UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the quarterly period ended: September 30, 2024

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from_________to________

Commission File Number: 000-10661

trico bancshares

(Exact Name of Registrant as Specified in Its Charter)

CA	**94-2792841**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

63 Constitution Drive
Chico, California 95973
(Address of Principal Executive Offices)(Zip Code)

(530) 898-0300
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	TCBK	The NASDAQ Stock Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ■ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ■ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "accelerated filer", "large accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

■	Large accelerated filer	☐	Accelerated filer
☐	Non-accelerated filer	☐	Smaller reporting company
☐	Emerging growth company		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ■ No

Indicate the number of shares outstanding for each of the issuer's classes of common stock, as of the latest practical date:

Common stock, no par value: 33,005,380 shares outstanding as of November 6, 2024.

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GLOSSARY OF ACRONYMS AND TERMS

The following listing provides a comprehensive reference of common acronyms and terms used throughout the document:

ACL	Allowance for Credit Losses
AFS	Available-for-Sale
AOCI	Accumulated Other Comprehensive Income
ASC	Accounting Standards Codification
CDs	Certificates of Deposit
CDI	Core Deposit Intangible
CRE	Commercial Real Estate
CMO	Collateralized Mortgage Obligation
DFPI	State Department of Financial Protection and Innovation
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
FHLB	Federal Home Loan Bank
FOMC	Federal Open Market Committee
FRB	Federal Reserve Board
FTE	Fully taxable equivalent
GAAP	Generally Accepted Accounting Principles (United States of America)
HELOC	Home equity line of credit
HTM	Held-to-Maturity
LIBOR	London Interbank Offered Rate
NIM	Net interest margin
NPA	Nonperforming assets
OCI	Other comprehensive income
PCD	Purchase Credit Deteriorated
PSU	Performance Restricted Stock Unit
ROUA	Right-of-Use Asset
RSU	Restricted Stock Unit
SBA	Small Business Administration
SERP	Supplemental Executive Retirement Plan
SFR	Single Family Residence
SOFR	Secured Overnight Financing Rate
VRB	Valley Republic Bancorp
XBRL	eXtensible Business Reporting Language

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

TRICO BANCSHARES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data; unaudited)

	September 30, 2024	December 31, 2023
Assets:		
Cash and due from banks	$ 110,141	$ 81,626
Cash at Federal Reserve and other banks	209,973	17,075
Cash and cash equivalents	320,114	98,701
Investment securities:		
Marketable equity securities	2,690	2,634
Available for sale debt securities, at fair value (amortized cost of $2,159,708 and $2,384,325)	1,979,270	2,152,504
Held to maturity debt securities, at amortized cost, net of allowance for credit losses of $0	117,259	133,494
Restricted equity securities	17,250	17,250
Loans held for sale	1,995	458
Loans	6,683,891	6,794,470
Allowance for credit losses	(123,760)	(121,522)
Total loans, net	6,560,131	6,672,948
Premises and equipment, net	70,423	71,347
Cash value of life insurance	139,312	136,892
Accrued interest receivable	33,061	36,768
Goodwill	304,442	304,442
Other intangible assets, net	7,462	10,552
Operating leases, right-of-use	24,716	26,133
Other assets	245,765	245,966
Total assets	$ 9,823,890	$ 9,910,089
Liabilities and Shareholders' Equity:		
Liabilities:		
Deposits:		
Noninterest-bearing demand	$ 2,547,736	$ 2,722,689
Interest-bearing	5,489,355	5,111,349
Total deposits	8,037,091	7,834,038
Accrued interest payable	11,664	8,445
Operating lease liability	26,668	28,261
Other liabilities	141,521	145,982
Other borrowings	266,767	632,582
Junior subordinated debt	101,164	101,099
Total liabilities	8,584,875	8,750,407
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Preferred stock, no par value: 1,000,000 shares authorized, zero issued and outstanding at September 30, 2024 and December 31, 2023	—	—
Common stock, no par value: 50,000,000 shares authorized; 33,000,508 and 33,268,102 issued and outstanding at September 30, 2024 and December 31, 2023, respectively	693,176	697,349
Retained earnings	662,816	615,502
Accumulated other comprehensive loss, net of tax	(116,977)	(153,169)
Total shareholders' equity	1,239,015	1,159,682
Total liabilities and shareholders' equity	$ 9,823,890	$ 9,910,089

See accompanying notes to unaudited condensed consolidated financial statements.

TRICO BANCSHARES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data; unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest and dividend income:				
Loans, including fees	$ 98,085	$ 91,707	$ 292,799	$ 260,868
Investments:				
Taxable securities	16,812	18,657	50,878	55,746
Tax exempt securities	897	1,350	2,729	3,920
Dividends	376	333	1,143	935
Interest bearing cash at Federal Reserve and other banks	1,177	333	2,247	976
Total interest and dividend income	117,347	112,380	349,796	322,445
Interest expense:				
Deposits	30,688	17,379	83,238	33,981
Other borrowings	2,144	5,106	13,640	13,318
Junior subordinated debt	1,904	1,772	5,574	5,086
Total interest expense	34,736	24,257	102,452	52,385
Net interest income	82,611	88,123	247,344	270,060
Provision for credit losses	220	4,155	4,930	18,000
Net interest income after credit loss provision	82,391	83,968	242,414	252,060
Non-interest income:				
Service charges and fees	12,782	13,075	38,215	37,240
Gain on sale of loans	549	382	1,198	883
(Loss) gain on sale or exchange of investment securities	2	—	(43)	(164)
Asset management and commission income	1,502	1,141	3,989	3,233
Increase in cash value of life insurance	786	684	2,420	2,274
Other	874	702	2,353	1,894
Total non-interest income	16,495	15,984	48,132	45,360
Non-interest expense:				
Salaries and related benefits	35,550	34,463	105,255	101,740
Other	23,937	23,415	69,075	71,175
Total non-interest expense	59,487	57,878	174,330	172,915
Income before provision for income taxes	39,399	42,074	116,216	124,505
Provision for income taxes	10,348	11,484	30,382	33,190
Net income	$ 29,051	$ 30,590	$ 85,834	$ 91,315
Per share data:				
Basic earnings per share	$ 0.88	$ 0.92	$ 2.59	$ 2.75
Diluted earnings per share	$ 0.88	$ 0.92	$ 2.58	$ 2.74
Dividends per share	$ 0.33	$ 0.30	$ 0.99	$ 0.90

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(In thousands; unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income	$ 29,051	$ 30,590	$ 85,834	$ 91,315
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on available for sale securities arising during the period	44,538	(44,040)	36,192	(31,511)
Change in minimum pension liability	—	—	—	—
Change in joint beneficiary agreements	—	—	—	—
Other comprehensive income (loss)	44,538	(44,040)	36,192	(31,511)
Comprehensive income (loss)	$ 73,589	$ (13,450)	$ 122,026	$ 59,804

See accompanying notes to unaudited condensed consolidated financial statements.

TRICO BANCSHARES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands, except share and per share data; unaudited)

	Shares of Common Stock	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at July 1, 2023	33,259,260	$ 695,305	$ 578,852	$ (181,376)	$ 1,092,781
Net income			30,590		30,590
Other comprehensive income (loss)				(44,040)	(44,040)
RSU vesting		728			728
PSU vesting		355			355
RSUs released	5,061				—
Repurchase of common stock	(997)	(19)	(15)		(34)
Dividends paid ($0.30 per share)			(9,979)		(9,979)
Three months ended September 30, 2023	33,263,324	$ 696,369	$ 599,448	$ (225,416)	$ 1,070,401
Balance at July 1, 2024	32,989,327	$ 691,878	$ 644,687	$ (161,515)	$ 1,175,050
Net income			29,051		29,051
Other comprehensive income (loss)				44,538	44,538
Stock options exercised	7,500	174			174
RSU vesting		809			809
PSU vesting		348			348
RSUs released	5,232				—
PSUs released	—				—
Repurchase of common stock	(1,551)	(33)	(34)		(67)
Dividends paid ($0.33 per share)			(10,888)		(10,888)
Three months ended September 30, 2024	33,000,508	$ 693,176	$ 662,816	$ (116,977)	$ 1,239,015
Balance at January 1, 2023	33,331,513	$ 697,448	$ 542,873	$ (193,905)	$ 1,046,416
Net income			91,315		91,315
Other comprehensive income (loss)				(31,511)	(31,511)
Stock options exercised	8,000	156			156
RSU vesting		2,082			2,082
PSU vesting		972			972
RSUs released	72,847				—
PSUs released	55,928				—
Repurchase of common stock	(204,964)	(4,289)	(4,819)		(9,108)
Dividends paid ($0.90 per share)			(29,921)		(29,921)
Nine months ended September 30, 2023	33,263,324	$ 696,369	$ 599,448	$ (225,416)	$ 1,070,401
Balance at January 1, 2024	33,268,102	$ 697,349	$ 615,502	$ (153,169)	$ 1,159,682
Net income			85,834		85,834
Other comprehensive income (loss)				36,192	36,192
Stock options exercised	7,500	174			174
RSU vesting		2,428			2,428
PSU vesting		1,122			1,122
RSUs released	69,043				—
PSUs released	32,248				—
Repurchase of common stock	(376,385)	(7,897)	(5,754)		(13,651)
Dividends paid ($0.99 per share)			(32,766)		(32,766)
Nine months ended September 30, 2024	33,000,508	$ 693,176	$ 662,816	$ (116,977)	$ 1,239,015

See accompanying notes to unaudited condensed consolidated financial statements.

