



TRICO BANCSHARES

PRESS RELEASE
For Immediate Release

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TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

CHICO, Calif. – (April 29, 2009) – TriCo Bancshares (NASDAQ: TCBK) (the "Company"), parent company of Tri Counties Bank, today announced quarterly earnings of \$2,882,000 for the quarter ended March 31, 2009. This represents a decrease of \$1,166,000 (28.8%) when compared with earnings of \$4,048,000 for the quarter ended March 31, 2008. Diluted earnings per share for the quarter ended March 31, 2009 decreased 28.0% to \$0.18 compared to \$0.25 for the quarter ended March 31, 2008. Total assets of the Company increased \$79,002,000 (4.0%) to \$2,078,352,000 at March 31, 2009 from \$1,999,350,000 at March 31, 2008. Total loans of the Company increased \$19,012,000 (1.2%) to \$1,566,956,000 at March 31, 2009 from \$1,547,944,000 at March 31, 2008. Total deposits of the Company increased \$198,231,000 (13.0%) to \$1,726,706,000 at March 31, 2009 from \$1,528,475,000 at March 31, 2008.

The decrease in earnings from the prior year quarter was primarily due to a \$3,700,000 (90%) increase in the provision for loan losses to \$7,800,000 from \$4,100,000 that was partially offset by a \$1,633,000 (7.6%) increase in net interest income to \$22,998,000 in the quarter ended March 31, 2009 from \$21,365,000 in the quarter ended March 31, 2008.

The increase in the provision for loan losses was primarily due to higher net loan charge-offs, increased non-performing loans and downgrades in loan classifications during the first quarter of 2009 compared to the first quarter of 2008. During the first quarter of 2009, the Company recorded \$2,616,000 of net loan charge-offs versus \$2,048,000 of net loan charge-offs in the first quarter of 2008. The \$568,000 (27.7%) increase in net loan charge-offs was principally related to home equity lines of credit and small business loans that were partially offset by reduced net charge-offs of residential construction loans when compared to the year-ago quarter. Non-performing loans, defined as non-accruing loans and accruing loans delinquent 90 days or more, net of government guarantees were \$34,360,000, \$27,525,000 and \$9,850,000 at March 31, 2009, December 31, 2008 and March 31, 2008, respectively.

Net interest income on a fully tax-equivalent (FTE) basis during the first quarter of 2009 increased \$1,605,000 (7.5%) from the same period in 2008 to \$23,151,000. The increase in net interest income (FTE) was due to a 0.17% increase in net interest margin (FTE) to 4.91% and a \$69,909,000 (3.9%) increase in average balances of interest-earning assets to \$1,887,121,000. The increase in net interest margin was mainly due to rate floors on most of the Company's adjustable rate loans that caused decreases in rates paid for interest-bearing liabilities to exceed decreases in rates earned on interest-earning assets.

Noninterest income for the first quarter of 2009 decreased \$235,000 (3.4%) from the first quarter of 2008 due primarily to a \$396,000 gain from the Company's membership in VISA, Inc. and VISA's initial public offering (IPO) in March 2008, and a \$253,000 (6.6%) decrease in service charges on deposit accounts to \$3,585,000 that were partially offset by a \$383,000 (148%) increase in gain on sale of loans and a \$167,000 improvement in change in value of mortgage servicing rights over the year-ago quarter. The decrease in service charges on deposit accounts is due to reduced non-sufficient funds fees as customers reduce their buying due to current economic conditions. These same economic conditions have resulted in lower mortgage rates that have increased refinance activity and improved gain on sale of loans for the Company. The following table summarizes the components of noninterest income for the periods indicated (in thousands):

	<u>Three months ended March 31,</u>	
	<u>2009</u>	<u>2008</u>
Service charges on deposit accounts	\$3,585	\$3,838
ATM fees and interchange	1,098	1,079
Other service fees	542	551
Change in value of mortgage servicing rights	(173)	(340)
Gain on sale of loans	641	258
Commissions on sale of nondeposit investment products	489	420
Increase in cash value of life insurance	280	360
Gain from VISA IPO	-	396
Other noninterest income	153	288
Total noninterest income	<u>\$6,615</u>	<u>\$6,850</u>

