 (12.8%) increase in ATM fees and interchange to \$927,000, and a \$66,000 (35.9%) decrease in amortization (or change in value) of mortgage servicing rights, that were partially offset by a \$88,000 (16.4%) decrease in commissions on sale of nondeposit investment products to \$447,000, and a \$210,000 (44.3%) decrease in gain on sale of loans to \$264,000. The increase in service charges on deposit accounts was primarily due to growth in the number of customers. The increase in ATM fees and interchange was due to growth in the number of customers and expansion of ATM network as part of new branch openings. The decrease in amortization (or change in value) of mortgage servicing rights was due primarily to a slowdown in residential mortgage refinance activity which generally increases the value of mortgage servicing rights. The shift from amortization

of mortgage servicing rights to change in value of mortgage servicing rights was due to the adoption of market value accounting for mortgage servicing rights effective January 1, 2006 and the related change in market value from July 1, 2006 to September 30, 2006. The decrease in gain on sale of loans was due to a slowdown in residential mortgage refinance activity.

Noninterest expense for the third quarter of 2006 increased \$1,346,000 (8.6%) compared to the third quarter of 2005. Salaries and benefits expense increased \$692,000 (8.1%) to \$9,276,000. 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 Roseville-Pleasant Grove (November 2005), Yuba City-Marketplace (January 2006), Folsom-Empire Ranch (March 2006), Natomas-Arena Blvd (April 2006), Antelope (May 2006), Anderson (June 2006), and Elk Grove (August 2006). Other categories of noninterest expense, including occupancy and ATM network charges, also increased, in part, due to these newly-opened branches. Advertising and marketing expense increased \$76,000 (13.1%) to \$655,000. Professional fees increased \$88,000 (30.7%) to \$375,000 due to increased audit fees.

As of September 30, 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.

Richard Smith, President and Chief Executive Officer commented, "We are encouraged by the record results our team members were able to generate for our Company during this most recent quarter even as we opened our sixth branch in 2006 to bring our total number of branches to fifty-four. We achieved another quarter of strong loan growth, continued excellent credit quality of our loan portfolio and a steady increase in service charge and fee revenue. We believe these results reflect our ability to deliver, and our market's acceptance of, our values of service and convenience. We believe this strategy will allow us to continue to grow our Company in a profitable manner despite the current environment of a flat yield curve, increased competition for deposits and a slowdown in mortgage refinance activity."