TRICO BANCSHARES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands; unaudited)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Operating activities:		
Net income	$ 85,834	$ 91,315
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of premises and equipment, and amortization	4,562	4,829
Amortization of intangible assets	3,090	4,902
Provision for credit losses on loans	4,670	16,415
Amortization of investment securities premium, net	511	433
Loss on sale of investment securities	43	164
Originations of loans for resale	(48,197)	(33,389)
Proceeds from sale of loans originated for resale	47,476	35,179
Gain on sale of loans	(1,198)	(883)
Change in fair market value of mortgage servicing rights	468	215
Provision for losses on foreclosed assets	—	679
Gain on transfer of loans to foreclosed assets	(38)	(114)
Loss (gain) on sale of foreclosed assets	26	(38)
Change in the market value of foreclosed assets	262	—
Operating lease expense payments	(4,658)	(4,840)
Loss on disposal of fixed assets	12	22
Increase in cash value of life insurance	(2,420)	(2,274)
Loss (gain) on marketable and trading equity securities	(121)	81
Equity compensation vesting expense	3,550	3,054
Change in:		
Interest receivable	3,707	(2,739)
Interest payable	3,219	5,521
Amortization of operating lease ROUA	4,481	4,861
Other assets and liabilities, net	(19,812)	(21,016)
Net cash from operating activities	85,467	102,377
Investing activities:		
Proceeds from maturities of securities available for sale	315,627	243,245
Proceeds from maturities of securities held to maturity	16,074	21,754
Proceeds from sale of available for sale securities	31,534	24,160
Purchases of securities available for sale	(122,873)	(34,468)
Loan origination and principal collections, net	107,690	(258,183)
Loans purchased	—	(6,423)
Proceeds from sale of other real estate owned	149	165
Purchases of premises and equipment	(3,250)	(3,885)
Net cash from investing activities	344,951	(13,635)
Financing activities:		
Net change in deposits	203,053	(319,370)
Net change in other borrowings	(365,815)	273,370
Repurchase of common stock, net of option exercises	(13,651)	(9,108)
Dividends paid	(32,766)	(29,921)
Exercise of stock options	174	156
Net cash used by financing activities	(209,005)	(84,873)
Net change in cash and cash equivalents	221,413	3,869
Cash and cash equivalents, beginning of period	98,701	107,230
Cash and cash equivalents, end of period	$ 320,114	$ 111,099

Supplemental disclosure of noncash activities:		
Unrealized gain (loss) on securities available for sale	$ 51,383	$ (44,738)
Market value of shares tendered in-lieu of cash to pay for exercise of options and/or related taxes	1,168	2,134
Obligations incurred in conjunction with leased assets	2,226	4,311
Loans transferred to foreclosed assets	458	105
Supplemental disclosure of cash flow activity:		
Cash paid for interest expense	$ 99,233	$ 46,864
Cash paid for income taxes	27,200	39,800

See accompanying notes to unaudited condensed consolidated financial statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Business and Basis of Presentation

TriCo Bancshares (the “Company” or “we”) is a California corporation organized to act as a bank holding company for Tri Counties Bank (the “Bank”). The Company and the Bank are headquartered in Chico, California. The Bank is a California-chartered bank that is engaged in the general commercial banking business in 31 California counties. The consolidated financial statements are prepared in accordance with accounting policies generally accepted in the United States of America and general practices in the banking industry. All adjustments necessary for a fair presentation of these consolidated financial statements have been included and are of a normal and recurring nature. The financial statements include the accounts of the Company. All inter-company accounts and transactions have been eliminated in consolidation.

The Company has five capital subsidiary business trusts (collectively, the “Capital Trusts”) that issued trust preferred securities, including two organized by the Company and three acquired with the acquisition of North Valley Bancorp. For financial reporting purposes, the Company’s investments in the Capital Trusts of $1.8 million are accounted for under the equity method and, accordingly, are not consolidated and are included in other assets on the consolidated balance sheet. See the *Note 8 - footnote Junior Subordinated Debt* for additional information on borrowings outstanding.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Annual Report”). The Company believes that the disclosures made are adequate to make the information not misleading.

Segment and Significant Group Concentration of Credit Risk

The Company grants agribusiness, commercial, consumer, and residential loans to customers located throughout California. The Company has a diversified loan portfolio within the business segments located in this geographical area. The Company currently classifies all its operation into one business segment that it denotes as community banking.

Geographical Descriptions

For the purpose of describing the geographical location of the Company’s operations, the Company has defined northern California as that area of California north of, and including, Stockton to the east and San Jose to the west; central California as that area of the state south of Stockton and San Jose, to and including, Bakersfield to the east and San Luis Obispo to the west; and southern California as that area of the state south of Bakersfield and San Luis Obispo.

Reclassification

Some items in the prior year consolidated financial statements were reclassified to conform to the current presentation. Reclassifications had no effect on prior year net income or shareholders’ equity.

Cash and Cash Equivalents

Net cash flows are reported for loan and deposit transactions and other borrowings. For purposes of the consolidated statement of cash flows, cash, due from banks with original maturities less than 90 days, interest-earning deposits in other banks, and Federal funds sold are considered to be cash equivalents.

Allowance for Credit Losses - Securities

The Company measures expected credit losses on HTM debt securities on a collective basis by major security type, then further disaggregated by sector and bond rating. Accrued interest receivable on HTM debt securities was considered insignificant at September 30, 2024 and December 31, 2023 and is therefore excluded from the estimate of credit losses. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts based on current and expected changes in credit ratings and default rates. Based on the implied guarantees of the U. S. Government or its agencies related to certain of these investment securities, and the absence of any historical or expected losses, substantially all qualify for a zero loss assumption. Management has separately evaluated its HTM investment securities from obligations of state and political subdivisions utilizing the historical loss data represented by similar securities over a period of time spanning nearly 50 years. As a result of this evaluation, management determined that the expected credit losses associated with these securities is not significant for financial reporting purposes and therefore, no allowance for credit losses has been recognized for any period reported.

The Company evaluates AFS debt securities in an unrealized loss position to determine whether the decline in the fair value below the amortized cost basis (impairment) is due to credit-related factors or noncredit-related factors. Any impairment that is not credit related is recognized in other comprehensive income, net of applicable taxes. Credit-related impairment is recognized as an allowance for credit losses on the balance sheet, limited to the amount by which the amortized cost basis exceeds the fair value, with a corresponding adjustment to earnings. Both the allowance for credit losses and the adjustment to net income may be reversed if conditions change. However, if the Company intends to sell an impaired available for sale debt security or more likely than not will be required to sell such a security before recovering its amortized cost basis, the entire impairment amount is recognized in earnings with a corresponding adjustment to the security's amortized cost basis. In evaluating available for sale debt securities in unrealized loss positions for impairment and the criteria regarding its intent or requirement to sell such securities, the Company considers the extent to which fair value is less than amortized cost, whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuers' financial condition, among other factors. Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the ACL when management believes the uncollectability of an available for sale debt security is confirmed or when either of the criteria regarding intent or requirement to sell is met. No security credit losses were recognized during the nine month periods ended September 30, 2024 and 2023, respectively.

Loans

Loans that management has the intent and ability to hold until maturity or payoff are reported at principal amount outstanding, net of deferred loan fees and costs. Loans are placed in nonaccrual status when reasonable doubt exists as to the full, timely collection of interest or principal, or a loan becomes contractually past due by 90 days or more with respect to interest or principal and is not well secured and in the process of collection. When a loan is placed on nonaccrual status, all interest previously accrued but not collected is reversed against interest income. Income on such loans is then recognized only to the extent that cash is received and where the future collection of principal is considered probable. Interest accruals are resumed on such loans only when they are brought fully current with respect to interest and principal and when, in the judgment of Management, the loan is estimated to be fully collectible as to both principal and interest. Accrued interest receivable is not included in the calculation of the allowance for credit losses.

Allowance for Credit Losses - Loans

The ACL is a valuation account that is deducted from the loan's amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged-off against the allowance when management believes the recorded loan balance is confirmed as uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. Regardless of the determination that a charge-off is appropriate for financial accounting purposes, the Company manages its loan portfolio by continually monitoring, where possible, a borrower's ability to pay through the collection of financial information, delinquency status, borrower discussion and the encouragement to repay in accordance with the original contract or modified terms, if appropriate.

Management estimates the allowance balance using relevant information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. Historical credit loss experience provides the basis for the estimation of expected credit losses, which captures loan balances as of a point in time to form a cohort, then tracks the respective losses generated by that cohort of loans over the remaining life. The Company identified and accumulated loan cohort historical loss data beginning with the fourth quarter of 2008 and through the current period. In situations where the Company's actual loss history was not statistically relevant, the loss history of peers, defined as financial institutions with assets greater than three billion and less than ten billion, were utilized to create a minimum loss rate. Adjustments to historical loss information are made for differences in relevant current loan-specific risk characteristics, such as historical timing of losses relative to the loan origination. In its loss forecasting framework, the Company incorporates forward-looking information through the use of macroeconomic scenarios applied over the forecasted life of the assets. These macroeconomic scenarios incorporate variables that have historically been key drivers of increases and decreases in credit losses. These variables include, but are not limited to changes in environmental conditions, such as California unemployment rates, household debt levels, changes in corporate debt yields, and U.S. gross domestic product.

PCD assets are assets acquired at a discount that is due, in part, to credit quality deterioration since origination. PCD assets are accounted for in accordance with ASC 326-20 and are initially recorded at fair value, by taking the sum of the present value of expected future cash flows and an allowance for credit losses, at acquisition. The allowance for credit losses for PCD assets is recorded through a gross-up of reserves on the balance sheet, while the allowance for acquired non-PCD assets, such as loans, is recorded through the provision for credit losses on the income statement, consistent with originated loans. Subsequent to acquisition, the allowance for credit losses for PCD loans will generally follow the same forward-looking estimation, provision, and charge-off process as non-PCD acquired and originated loans.