Noninterest expense for the first quarter of 2009 decreased \$372,000 (2.1%) compared to the first quarter of 2008. Salaries and benefits expense increased \$309,000 (3.3%) to \$9,789,000. The increase in salaries and benefits expense was mainly due to annual salary increases. Provision for losses – unfunded commitments decreased \$650,000 (79%) to \$175,000 for the quarter ended March 31, 2009 due primarily to estimated losses related to home equity lines of credit and construction loans that were recognized in the first quarter of 2008. The components of noninterest expense were as follows (in thousands):

	<u>Three months ended March 31,</u>	
	<u>2009</u>	<u>2008</u>
Base salaries, net of deferred loan origination costs	\$6,576	\$6,333
Incentive compensation	588	560
Benefits and other compensation costs	2,625	2,587
Total salaries and benefits expense	<u>9,789</u>	<u>9,480</u>
Occupancy	1,235	1,188
Equipment	917	982
Provision for losses – unfunded commitments	175	825
Data processing and software	618	615
Telecommunications	332	597
ATM network charges	516	494
Professional fees	311	493
Advertising and marketing	398	319
Postage	279	282
Courier service	173	263
Intangible amortization	134	123
Operational losses	37	113
Provision for OREO losses	162	-
Assessments	302	82
Other	1,823	1,717
Total other noninterest expense	<u>7,412</u>	<u>8,093</u>
Total noninterest expense	<u>\$17,201</u>	<u>\$17,573</u>

Richard Smith, President and Chief Executive Officer commented, “Our March 31, 2009 financial statements reflect that while the bank continues to produce strong net interest and non interest revenues, we continue to increase our provision for loan losses resulting in lower earnings per share as this long and deep US recession continues. During the quarter we continued to see rising levels of unemployment throughout California, reduced spending by consumers and businesses and declining

real estate values resulting in additional write-downs and a continued decline in economic activity in our service area. Despite these challenging times, our core earnings allowed us to increase our loan loss reserves and increase our already strong capital position during the quarter. We also continued to see strong growth in bank deposits as total deposits increased \$198,231,000 from March 31, 2008 to March 31, 2009. This strong growth in deposits provides us with the funding to meet the lending needs of the markets we serve.”

The Company adopted a stock repurchase plan on August 21, 2007, for the repurchase of up to 500,000 shares of the Company's common stock from time to time as market conditions allow. The 500,000 shares authorized for repurchase under this plan represented approximately 3.2% of the Company's approximately 15,815,000 common shares outstanding as of August 21, 2007. This plan has no stated expiration date for the repurchases. As of March 31, 2009, the Company had repurchased 166,600 shares under this plan, which left 333,400 shares available for repurchase under the plan.