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 30-year history in the banking industry. Tri Counties Bank operates 32 traditional branch locations and 22 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 60 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				
	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2005	September 30, 2005
Statement of Income Data					
Interest income	\$31,421	\$29,379	\$27,978	\$26,876	\$25,334
Interest expense	9,576	8,275	6,773	6,100	5,519
Net interest income	21,845	21,104	21,205	20,776	19,815
Provision for loan losses	235	554	500	561	947
Noninterest income:					
Service charges and fees	5,056	4,956	4,857	4,790	4,795
Other income	1,593	1,575	1,591	1,832	1,837
Total noninterest income	6,649	6,531	6,448	6,622	6,632
Noninterest expense:					
Salaries and benefits	9,276	8,618	9,156	8,565	8,584
Intangible amortization	350	350	346	346	346
Provision for losses - unfunded commitments	-	36	-	139	3
Other expense	7,400	7,272	6,920	6,750	6,747
Total noninterest expense	17,026	16,276	16,422	15,800	15,680
Income before taxes	11,233	10,805	10,731	11,037	9,820
Net income	\$6,820	\$6,557	\$6,535	\$6,734	\$5,961
Share Data					
Basic earnings per share	\$0.43	\$0.42	\$0.42	\$0.43	\$0.38
Diluted earnings per share	0.42	0.40	0.40	0.41	0.37
Book value per common share	10.41	9.96	9.68	9.52	9.30
Tangible book value per common share	\$9.22	\$8.75	\$8.44	\$8.25	\$8.04
Shares outstanding	15,857,107	15,855,107	15,778,090	15,707,835	15,728,106
Weighted average shares	15,855,933	15,798,565	15,736,544	15,711,257	15,687,547
Weighted average diluted shares	16,365,858	16,388,855	16,379,595	16,336,888	16,330,035
Credit Quality					
Non-performing loans, net of					
government agency guarantees	\$4,523	\$3,913	\$4,048	\$2,961	\$3,048
Other real estate owned	-	-	-	-	-
Loans charged-off	368	564	357	392	479
Loans recovered	\$233	\$259	\$275	\$261	\$436
Allowance for losses to total loans ⁽¹⁾	1.25%	1.29%	1.32%	1.30%	1.32%
Allowance for losses to NPLs ⁽¹⁾	417%	479%	456%	609%	573%
Allowance for losses to NPAs ⁽¹⁾	417%	479%	456%	609%	573%
Selected Financial Ratios					
Return on average total assets	1.45%	1.42%	1.43%	1.51%	1.37%
Return on average equity	16.64%	16.68%	16.93%	18.00%	16.26%
Average yield on loans	7.82%	7.44%	7.24%	7.11%	6.93%
Average yield on interest-earning assets	7.44%	7.07%	6.86%	6.72%	6.51%
Average rate on interest-bearing liabilities	2.86%	2.50%	2.11%	1.94%	1.79%
Net interest margin (fully tax-equivalent)	5.19%	5.10%	5.21%	5.21%	5.10%
Total risk based capital ratio	11.1%	11.1%	11.1%	10.8%	11.2%
Tier 1 Capital ratio	10.1%	10.1%	10.0%	9.8%	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				
	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2005	September 30, 2005
Balance Sheet Data					
Cash and due from banks	\$78,281	\$84,663	\$78,742	\$90,562	\$85,413
Federal funds sold	1,387	526	-	2,377	218
Securities, available-for-sale	209,886	221,828	244,441	260,278	271,134
Federal Home Loan Bank Stock	8,206	8,103	7,691	7,602	7,516
Loans					
Commercial loans	153,705	146,952	134,049	143,175	141,057
Consumer loans	527,185	517,588	510,809	508,233	494,277
Real estate mortgage loans	661,962	642,422	630,821	623,511	600,875
Real estate construction loans	164,307	149,046	124,429	110,116	91,881
Total loans, gross	1,507,159	1,456,008	1,400,108	1,385,035	1,328,090
Allowance for loan losses	(16,993)	(16,893)	(16,644)	(16,226)	(15,796)
Premises and equipment	21,556	21,597	21,068	21,291	21,223
Cash value of life insurance	42,991	42,571	42,168	41,768	41,519
Goodwill	15,519	15,519	15,519	15,519	15,519
Intangible assets	3,361	3,711	4,061	4,407	4,373
Other assets	32,651	33,523	32,372	28,662	27,647
Total assets	1,904,004	1,871,156	1,829,526	1,841,275	1,786,856
Deposits					
Noninterest-bearing demand deposits	357,754	354,576	354,514	368,412	346,456
Interest-bearing demand deposits	229,143	235,100	249,064	244,193	243,926
Savings deposits	369,933	388,847	432,087	438,177	449,893
Time certificates	568,344	535,917	491,726	446,015	398,024
Total deposits	1,525,174	1,514,440	1,527,391	1,496,797	1,438,299
Federal funds purchased	106,500	96,700	45,800	96,800	103,200
Reserve for unfunded commitments	1,849	1,849	1,813	1,813	1,674
Other liabilities	28,254	24,964	29,046	23,744	24,412
Other borrowings	35,848	33,971	31,441	31,390	31,711
Junior subordinated debt	41,238	41,238	41,238	41,238	41,238
Total liabilities	1,738,863	1,713,162	1,676,729	1,691,782	1,640,534
Total shareholders' equity	165,141	157,994	152,797	149,493	146,322
Accumulated other					
comprehensive loss	(3,607)	(5,629)	(5,330)	(3,825)	(2,538)
Average loans	1,477,551	1,427,735	1,384,541	1,344,654	1,284,977
Average interest-earning assets	1,701,166	1,676,705	1,646,777	1,615,901	1,574,392
Average total assets	1,880,029	1,850,487	1,822,441	1,784,018	1,744,015
Average deposits	1,501,630	1,497,571	1,498,825	1,473,625	1,421,055
Average total equity	\$163,919	\$157,232	\$154,410	\$149,619	\$146,660