The Company has identified the following portfolio segments to evaluate and measure the allowance for credit loss:

Commercial real estate:

Commercial real estate - Non-owner occupied: These commercial properties typically consist of buildings which are leased to others for their use and rely on rents as the primary source of repayment. Property types are predominantly office, retail, or light industrial but the portfolio also has some special use properties. As such, the risk of loss associated with these properties is primarily driven by general economic changes or changes in regional economies and the impact of such on a tenant's ability to pay. Ultimately this can affect occupancy, rental rates, or both. Additional risk of loss can come from new construction resulting in oversupply, the costs to hold or operate the property, or changes in interest rates. The terms on these loans at origination typically have maturities from five to ten years with amortization periods from fifteen to thirty years.

Commercial real estate - Owner occupied: These credits are primarily susceptible to changes in the financial condition of the business operated by the property owner. This may be driven by changes in, among other things, industry challenges, factors unique to the operating geography of the borrower, change in the individual fortunes of the business owner, general economic conditions and changes in business cycles. When default is driven by issues related specifically to the business owner, collateral values tend to provide better repayment support and may result in little or no loss. Alternatively, when default is driven more by general economic conditions, the underlying collateral may have devalued more and thus result in larger losses in the event of default. The terms on these loans at origination typically have maturities from five to ten years with amortization periods from fifteen to thirty years.

Multifamily: These commercial properties are generally comprised of more than four rentable units, such as apartment buildings, with each unit intended to be occupied as the primary residence for one or more persons. Multifamily properties are also subject to changes in general or regional economic conditions, such as unemployment, ultimately resulting in increased vacancy rates or reduced rents or both. In addition, new construction can create an oversupply condition and market competition resulting in increased vacancy, reduced market rents, or both. Due to the nature of their use and the greater likelihood of tenant turnover, the management of these properties is more intensive and therefore is more critical to the preclusion of loss.

Farmland: While the Company has few loans that were originated for the purpose of the acquisition of these commercial properties, loans secured by farmland represent unique risks that are associated with the operation of an agricultural businesses. The valuation of farmland can vary greatly over time based on the property's access to resources including but not limited to water, crop prices, foreign exchange rates, government regulation or restrictions, and the nature of ongoing capital investment needed to maintain the quality of the property. Loans secured by farmland typically represent less risk to the Company than other agriculture loans as the real estate typically provides greater support in the event of default or need for longer term repayment.

Consumer loans:

SFR 1-4 1st DT Liens: The most significant drivers of potential loss within the Company's residential real estate portfolio relate general, regional, or individual changes in economic conditions and their effect on employment and borrowers cash flow. Risk in this portfolio is best measured by changes in borrower credit score and loan-to-value. Loss estimates are based on the general movement in credit score, economic outlook and its effects on employment and the value of homes and the Bank's historical loss experience adjusted to reflect the economic outlook and the unemployment rate.

SFR HELOCs and Junior Liens: Similar to residential real estate term loans, HELOCs and junior liens performance is also primarily driven by borrower cash flows based on employment status. However, HELOCs carry additional risks associated with the fact that most of these loans are secured by a deed of trust in a position that is junior to the primary lien holder. Furthermore, the risk that as the borrower's financial strength deteriorates, the outstanding balance on these credit lines may increase as they may only be canceled by the Company if certain limited criteria are met. In addition to the allowance for credit losses maintained as a percent of the outstanding loan balance, the Company maintains additional reserves for the unfunded portion of the HELOC.

Other: The majority of consumer loans are secured by automobiles, with the remainder primarily unsecured revolving debt (credit cards). These loans are susceptible to three primary risks; non-payment due to income loss, over-extension of credit and, when the borrower is unable to pay, shortfall in collateral value, if any. Typically non-payment is due to loss of job and will follow general economic trends in the marketplace driven primarily by rises in the unemployment rate. Loss of collateral value can be due to market demand shifts, damage to collateral itself or a combination of those factors. Credit card loans are unsecured and while collection efforts are pursued in the event of default, there is typically limited opportunity for recovery. Loss estimates are based on the general movement in credit score, economic outlook and its effects on employment and the Bank's historical loss experience adjusted to reflect the economic outlook and the unemployment rate.

Commercial and Industrial:

Repayment of these loans is primarily based on the cash flow of the borrower, and secondarily on the underlying collateral provided by the borrower. A borrower's cash flow may be unpredictable, and collateral securing these loans may fluctuate in value. Most often, collateral includes accounts receivable, inventory, or equipment. Collateral securing these loans may depreciate over time, may be difficult to appraise, may be illiquid and may fluctuate in value based on the success of the business. Actual and forecast changes in gross domestic product are believed to be corollary to losses associated with these credits.

Construction:

While secured by real estate, construction loans represent a greater level of risk than term real estate loans due to the nature of the additional risks associated with the not only the completion of construction within an estimated time period and budget, but also the need to either sell the building or reach a level of stabilized occupancy sufficient to generate the cash flows necessary to support debt service and operating costs. The Company seeks to mitigate the additional risks associated with construction lending by requiring borrowers to comply with lower loan to value ratios and additional covenants as well as strong tertiary support of guarantors. The loss forecasting model applies the historical rate of loss for similar loans over the expected life of the asset as adjusted for macroeconomic factors.

Agriculture Production:

Repayment of agricultural loans is dependent upon successful operation of the agricultural business, which is greatly impacted by factors outside the control of the borrower. These factors include adverse weather conditions, including access to water, that may impact crop yields, loss of livestock due to disease or other factors, declines in market prices for agriculture products, changes in foreign exchange, and the impact of government regulations. In addition, many farms are dependent on a limited number of key individuals whose injury or death may significantly affect the successful operation of the business. Consequently, agricultural production loans may involve a greater degree of risk than other types of loans.

Leases:

The loss forecasting model applies the historical rate of loss for similar loans over the expected life of the asset. Leases typically represent an elevated level of credit risk as compared to loans secured by real estate as the collateral for leases is often subject to a more rapid rate of depreciation or depletion. The ultimate severity of loss is impacted by the type of collateral securing the exposure, the size of the exposure, the borrower's industry sector, any guarantors and the geographic market. Assumptions of expected loss are conditioned to the economic outlook and the other variables discussed above.

Unfunded commitments:

The estimated credit losses associated with these unfunded lending commitments is calculated using the same models and methodologies noted above and incorporate utilization assumptions at time of default. The reserve for unfunded commitments is maintained on the consolidated balance sheet in other liabilities.

Accounting Standards Update

Accounting standards adopted in the current period

Standard	Summary of Guidance	Effects on financial statements
None		

Accounting standards yet to be adopted

Standard	Summary of Guidance	Effects on financial statements
ASU 2023-07 - Segment Reporting (Topic 280): Improvement to Reportable Segments	• Requires disclosure of the position and title of the chief operating decision maker (CODM) and significant segment expenses that the CODM is regularly provided. • Requires the disclosure of other segment items representing the difference between segment revenue and expense and the profit and loss measure of the segment. • Allows for the CODM to use more than one measure of segment profit and loss, as long as one measure is consistent with GAAP.	• Effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. • Early adoption is permitted. • The amendments are to be applied retrospectively to all periods presented and segment expense categories should be based on the categories identified at adoption. • TriCo does not expect adoption of the standard to have a material impact on its consolidated financial statements.
ASU 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures	• Requires a tabular rate reconciliation using both percentages and reporting currency amounts between the reported amount of income tax expense (or benefit) to the amount of statutory federal income tax at current rates for specified categories using specified disaggregation criteria. • The amount of net income taxes paid for federal, state, and foreign taxes, as well as the amount paid to any jurisdiction that net taxes exceed a 5% quantitative threshold. • The amendments will require the disclosure of pre-tax income disaggregated between domestic and foreign, as well as income tax expense disaggregated by federal, state, and foreign. • The amendment also eliminates certain disclosures related to unrecognized tax benefits and certain temporary differences.	• Effective for fiscal years beginning after December 15, 2024. • Early adoption is permitted in any annual period where financial statements have not yet been issued. • The amendments should be applied on a prospective basis but retrospective application is permitted. • TriCo does not expect adoption of the standard to have a material impact on its consolidated financial statements.

Note 2 - Investment Securities

The amortized cost, estimated fair values and allowance for credit losses of investments in debt securities are summarized in the following tables:

	September 30, 2024			
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt Securities Available for Sale				
Obligations of U.S. government agencies	$ 1,234,038	$ 76	$ (132,117)	$ 1,101,997
Obligations of states and political subdivisions	249,709	159	(20,526)	229,342
Corporate bonds	6,179	20	(335)	5,864
Asset backed securities	364,561	492	(1,513)	363,540
Non-agency collateralized mortgage obligations	305,221	352	(27,046)	278,527
Total debt securities available for sale	$ 2,159,708	$ 1,099	$ (181,537)	$ 1,979,270
Debt Securities Held to Maturity				
Obligations of U.S. government agencies	$ 114,558	$ 4	$ (5,253)	109,309
Obligations of states and political subdivisions	2,701	6	(29)	2,678
Total debt securities held to maturity	$ 117,259	$ 10	$ (5,282)	$ 111,987

	December 31, 2023			
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Debt Securities Available for Sale				
Obligations of U.S. government agencies	$ 1,386,772	$ 2	$ (165,037)	$ 1,221,737
Obligations of states and political subdivisions	262,879	268	(26,772)	236,375
Corporate bonds	6,173	—	(571)	5,602
Asset backed securities	359,214	255	(4,188)	355,281
Non-agency collateralized mortgage obligations	369,287	—	(35,778)	333,509
Total debt securities available for sale	$ 2,384,325	$ 525	$ (232,346)	$ 2,152,504
Debt Securities Held to Maturity				
Obligations of U.S. government agencies	$ 130,823	$ —	$ (8,331)	$ 122,492
Obligations of states and political subdivisions	2,671	6	(43)	2,634
Total debt securities held to maturity	$ 133,494	$ 6	$ (8,374)	$ 125,126

Proceeds from the sale of available for sale investment securities totaled $28.6 million and $24.2 million for the nine months ended September 30, 2024 and 2023, respectively, resulting in gross realized losses of $2.9 million and $0.2 million, respectively. In addition, during the nine months ended September 30, 2024, the Company participated in and completed an exchange offering with Visa, which resulted in a gain of $2.9 million. See further discussion in *Note 9 - Commitments and Contingencies.* There were no sales of investment securities during the three months ended September 30, 2024 or 2023. Investment securities with an aggregate carrying value of $761.6 million and $702.2 million at September 30, 2024 and December 31, 2023, respectively, were pledged as collateral for specific borrowings, lines of credit or local agency deposits.