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, 2008. 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 34-year history in the banking industry. Tri Counties Bank operates 32 traditional branch locations and 25 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 64 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				
	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008	March 31, 2008
Statement of Income Data					
Interest income	\$28,882	\$29,679	\$29,971	\$30,332	\$31,130
Interest expense	5,884	7,064	7,252	7,471	9,765
Net interest income	22,998	22,615	22,719	22,861	21,365
Provision for loan losses	7,800	5,450	2,600	8,800	4,100
Noninterest income:					
Service charges and fees	5,052	4,377	5,224	5,826	5,128
Other income	1,563	1,788	1,568	1,454	1,722
Total noninterest income	6,615	6,165	6,792	7,280	6,850
Noninterest expense:					
Base salaries net of deferred loan origination costs	6,576	6,394	6,331	6,316	6,333
Incentive compensation expense	588	794	675	830	560
Employee benefits and other compensation expense	2,625	2,368	2,425	2,499	2,587
Total salaries and benefits expense	9,789	9,556	9,431	9,645	9,480
Intangible amortization	134	135	133	133	122
Provision for losses - unfunded commitments	175	(800)	(100)	550	825
Other expense	7,103	7,841	7,125	7,516	7,146
Total noninterest expense	17,201	16,732	16,589	17,844	17,573
Income before taxes	4,612	6,598	10,322	3,497	6,542
Net income	\$2,882	\$4,241	\$6,235	\$2,274	\$4,048
Share Data					
Basic earnings per share	\$0.18	\$0.27	\$0.40	\$0.14	\$0.26
Diluted earnings per share	0.18	0.26	0.39	0.14	0.25
Book value per common share	12.71	12.56	12.14	11.86	12.02
Tangible book value per common share	\$11.69	\$11.54	\$11.10	\$10.81	\$10.97
Shares outstanding	15,782,753	15,756,101	15,744,881	15,744,881	15,744,950
Weighted average shares	15,774,624	15,750,857	15,744,881	15,744,881	15,842,085
Weighted average diluted shares	16,019,488	16,068,456	15,951,668	15,953,288	16,081,722
Credit Quality					
Non-performing loans, net of government agency guarantees	\$34,360	\$27,525	\$17,041	\$14,808	\$9,850
Foreclosed assets, net of allowance	2,407	1,185	1,178	1,178	836
Loans charged-off	3,001	2,780	2,578	4,176	2,385
Loans recovered	\$385	\$332	\$285	\$274	\$337
Allowance for losses to total loans ⁽¹⁾	2.27%	1.90%	1.79%	1.80%	1.44%
Allowance for losses to NPLs ⁽¹⁾	103%	110%	164%	187%	226%
Allowance for losses to NPAs ⁽¹⁾	97%	105%	153%	174%	209%
Selected Financial Ratios					
Return on average total assets	0.56%	0.85%	1.26%	0.46%	0.81%
Return on average equity	5.70%	8.66%	13.04%	4.74%	8.37%
Average yield on loans	6.52%	6.73%	6.92%	6.99%	7.22%
Average yield on interest-earning assets	6.15%	6.48%	6.68%	6.71%	6.80%
Average rate on interest-bearing liabilities	1.63%	2.07%	2.06%	2.11%	2.78%
Net interest margin (fully tax-equivalent)	4.91%	4.95%	5.07%	5.06%	4.74%
Total risk based capital ratio	12.7%	12.4%	12.4%	12.3%	12.1%
Tier 1 Capital ratio	11.4%	11.2%	11.1%	11.0%	10.9%
(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				
	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008	March 31, 2008
Balance Sheet Data					
Cash and due from banks	\$137,241	\$86,355	\$67,300	\$76,658	\$74,713
Federal funds sold	-	-	-	-	-
Securities, available-for-sale	279,122	266,561	241,900	253,129	272,276
Federal Home Loan Bank Stock	9,235	9,235	9,147	9,010	8,885
Loans					
Commercial loans	169,765	189,645	189,837	178,104	157,832
Consumer loans	499,168	514,448	513,132	518,200	525,065
Real estate mortgage loans	813,889	802,527	770,553	751,651	729,704
Real estate construction loans	84,134	84,229	89,714	95,369	135,343
Total loans, gross	1,566,956	1,590,849	1,563,236	1,543,324	1,547,944
Allowance for loan losses	(32,774)	(27,590)	(24,588)	(24,281)	(19,383)
Premises and equipment	18,537	18,841	19,094	19,580	20,069
Cash value of life insurance	47,095	46,815	46,061	45,701	45,341
Goodwill	15,519	15,519	15,519	15,519	15,519
Intangible assets	519	653	786	920	1,053
Other assets	36,902	35,952	38,012	40,930	32,933
Total assets	2,078,352	2,043,190	1,976,467	1,980,490	1,999,350
Deposits					
Noninterest-bearing demand deposits	371,639	401,247	334,015	347,336	358,684
Interest-bearing demand deposits	269,807	241,560	228,441	215,530	216,478
Savings deposits	426,001	380,799	374,640	382,918	398,763
Time certificates	659,259	645,664	626,745	565,269	554,550
Total deposits	1,726,706	1,669,270	1,563,841	1,511,053	1,528,475
Federal funds purchased	-	-	67,000	123,750	102,300
Reserve for unfunded commitments	2,740	2,565	3,365	3,465	2,915
Other liabilities	31,041	30,180	30,048	29,250	31,355
Other borrowings	76,081	102,005	79,873	85,048	103,767
Junior subordinated debt	41,238	41,238	41,238	41,238	41,238
Total liabilities	1,877,806	1,845,258	1,785,365	1,793,804	1,810,050
Total shareholders' equity	200,546	197,932	191,102	186,686	189,300
Accumulated other comprehensive gain (loss)	3,474	2,056	(2,455)	(2,980)	25
Average loans	1,566,350	1,565,343	1,549,009	1,546,257	1,535,357
Average interest-earning assets	1,887,121	1,840,915	1,806,010	1,819,222	1,817,212
Average total assets	2,049,193	1,995,239	1,974,392	1,986,674	1,988,666
Average deposits	1,688,704	1,625,574	1,545,435	1,507,252	1,511,604
Average total equity	\$202,126	\$195,828	\$191,211	\$192,005	\$193,449