The amortized cost and estimated fair value of debt securities at September 30, 2024 by contractual maturity are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. At September 30, 2024, obligations of U.S. government corporations and agencies with a cost basis totaling $1.3 billion consist almost entirely of residential real estate mortgage-backed securities whose contractual maturity, or principal repayment, will follow the repayment of the underlying mortgages. For purposes of the following table, the entire outstanding balance of these mortgage-backed securities issued by U.S. government corporations and agencies is categorized based on final maturity date. At September 30, 2024, the Company estimates the average remaining life of these mortgage-backed securities issued by U.S. government corporations and agencies to be approximately 6.67 years. Average remaining life is defined as the time span after which the principal balance has been reduced by half.

As of September 30, 2024, the contractual final maturity for available for sale and held to maturity investment securities is as follows:

Debt Securities	Available for Sale		Held to Maturity	
(in thousands)	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year	$ 6,625	$ 6,421	$ 1,137	$ 1,143
Due after one year through five years	62,174	60,553	3,453	3,361
Due after five years through ten years	239,924	231,415	87,693	83,990
Due after ten years	1,850,985	1,680,881	24,976	23,493
Totals	$ 2,159,708	$ 1,979,270	$ 117,259	$ 111,987

Based on an evaluation of available information including security type, counterparty credit quality, past events, current conditions, and reasonable and supportable forecasts that are relevant to collectability of cash flows, as of September 30, 2024, the Company has concluded that it expects to receive all contractual cash flows from each security held in its AFS and HTM debt securities portfolio. There was no allowance for credit losses related to investment securities as of September 30, 2024 or December 31, 2023.

Gross unrealized losses on debt securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, were as follows:

September 30, 2024:	Less than 12 months		12 months or more		Total	
(in thousands)	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Debt Securities Available for Sale						
Obligations of U.S. government agencies	$ 7	$ (1)	$ 1,092,624	$ (132,116)	$ 1,092,631	$ (132,117)
Obligations of states and political subdivisions	—	—	216,428	(20,526)	216,428	(20,526)
Corporate bonds	—	—	4,598	(335)	4,598	(335)
Asset backed securities	107,510	(164)	109,099	(1,349)	216,609	(1,513)
Non-agency collateralized mortgage obligations	—	—	245,023	(27,046)	245,023	(27,046)
Total debt securities available for sale	$ 107,517	$ (165)	$ 1,667,772	$ (181,372)	$ 1,775,289	$ (181,537)
Debt Securities Held to Maturity						
Obligations of U.S. government agencies	$ —	$ —	$ 109,144	$ (5,253)	$ 109,144	$ (5,253)
Obligations of states and political subdivisions	506	(3)	1,029	(26)	1,535	(29)
Total debt securities held to maturity	$ 506	$ (3)	$ 110,173	$ (5,279)	$ 110,679	$ (5,282)

December 31, 2023:	Less than 12 months		12 months or more		Total	
(in thousands)	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Debt Securities Available for Sale						
Obligations of U.S. government agencies	$ 224	$ —	$ 1,221,320	$ (165,037)	$ 1,221,544	$ (165,037)
Obligations of states and political subdivisions	6,229	(75)	216,497	(26,697)	222,726	(26,772)
Corporate bonds	—	—	5,602	(571)	5,602	(571)
Asset backed securities	15,928	(93)	264,731	(4,095)	280,659	(4,188)
Non-agency collateralized mortgage obligations	44,276	(583)	289,233	(35,195)	333,509	(35,778)
Total debt securities available for sale	$ 66,657	$ (751)	$ 1,997,383	$ (231,595)	$ 2,064,040	$ (232,346)
Debt Securities Held to Maturity						
Obligations of U.S. government agencies	$ —	$ —	$ 122,259	$ (8,331)	$ 122,259	$ (8,331)
Obligations of states and political subdivisions	—	—	1,012	(43)	1,012	(43)
Total debt securities held to maturity	$ —	$ —	$ 123,271	$ (8,374)	$ 123,271	$ (8,374)

Obligations of U.S. government agencies: The unrealized losses on investments in obligations of U.S. government agencies are caused by interest rate increases and illiquidity. The contractual cash flows of these securities are guaranteed by U.S. Government Sponsored Entities (principally Fannie Mae and Freddie Mac). It is expected that the securities would not be settled at a price less than the amortized cost of the investment. Because management believes the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company does not intend to sell and more likely than not will not be required to sell, there is no impairment on these securities and there has been no credit losses recorded as of September 30, 2024. At September 30, 2024, 144 debt securities representing obligations of U.S. government agencies had unrealized losses with aggregate depreciation of 10.79% from the Company's amortized cost basis.

Obligations of states and political subdivisions: The unrealized losses on investments in obligations of states and political subdivisions were caused by increases in required yields by investors in these types of securities. It is expected that the securities would not be settled at a price less than the amortized cost of the investment. Because management believes the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company does not intend to sell and more likely than not will not be required to sell, there is no impairment on these securities and there has been no credit losses recorded as of September 30, 2024. At September 30, 2024, 148 debt securities representing obligations of states and political subdivisions had unrealized losses with aggregate depreciation of 8.66% from the Company's amortized cost basis.

Corporate bonds: The unrealized losses on investments in corporate bonds were caused by increases in required yields by investors in these types of securities. It is expected that the securities would not be settled at a price less than the amortized cost of the investment. Because management believes the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company does not intend to sell and more likely than not will not be required to sell, there is no impairment on these securities and there has been no credit losses recorded as of September 30, 2024. At September 30, 2024, 5 debt securities representing corporate bonds had unrealized losses with aggregate depreciation of 6.81% from the Company's amortized cost basis.

Asset backed securities: The unrealized losses on investments in asset backed securities were caused by increases in required yields by investors for these types of securities. At the time of purchase, each of these securities was rated AA or AAA and through September 30, 2024 has not experienced any deterioration in credit rating. At September 30, 2024, 24 asset backed securities had unrealized losses with aggregate depreciation of 0.69% from the Company's amortized cost basis. The Company continues to monitor these securities for changes in credit rating or other indications of credit deterioration. Because management believes the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company does not intend to sell and more likely than not will not be required to sell, there is no impairment on these securities and there has been no credit losses recorded as of September 30, 2024.

Non-agency collateralized mortgage obligations: The unrealized losses on investments in asset backed securities were caused by increases in required yields by investors in these types of securities. It is expected that the securities would not be settled at a price less than the amortized cost of the investment. Because management believes the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company does not intend to sell and more likely than not will not be required to sell, there is no impairment on these securities and there has been no credit losses recorded as of September 30, 2024. At September 30, 2024, 18 asset backed securities had unrealized losses with aggregate depreciation of 9.94% from the Company's amortized cost basis.

The Company monitors credit quality of debt securities held-to-maturity through the use of credit rating. The Company monitors the credit rating on a monthly basis. The following table summarizes the amortized cost of debt securities held-to-maturity at the dates indicated, aggregated by credit quality indicator:

	September 30, 2024		December 31, 2023	
(in thousands)	AAA/AA/A	BBB/BB/B	AAA/AA/A	BBB/BB/B
Obligations of U.S. government agencies	$ 114,558	$ —	$ 130,823	$ —
Obligations of states and political subdivisions	2,701	—	2,671	—
Total debt securities held to maturity	$ 117,259	$ —	$ 133,494	$ —

Note 3 – Loans

A summary of loan balances at amortized cost are as follows:

(in thousands)	September 30, 2024	December 31, 2023
Commercial real estate:		
CRE non-owner occupied	$ 2,251,705	$ 2,217,806
CRE owner occupied	947,278	956,440
Multifamily	1,020,466	949,502
Farmland	268,075	271,054
Total commercial real estate loans	4,487,524	4,394,802
Consumer:		
SFR 1-4 1st DT liens	865,756	883,438
SFR HELOCs and junior liens	355,341	356,813
Other	62,866	73,017
Total consumer loans	1,283,963	1,313,268
Commercial and industrial	484,763	586,455
Construction	276,095	347,198
Agriculture production	144,123	144,497
Leases	7,423	8,250
Total loans, net of deferred loan fees and discounts	$ 6,683,891	$ 6,794,470
Total principal balance of loans owed, net of charge-offs	$ 6,720,629	$ 6,834,935
Unamortized net deferred loan fees	(15,298)	(15,826)
Discounts to principal balance of loans owed, net of charge-offs	(21,440)	(24,639)
Total loans, net of unamortized deferred loan fees and discounts	$ 6,683,891	$ 6,794,470
Allowance for credit losses on loans	$ (123,760)	$ (121,522)

Note 4 – Allowance for Credit Losses

For the periods indicated, the following tables summarize the activity in the allowance for credit losses on loans which is recorded as a contra asset, and the reserve for unfunded commitments which is recorded on the balance sheet within other liabilities:

	Allowance for credit losses – Three months ended September 30, 2024				
(in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (benefit)	Ending Balance
Commercial real estate:					
CRE non-owner occupied	$ 37,155	$ —	$ —	$ (949)	$ 36,206
CRE owner occupied	15,873	—	1	(492)	15,382
Multifamily	15,973	—	—	(238)	15,735
Farmland	4,031	—	—	(15)	4,016
Total commercial real estate loans	73,032	—	1	(1,694)	71,339
Consumer:					
SFR 1-4 1st DT liens	14,604	—	—	(238)	14,366
SFR HELOCs and junior liens	10,087	—	196	(98)	10,185
Other	2,983	(170)	63	77	2,953
Total consumer loans	27,674	(170)	259	(259)	27,504
Commercial and industrial	12,128	(274)	106	2,493	14,453
Construction	7,466	—	—	(347)	7,119
Agriculture production	3,180	—	1	131	3,312
Leases	37	—	—	(4)	33
Allowance for credit losses on loans	123,517	(444)	367	320	123,760
Reserve for unfunded commitments	6,210	—	—	(100)	6,110
Total	$ 129,727	$ (444)	$ 367	$ 220	$ 129,870

	Allowance for credit losses – Nine months ended September 30, 2024				
(in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (benefit)	Ending Balance
Commercial real estate:					
CRE non-owner occupied	$ 35,077	$ —	$ —	$ 1,129	$ 36,206
CRE owner occupied	15,081	—	2	299	15,382
Multifamily	14,418	—	—	1,317	15,735
Farmland	4,288	—	—	(272)	4,016
Total commercial real estate loans	68,864	—	2	2,473	71,339
Consumer:					
SFR 1-4 1st DT liens	14,009	(26)	—	383	14,366
SFR HELOCs and junior liens	10,273	(41)	296	(343)	10,185
Other	3,171	(538)	184	136	2,953
Total consumer loans	27,453	(605)	480	176	27,504
Commercial and industrial	12,750	(1,274)	389	2,588	14,453
Construction	8,856	—	—	(1,737)	7,119
Agriculture production	3,589	(1,450)	26	1,147	3,312
Leases	10	—	—	23	33
Allowance for credit losses on loans	121,522	(3,329)	897	4,670	123,760
Reserve for unfunded commitments	5,850	—	—	260	6,110
Total	$ 127,372	$ (3,329)	$ 897	$ 4,930	$ 129,870

In determining the allowance for credit losses, accruing loans with similar risk characteristics are generally evaluated collectively. To estimate expected losses the Company generally utilizes historical loss trends and the remaining contractual lives of the loan portfolios to determine estimated credit losses through a reasonable and supportable forecast period. Individual loan credit quality indicators including loan grade and borrower repayment performance have been statistically correlated with historical credit losses and various econometrics, including California unemployment, gross domestic product, and corporate bond yields. Model forecasts may be adjusted for inherent limitations or biases that have been identified through independent validation and back-testing of model performance to actual realized results.

The Company utilizes a forecast period of approximately eight quarters and obtains the forecast data from publicly available sources as of the balance sheet date. This forecast data continues to evolve and includes improving shifts in the magnitude of changes for both the unemployment and GDP factors leading up to the balance sheet date. Core inflation is slowing but prices remain elevated relative to wage increases, as reflected by higher living costs such as housing, energy and general services. Actions by the Federal Reserve to cut rates during 2024 and beyond may help improve this outlook overall, but the uncertainty associated with the extent and timing of these potential reductions has inhibited a material change to forecasted reserve levels. Furthermore, geopolitical risks remain elevated and appear to be getting worse, which may lead to further negative effects on domestic economic outcomes. As a result, management continues to believe that certain credit weaknesses are present in the overall economy and that it is appropriate to maintain a reserve level that incorporates such risk factors.

For the periods indicated, the following tables summarize the activity in the allowance for credit losses on loans which is recorded as a contra asset, and the reserve for unfunded commitments which is recorded on the balance sheet within other liabilities:

	Allowance for credit losses – Year ended December 31, 2023				
(in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (benefit)	Ending Balance
Commercial real estate:					
CRE non-owner occupied	$ 30,962	$ —	$ —	$ 4,115	$ 35,077
CRE owner occupied	14,014	(3,637)	2	4,702	15,081
Multifamily	13,132	—	—	1,286	14,418
Farmland	3,273	—	—	1,015	4,288
Total commercial real estate loans	61,381	(3,637)	2	11,118	68,864
Consumer:					
SFR 1-4 1st DT liens	11,268	—	262	2,479	14,009
SFR HELOCs and junior liens	11,413	(66)	723	(1,797)	10,273
Other	1,958	(558)	190	1,581	3,171
Total consumer loans	24,639	(624)	1,175	2,263	27,453
Commercial and industrial	13,597	(3,879)	316	2,716	12,750
Construction	5,142	—	—	3,714	8,856
Agriculture production	906	—	34	2,649	3,589
Leases	15	—	—	(5)	10
Allowance for credit losses on loans	105,680	(8,140)	1,527	22,455	121,522
Reserve for unfunded commitments	4,315	—	—	1,535	5,850
Total	$ 109,995	$ (8,140)	$ 1,527	$ 23,990	$ 127,372

(in thousands)	Allowance for credit losses – Three months ended September 30, 2023				
	Beginning Balance	Charge-offs	Recoveries	Provision (benefit)	Ending Balance
Commercial real estate:					
CRE non-owner occupied	$ 33,042	$ —	$ —	$ 681	$ 33,723
CRE owner occupied	20,208	(3,608)	—	(2,097)	14,503
Multifamily	14,075	—	—	164	14,239
Farmland	3,691	—	—	519	4,210
Total commercial real estate loans	71,016	(3,608)	—	(733)	66,675
Consumer:					
SFR 1-4 1st DT liens	13,134	—	262	139	13,535
SFR HELOCs and junior liens	10,608	—	314	(759)	10,163
Other	2,771	(133)	52	230	2,920
Total consumer loans	26,513	(133)	628	(390)	26,618
Commercial and industrial	11,647	(1,616)	91	2,168	12,290
Construction	7,031	—	—	1,066	8,097
Agriculture production	1,105	—	1	1,019	2,125
Leases	17	—	—	(10)	7
Allowance for credit losses on loans	117,329	(5,357)	720	3,120	115,812
Reserve for unfunded commitments	4,865	—	—	1,035	5,900
Total	$ 122,194	$ (5,357)	$ 720	$ 4,155	$ 121,712

(in thousands)	Allowance for credit losses – Nine months ended September 30, 2023				
	Beginning Balance	Charge-offs	Recoveries	Provision (benefit)	Ending Balance
Commercial real estate:					
CRE non-owner occupied	$ 30,962	$ —	$ —	$ 2,761	$ 33,723
CRE owner occupied	14,014	(3,608)	1	4,096	14,503
Multifamily	13,132	—	—	1,107	14,239
Farmland	3,273	—	—	937	4,210
Total commercial real estate loans	61,381	(3,608)	1	8,901	66,675
Consumer:					
SFR 1-4 1st DT liens	11,268	—	262	2,005	13,535
SFR HELOCs and junior liens	11,413	(42)	416	(1,624)	10,163
Other	1,958	(438)	129	1,271	2,920
Total consumer loans	24,639	(480)	807	1,652	26,618
Commercial and industrial	13,597	(3,303)	267	1,729	12,290
Construction	5,142	—	—	2,955	8,097
Agriculture production	906	—	33	1,186	2,125
Leases	15	—	—	(8)	7
Allowance for credit losses on loans	105,680	(7,391)	1,108	16,415	115,812
Reserve for unfunded commitments	4,315	—	—	1,585	5,900
Total	$ 109,995	$ (7,391)	$ 1,108	$ 18,000	$ 121,712

As part of the on-going monitoring of the credit quality of the Company's loan portfolio, management tracks certain credit quality indicators including, but not limited to, trends relating to (i) the level of criticized and classified loans, (ii) net charge-offs, (iii) non-performing loans, and (iv) delinquency within the portfolio. The Company analyzes loans individually to classify the loans as to credit risk and grading. This analysis is performed annually for all outstanding balances greater than $1 million and non-homogeneous loans, such as commercial real estate loans, unless other indicators, such as delinquency, trigger more frequent evaluation. Loans below the $1 million threshold and homogenous in nature are evaluated as needed for proper grading based on delinquency and borrower credit scores.

The Company utilizes a risk grading system to assign a risk grade to each of its loans. Loans are graded on a scale ranging from Pass to Loss. A description of the general characteristics of the risk grades is as follows:

- *Pass* – This grade represents loans ranging from acceptable to very little or no credit risk. These loans typically meet most if not all policy standards in regard to: loan amount as a percentage of collateral value, debt service coverage, profitability, leverage, and working capital.
- *Special Mention* – This grade represents “Other Assets Especially Mentioned” in accordance with regulatory guidelines and includes loans that display some potential weaknesses which, if left unaddressed, may result in deterioration of the repayment prospects for the asset or may inadequately protect the Company’s position in the future. These loans warrant more than normal supervision and attention.
- *Substandard* – This grade represents “Substandard” loans in accordance with regulatory guidelines. Loans within this rating typically exhibit weaknesses that are well defined to the point that repayment is jeopardized. Loss potential is, however, not necessarily evident. The underlying collateral supporting the credit appears to have sufficient value to protect the Company from loss of principal and accrued interest, or the loan has been written down to the point where this is true. There is a definite need for a well-defined workout/rehabilitation program.
- *Doubtful* – This grade represents “Doubtful” loans in accordance with regulatory guidelines. An asset classified as Doubtful has all the weaknesses inherent in a loan classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfecting liens on additional collateral, and financing plans.
- *Loss* – This grade represents “Loss” loans in accordance with regulatory guidelines. A loan classified as Loss is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off the loan, even though some recovery may be affected in the future. The portion of the loan that is graded loss should be charged off no later than the end of the quarter in which the loss is identified.

Based on the most recent analysis performed, the risk category of loans by class of loans is as follows for the period indicated:

	Term Loans Amortized Cost Basis by Origination Year – As of September 30, 2024						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	
(in thousands)	2024	2023	2022	2021	2020	Prior			Total
Commercial real estate:									
CRE non-owner occupied risk ratings									
Pass	$ 85,786	$ 179,495	$ 417,796	$ 271,527	$ 153,621	$ 937,565	$ 158,727	$ —	$ 2,204,517
Special Mention	—	—	1,595	—	—	28,361	436	—	30,392
Substandard	—	—	—	—	—	16,796	—	—	16,796
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 85,786	$ 179,495	$ 419,391	$ 271,527	$ 153,621	$ 982,722	$ 159,163	$ —	$ 2,251,705
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate:									
CRE owner occupied risk ratings									
Pass	$ 56,032	$ 74,060	$ 196,922	$ 180,017	$ 106,181	$ 272,791	$ 32,701	$ —	$ 918,704
Special Mention	1,646	—	1,651	1,742	208	3,260	—	—	8,507
Substandard	—	—	8,027	5,420	3,527	3,093	—	—	20,067
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 57,678	$ 74,060	$ 206,600	$ 187,179	$ 109,916	$ 279,144	$ 32,701	$ —	$ 947,278
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(in thousands)	Term Loans Amortized Cost Basis by Origination Year – As of September 30, 2024 2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial real estate:									
Multifamily risk ratings									
Pass	$ 30,509	$ 28,045	$ 175,965	$ 294,983	$ 119,176	$ 317,604	$ 40,955	$ —	$ 1,007,237
Special Mention	—	—	—	12,316	—	209	—	—	12,525
Substandard	—	—	502	—	—	202	—	—	704
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 30,509	$ 28,045	$ 176,467	$ 307,299	$ 119,176	$ 318,015	$ 40,955	$ —	$ 1,020,466
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate:									
Farmland risk ratings									
Pass	$ 8,447	$ 18,332	$ 45,362	$ 21,187	$ 15,384	$ 50,085	$ 43,544	$ —	$ 202,341
Special Mention	—	2,708	2,911	8,331	425	3,763	1,506	—	19,644
Substandard	—	83	—	21,123	—	12,846	12,038	—	46,090
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 8,447	$ 21,123	$ 48,273	$ 50,641	$ 15,809	$ 66,694	$ 57,088	$ —	$ 268,075
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer loans:									
SFR 1-4 1st DT liens risk ratings									
Pass	$ 42,829	$ 122,899	$ 177,574	$ 245,529	$ 116,777	$ 141,713	$ —	$ 3,982	$ 851,303
Special Mention	—	67	—	—	—	904	—	168	1,139
Substandard	—	253	353	3,504	2,107	6,620	—	477	13,314
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 42,829	$ 123,219	$ 177,927	$ 249,033	$ 118,884	$ 149,237	$ —	$ 4,627	$ 865,756
Year-to-date gross charge-offs	$ —	$ 26	$ —	$ —	$ —	$ —	$ —	$ —	$ 26
Consumer loans:									
SFR HELOCs and junior liens risk ratings									
Pass	$ 252	$ —	$ —	$ —	$ —	$ 77	$ 338,631	$ 6,183	$ 345,143
Special Mention	—	—	—	—	—	—	5,126	235	5,361
Substandard	—	—	—	—	—	—	4,381	456	4,837
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 252	$ —	$ —	$ —	$ —	$ 77	$ 348,138	$ 6,874	$ 355,341
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ 41	$ —	$ 41
Consumer loans:									
Other risk ratings									
Pass	$ 10,102	$ 24,078	$ 6,501	$ 6,817	$ 5,555	$ 8,002	$ 612	$ —	$ 61,667
Special Mention	—	92	35	231	110	8	15	—	491
Substandard	—	82	166	114	2	342	2	—	708
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 10,102	$ 24,252	$ 6,702	$ 7,162	$ 5,667	$ 8,352	$ 629	$ —	$ 62,866
Year-to-date gross charge-offs	$ 285	$ 67	$ 16	$ 74	$ 28	$ 56	$ 12	$ —	$ 538

(in thousands)	Term Loans Amortized Cost Basis by Origination Year – As of September 30, 2024 2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial and industrial loans:									
Commercial and industrial risk ratings									
Pass	$ 60,316	$ 61,459	$ 66,387	$ 46,857	$ 5,087	$ 10,539	$ 213,784	$ 161	$ 464,590
Special Mention	143	100	1,530	67	282	1	3,082	—	5,205
Substandard	429	—	1,555	847	43	636	11,384	74	14,968
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 60,888	$ 61,559	$ 69,472	$ 47,771	$ 5,412	$ 11,176	$ 228,250	$ 235	$ 484,763
Year-to-date gross charge-offs	$ 186	$ —	$ 178	$ 93	$ —	$ —	$ 817	$ —	$ 1,274
Construction loans:									
Construction risk ratings									
Pass	$ 21,043	$ 103,279	$ 94,936	$ 29,098	$ 6,676	$ 7,585	$ —	$ —	$ 262,617
Special Mention	—	—	13,419	—	—	—	—	—	13,419
Substandard	—	—	—	—	—	59	—	—	59
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 21,043	$ 103,279	$ 108,355	$ 29,098	$ 6,676	$ 7,644	$ —	$ —	$ 276,095
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Agriculture production loans:									
Agriculture production risk ratings									
Pass	$ 639	$ 1,379	$ 2,495	$ 1,028	$ 214	$ 7,530	$ 122,624	$ —	$ 135,909
Special Mention	—	—	138	400	107	227	7,204	—	8,076
Substandard	—	—	—	96	—	15	27	—	138
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 639	$ 1,379	$ 2,633	$ 1,524	$ 321	$ 7,772	$ 129,855	$ —	$ 144,123
Year-to-date gross charge-offs	$ —	$ —	$ 173	$ —	$ —	$ —	$ 1,277	$ —	$ 1,450
Leases:									
Lease risk ratings									
Pass	$ 7,423	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 7,423
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 7,423	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 7,423
Year-to-date gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total loans outstanding:									
Risk ratings									
Pass	$ 323,378	$ 613,026	$ 1,183,938	$ 1,097,043	$ 528,671	$ 1,753,491	$ 951,578	$ 10,326	$ 6,461,451
Special Mention	1,789	2,967	21,279	23,087	1,132	36,733	17,369	403	104,759
Substandard	429	418	10,603	31,104	5,679	40,609	27,832	1,007	117,681
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 325,596	$ 616,411	$ 1,215,820	$ 1,151,234	$ 535,482	$ 1,830,833	$ 996,779	$ 11,736	$ 6,683,891
Year-to-date gross charge-offs	$ 471	$ 93	$ 367	$ 167	$ 28	$ 56	$ 2,147	$ —	$ 3,329

(in thousands)	Term Loans Amortized Cost Basis by Origination Year – As of December 31, 2023 2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial real estate:									
CRE non-owner occupied risk ratings									
Pass	$ 180,326	$ 413,863	$ 290,210	$ 137,656	$ 206,408	$ 792,875	$ 141,686	$ —	$ 2,163,024
Special Mention	—	1,329	—	5,281	17,093	14,174	1,247	—	39,124
Substandard	—	—	767	—	2,139	12,540	212	—	15,658
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 180,326	$ 415,192	$ 290,977	$ 142,937	$ 225,640	$ 819,589	$ 143,145	$ —	$ 2,217,806
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate:									
CRE owner occupied risk ratings									
Pass	$ 71,288	$ 196,915	$ 190,384	$ 118,457	$ 59,220	$ 268,990	$ 23,740	$ —	$ 928,994
Special Mention	—	5,773	1,513	2,754	703	2,678	—	—	13,421
Substandard	—	2,972	7,835	—	111	3,107	—	—	14,025
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 71,288	$ 205,660	$ 199,732	$ 121,211	$ 60,034	$ 274,775	$ 23,740	$ —	$ 956,440
Period end gross write-offs	$ —	$ —	$ —	$ 1,380	$ —	$ 2,228	$ 29	$ —	$ 3,637
Commercial real estate:									
Multifamily risk ratings									
Pass	$ 28,445	$ 177,032	$ 279,660	$ 89,106	$ 104,108	$ 225,446	$ 33,470	$ —	$ 937,267
Special Mention	—	—	11,914	—	—	321	—	—	12,235
Substandard	—	—	—	—	—	—	—	—	—
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 28,445	$ 177,032	$ 291,574	$ 89,106	$ 104,108	$ 225,767	$ 33,470	$ —	$ 949,502
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate:									
Farmland risk ratings									
Pass	$ 21,729	$ 46,398	$ 37,134	$ 16,006	$ 16,780	$ 41,663	$ 50,857	$ —	$ 230,567
Special Mention	—	2,170	5,802	51	261	734	—	—	9,018
Substandard	101	813	9,053	377	—	13,266	7,859	—	31,469
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 21,830	$ 49,381	$ 51,989	$ 16,434	$ 17,041	$ 55,663	$ 58,716	$ —	$ 271,054
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Consumer loans:									
SFR 1-4 1st DT liens risk ratings									
Pass	$ 135,741	$ 189,920	$ 260,870	$ 125,081	$ 29,568	$ 126,975	$ —	$ 4,079	$ 872,234
Special Mention	71	—	—	—	—	1,948	—	27	2,046
Substandard	—	140	1,296	1,490	531	5,265	—	436	9,158
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 135,812	$ 190,060	$ 262,166	$ 126,571	$ 30,099	$ 134,188	$ —	$ 4,542	$ 883,438
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(in thousands)	Term Loans Amortized Cost Basis by Origination Year – As of December 31, 2023 2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Consumer loans:									
SFR HELOCs and junior liens risk ratings									
Pass	$ 297	$ —	$ —	$ —	$ —	$ 96	$ 343,698	$ 6,444	$ 350,535
Special Mention	—	—	—	—	—	—	2,274	138	2,412
Substandard	—	—	—	—	—	—	3,212	654	3,866
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 297	$ —	$ —	$ —	$ —	$ 96	$ 349,184	$ 7,236	$ 356,813
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 66	$ 66
Consumer loans:									
Other risk ratings									
Pass	$ 34,441	$ 9,061	$ 8,908	$ 7,419	$ 6,825	$ 4,619	$ 659	$ —	$ 71,932
Special Mention	21	54	203	63	54	37	18	—	450
Substandard	87	183	164	30	116	52	3	—	635
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 34,549	$ 9,298	$ 9,275	$ 7,512	$ 6,995	$ 4,708	$ 680	$ —	$ 73,017
Period end gross write-offs	$ 376	$ 82	$ —	$ 36	$ 39	$ 9	$ 16	$ —	$ 558
Commercial and industrial loans:									
Commercial and industrial risk ratings									
Pass	$ 70,930	$ 83,184	$ 51,455	$ 9,504	$ 10,193	$ 7,636	$ 340,858	$ 318	$ 574,078
Special Mention	33	663	237	83	—	178	1,126	—	2,320
Substandard	—	2,014	782	103	4	762	6,318	74	10,057
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 70,963	$ 85,861	$ 52,474	$ 9,690	$ 10,197	$ 8,576	$ 348,302	$ 392	$ 586,455
Period end gross write-offs	$ 153	$ 287	$ 240	$ 2,285	$ —	$ —	$ 896	$ 18	$ 3,879
Construction loans:									
Construction risk ratings									
Pass	$ 56,378	$ 136,294	$ 85,144	$ 47,632	$ 4,583	$ 6,518	$ —	$ —	$ 336,549
Special Mention	—	10,582	—	—	—	—	—	—	10,582
Substandard	—	—	—	—	67	—	—	—	67
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 56,378	$ 146,876	$ 85,144	$ 47,632	$ 4,650	$ 6,518	$ —	$ —	$ 347,198
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Agriculture production loans:									
Agriculture production risk ratings									
Pass	$ 945	$ 2,749	$ 1,595	$ 396	$ 620	$ 8,491	$ 114,935	$ —	$ 129,731
Special Mention	—	183	543	176	—	—	11,302	—	12,204
Substandard	—	—	—	—	—	—	2,562	—	2,562
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 945	$ 2,932	$ 2,138	$ 572	$ 620	$ 8,491	$ 128,799	$ —	$ 144,497
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(in thousands)	Term Loans Amortized Cost Basis by Origination Year – As of December 31, 2023 2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Leases:									
Lease risk ratings									
Pass	$ 8,250	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 8,250
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 8,250	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 8,250
Period end gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total loans outstanding:									
Risk ratings									
Pass	$ 608,770	$ 1,255,416	$ 1,205,360	$ 551,257	$ 438,305	$ 1,483,309	$ 1,049,903	$ 10,841	$ 6,603,161
Special Mention	125	20,754	20,212	8,408	18,111	20,070	15,967	165	103,812
Substandard	188	6,122	19,897	2,000	2,968	34,992	20,166	1,164	87,497
Doubtful/Loss	—	—	—	—	—	—	—	—	—
Total	$ 609,083	$ 1,282,292	$ 1,245,469	$ 561,665	$ 459,384	$ 1,538,371	$ 1,086,036	$ 12,170	$ 6,794,470
Period end gross write-offs	$ 529	$ 369	$ 240	$ 3,701	$ 39	$ 2,237	$ 941	$ 84	$ 8,140

The following table shows the ending balance of current and past due originated loans by loan category as of the date indicated:

(in thousands)	Analysis of Past Due Loans - As of September 30, 2024 30-59 days	60-89 days	> 90 days	Total Past Due Loans	Current	Total
Commercial real estate:						
CRE non-owner occupied	$ 1,035	$ —	$ 3,042	$ 4,077	$ 2,247,628	$ 2,251,705
CRE owner occupied	—	251	3,011	3,262	944,016	947,278
Multifamily	—	—	502	502	1,019,964	1,020,466
Farmland	1,201	205	8,291	9,697	258,378	268,075
Total commercial real estate loans	2,236	456	14,846	17,538	4,469,986	4,487,524
Consumer:						
SFR 1-4 1st DT liens	214	—	3,938	4,152	861,604	865,756
SFR HELOCs and junior liens	2,678	810	859	4,347	350,994	355,341
Other	128	80	89	297	62,569	62,866
Total consumer loans	3,020	890	4,886	8,796	1,275,167	1,283,963
Commercial and industrial	1,158	8,501	1,850	11,509	473,254	484,763
Construction	—	—	—	—	276,095	276,095
Agriculture production	15	—	28	43	144,080	144,123
Leases	—	—	—	—	7,423	7,423
Total	$ 6,429	$ 9,847	$ 21,610	$ 37,886	$ 6,646,005	$ 6,683,891

(in thousands)	Analysis of Past Due Loans - As of December 31, 2023 30-59 days	60-89 days	> 90 days	Total Past Due Loans	Current	Total
Commercial real estate:						
CRE non-owner occupied	$ 3,876	$ —	$ 1,382	$ 5,258	$ 2,212,548	$ 2,217,806
CRE owner occupied	34	—	247	281	956,159	956,440
Multifamily	—	—	—	—	949,502	949,502
Farmland	635	3,798	2,052	6,485	264,569	271,054
Total commercial real estate loans	4,545	3,798	3,681	12,024	4,382,778	4,394,802
Consumer:						
SFR 1-4 1st DT liens	141	1,449	490	2,080	881,358	883,438
SFR HELOCs and junior liens	16	—	623	639	356,174	356,813
Other	148	40	30	218	72,799	73,017
Total consumer loans	305	1,489	1,143	2,937	1,310,331	1,313,268
Commercial and industrial	244	605	1,654	2,503	583,952	586,455
Construction	—	—	—	—	347,198	347,198
Agriculture production	593	878	33	1,504	142,993	144,497
Leases	447	—	—	447	7,803	8,250
Total	$ 6,134	$ 6,770	$ 6,511	$ 19,415	$ 6,775,055	$ 6,794,470

The following table shows the ending balance of non accrual loans by loan category as of the date indicated:

	Non Accrual Loans					
	As of September 30, 2024			As of December 31, 2023		
(in thousands)	Non accrual with no allowance for credit losses	Total non accrual	Past due 90 days or more and still accruing	Non accrual with no allowance for credit losses	Total non accrual	Past due 90 days or more and still accruing
Commercial real estate:						
CRE non-owner occupied	$ 3,624	$ 3,624	$ —	$ 2,024	$ 2,024	$ —
CRE owner occupied	3,278	3,278	—	3,994	3,994	—
Multifamily	502	502	—	—	—	—
Farmland	12,967	12,967	—	5,996	14,484	—
Total commercial real estate loans	20,371	20,371	—	12,014	20,502	—
Consumer:						
SFR 1-4 1st DT liens	5,991	5,997	—	2,808	2,811	—
SFR HELOCs and junior liens	3,995	4,238	—	3,281	3,571	—
Other	108	117	—	39	105	—
Total consumer loans	10,094	10,352	—	6,128	6,487	—
Commercial and industrial	1,529	10,556	86	1,379	2,503	10
Construction	59	59	—	67	67	—
Agriculture production	170	213	—	—	2,322	—
Leases	—	—	—	—	—	—
Sub-total	32,223	41,551	86	19,588	31,881	10
Less: Guaranteed loans	(852)	—	—	(766)	(878)	—
Total, net	$ 31,371	$ 41,551	$ 86	$ 18,822	$ 31,003	$ 10

Interest income on non accrual loans that would have been recognized during the three months ended September 30, 2024 and 2023, if all such loans had been current in accordance with their original terms, totaled $1.6 million and $0.4 million, respectively. Interest income actually recognized on these originated loans during the three months ended September 30, 2024 and 2023 was $0.5 million and $0.1 million, respectively.

Interest income on non accrual loans that would have been recognized during the nine months ended September 30, 2024 and 2023, if all such loans had been current in accordance with their original terms, totaled $3.0 million and $1.7 million, respectively. Interest income actually recognized on these originated loans during the nine months ended September 30, 2024 and 2023 was $0.6 million and $0.8 million, respectively.

The following tables present the amortized cost basis of collateral dependent loans by class of loans as of the following periods:

	As of September 30, 2024											
(in thousands)	Retail	Office	Warehouse	Other	Multifamily	Farmland	SFR-1st Deed	SFR-2nd Deed	Automobile/ Truck	A/R and Inventory	Equipment	Total
Commercial real estate:												
CRE non-owner occupied	$ 3,042	$ 364	$ —	$ 218	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,624
CRE owner occupied	140	23	147	2,968	—	—	—	—	—	—	—	3,278
Multifamily	—	—	—	—	502	—	—	—	—	—	—	502
Farmland	—	—	—	—	—	12,967	—	—	—	—	—	12,967
Total commercial real estate loans	3,182	387	147	3,186	502	12,967	—	—	—	—	—	20,371
Consumer:												
SFR 1-4 1st DT liens	—	—	—	—	—	—	5,991	—	—	—	—	5,991
SFR HELOCs and junior liens	—	—	—	—	—	—	1,512	2,483	—	—	—	3,995
Other	—	—	—	—	—	—	—	—	108	—	—	108
Total consumer loans	—	—	—	—	—	—	7,503	2,483	108	—	—	10,094
Commercial and industrial	—	—	—	8,334	—	—	—	—	—	1,244	978	10,556
Construction	—	—	—	—	—	—	59	—	—	—	—	59
Agriculture production	—	—	—	28	—	—	—	—	—	—	185	213
Leases	—	—	—	—	—	—	—	—	—	—	—	—
Total	$ 3,182	$ 387	$ 147	$ 11,548	$ 502	$ 12,967	$ 7,562	$ 2,483	$ 108	$ 1,244	$ 1,163	$ 41,293

	As of December 31, 2023											
(in thousands)	Retail	Office	Warehouse	Other	Multifamily	Farmland	SFR -1st Deed	SFR -2nd Deed	Automobile/ Truck	A/R and Inventory	Equipment	Total
Commercial real estate:												
CRE non-owner occupied	$ 124	$ 615	$ 519	$ 766	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,024
CRE owner occupied	614	—	297	3,083	—	—	—	—	—	—	—	3,994
Multifamily	—	—	—	—	—	—	—	—	—	—	—	—
Farmland	—	—	—	635	—	13,849	—	—	—	—	—	14,484
Total commercial real estate loans	738	615	816	4,484	—	13,849	—	—	—	—	—	20,502
Consumer:												
SFR 1-4 1st DT liens	—	—	—	—	—	—	2,808	—	—	—	—	2,808
SFR HELOCs and junior liens	—	—	—	—	—	—	1,816	1,467	—	—	—	3,283
Other	—	—	—	—	—	—	—	—	95	—	—	95
Total consumer loans	—	—	—	—	—	—	4,624	1,467	95	—	—	6,186
Commercial and industrial	—	—	—	—	—	—	—	—	—	1,712	791	2,503
Construction	—	—	—	—	—	—	67	—	—	—	—	67
Agriculture production	—	—	—	2,288	—	—	—	—	—	—	33	2,321
Leases	—	—	—	—	—	—	—	—	—	—	—	—
Total	$ 738	$ 615	$ 816	$ 6,772	$ —	$ 13,849	$ 4,691	$ 1,467	$ 95	$ 1,712	$ 824	$ 31,579

Modifications to borrowers experiencing financial difficulty may include interest rate reductions, principal or interest forgiveness, forbearances, term extensions, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral.

The following tables show the amortized cost basis of loans that were both experiencing financial difficulty and modified during the periods presented. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivables is also presented below.

	For the three months ended					
	September 30, 2024			September 30, 2023		
(in thousands)	Combination - Term Extension/Rate Change	Payment Delay/ Term Extension	Total % of Loans Outstanding	Payment Delay/ Term Extension	Payment Delay/ Term Reduction	Total % of Loans Outstanding
Farmland	—	—	—	—	$ 1,043	0.37 %
Commercial and industrial	—	326	0.07	45	—	0.01
Total	$ —	$ 326	— %	$ 45	$ 1,043	0.02 %

	For the nine months ended					
	September 30, 2024			September 30, 2023		
(in thousands)	Combination - Term Extension/Rate Change	Payment Delay/ Term Extension	Total % of Loans Outstanding	Payment Delay/ Term Extension	Payment Delay/ Term Reduction	Total % of Loans Outstanding
CRE non-owner occupied	$ 211	$ —	0.01 %	$ —	$ —	— %
Multifamily	—	295	0.29	—	—	—
Farmland	—	—	—	—	1,043	0.37
SFR HELOCs and junior liens	—	41	0.01	—	—	—
Commercial and industrial	—	1,008	0.21	206	—	0.03
Total	$ 211	$ 1,344	0.02 %	$ 206	$ 1,043	0.02 %

The following table presents the financial effect of loan modifications made to borrowers experiencing financial difficulty during the three and nine months ended September 30, 2024.

		Three months ended September 30, 2024
Modification Type	Loan Type	Financial Effect
Payment delay / term extension	Multifamily	Added 12 months to the life of the loan
Payment delay / term extension	Commercial and industrial	Added a weighted average 60 months to the life of the loans

		Nine months ended September 30, 2024
Modification Type	Loan Type	Financial Effect
Combination - Term extension / rate change	CRE non-owner occupied	Added 120 months to the life of the loan; converted from variable to fixed interest rate
Payment delay / term extension	SFR HELOCs and junior liens	Added 60 months to the life of the loan
Payment delay / term extension	Commercial and industrial	Added a weighted average 53 months to the life of the loans

The following table presents the financial effect of loan modifications made to borrowers experiencing financial difficulty during the nine months ended September 30, 2023.

Modification Type	Loan Type	Financial Effect
Payment delay / term reduction	Farmland	Reduced term by 12 months; changed from amortizing to interest only
Payment delay / term extension	Commercial and industrial	Added 12 months to the life of the loan to delay balloon repayment
Payment delay / term extension	Commercial and industrial	Added 12 months to the life of the loan; changed from amortizing to interest only

During the nine months ended September 30, 2024 and September 30, 2023, respectively, there were no loans with payment defaults by borrowers experiencing financial difficulty which had material modifications in rate, term or principal forgiveness during the twelve months prior to default.

Note 5 - Leases

The Company records a ROUA on the consolidated balance sheets for those leases that convey rights to control use of identified assets for a period of time in exchange for consideration. The Company also records a lease liability on the consolidated balance sheets for the present value of future payment commitments. All of the Company's leases are comprised of operating leases in which the Company is lessee of real estate property for branches, ATM locations, and general administration and operations. The Company has elected not to include short-term leases (i.e. leases with initial terms of 12 month or less) within the ROUA and lease liability. Known or determinable adjustments to the required minimum future lease payments were included in the calculation of the Company's ROUA and lease liability. Adjustments to the required minimum future lease payments that are variable and will not be determinable until a future period, such as changes in the consumer price index, are included as variable lease costs. Additionally, expected variable payments for common area maintenance, taxes and insurance were unknown and not determinable at lease commencement and therefore, were not included in the determination of the Company's ROUA or lease liability.

The value of the ROUA and lease liability is impacted by the amount of the periodic payment required, length of the lease term, and the discount rate used to calculate the present value of the minimum lease payments. The Company's lease agreements often include one or more options to renew at the Company's discretion. If at lease inception, the Company considers the exercising of a renewal option to be reasonably certain, the Company will include the extended term in the calculation of the ROU asset and lease liability. Topic 842 requires the use of the rate implicit in the lease whenever this rate is readily determinable. As this rate is rarely determinable, the Company utilizes its incremental borrowing rate at lease inception, on a collateralized basis, over a similar term. The lease liability is reduced based on the discounted present value of remaining payments as of each reporting period. The ROUA value is measured using the amount of lease liability and adjusted for prepaid or accrued lease payments, remaining lease incentives, unamortized direct costs (if any), and impairment (if any).

The following table presents the components of lease expense for the periods ended:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
Operating lease cost	$ 1,416	$ 1,451	$ 4,315	$ 4,553
Short-term lease cost	52	43	159	279
Variable lease cost (income)	(15)	9	8	29
Total lease cost	$ 1,453	$ 1,503	$ 4,482	$ 4,861

The following table presents supplemental cash flow information related to leases for the periods ended:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows for operating leases	$ 1,511	$ 1,576	$ 4,658	$ 4,840
ROUA obtained in exchange for operating lease liabilities	$ 800	$ (544)	$ 2,226	$ 4,311

The following table presents the weighted average operating lease term and discount rate as of the period ended:

	September 30,	
	2024	2023
Weighted-average remaining lease term (years)	7.7	8.1
Weighted-average discount rate	3.50 %	3.31 %

At September 30, 2024, future expected operating lease payments are as follows:

(in thousands)		
Periods ending December 31,		
2024	$	1,454
2025		5,509
2026		4,950
2027		4,284
2028		3,275
Thereafter		11,106
		30,578
Discount for present value of expected cash flows		(3,910)
Lease liability at September 30, 2024	$	26,668

Note 6 - Deposits

A summary of the balances of deposits follows:

(in thousands)	September 30, 2024	December 31, 2023
Noninterest-bearing demand	$ 2,547,736	$ 2,722,689
Interest-bearing demand	1,708,726	1,731,814
Savings	2,690,045	2,682,068
Time certificates, $250,000 or more	465,907	250,180
Other time certificates	624,677	447,287
Total deposits	$ 8,037,091	$ 7,834,038

Certificate of deposit balances of $100.0 million and $50.0 million from the State of California were included in time certificates, over $250,000, at September 30, 2024 and December 31, 2023, respectively. The Company participates in a deposit program offered by the State of California whereby the State may make deposits at the Company's request subject to collateral and credit worthiness constraints. The negotiated rates on these State deposits are generally more favorable than other wholesale funding sources available to the Company.

Overdrawn deposit balances of $2.0 million and $1.8 million were classified as consumer loans at September 30, 2024 and December 31, 2023, respectively.

Note 7 - Other Borrowings

A summary of the balances of other borrowings follows:

(in thousands)	September 30, 2024	December 31, 2023
Term borrowing at FHLB, fixed rate of 5.46%, payable on October 7, 2024	75,000	—
Term borrowing at FHLB, fixed rate of 5.23%, payable on April 8, 2025	75,000	—
Term borrowing at FHLB, fixed rate of 4.75%, payable on April 8, 2024	—	200,000
Overnight borrowing at FHLB, fixed rate of 5.70%, payable on January 2, 2024	—	400,000
Overnight borrowing at FHLB, fixed rate, as of September 30, 2024 of 5.21%, payable on October 1, 2024	100,000	—
Other collateralized borrowings, fixed rate, as of September 30, 2024 and December 31, 2023 of 0.05%, payable on October 1, 2024 and January 2, 2024, respectively	16,767	32,582
Total other borrowings	$ 266,767	$ 632,582

Note 8 - Junior Subordinated Debt

The following table summarizes the terms and recorded balances of each debenture as of the date indicated:

(in thousands)				As of September 30, 2024		As of December 31, 2023
Subordinated Debt Series	Maturity Date	Face Value	Coupon Rate (Variable) 3 mo. SOFR +	Current Coupon Rate	Recorded Book Value	Recorded Book Value
TriCo Cap Trust I	10/7/2033	$ 20,619	3.05 %	8.61 %	$ 20,619	$ 20,619
TriCo Cap Trust II	7/23/2034	20,619	2.55 %	8.09 %	20,619	20,619
North Valley Trust II	4/24/2033	6,186	3.25 %	8.76 %	5,684	5,602
North Valley Trust III	7/23/2034	5,155	2.80 %	8.34 %	4,544	4,472
North Valley Trust IV	3/15/2036	10,310	1.33 %	6.54 %	7,797	7,615
VRB Subordinated	3/29/2029	16,000	3.52 %	9.11 %	16,852	17,000
VRB Subordinated - 5%	8/27/2035	20,000	Fixed	5.00 %	25,049	25,172
		$ 98,889			$ 101,164	$ 101,099

The VRB - 5% Subordinated Debt issuance is fixed at 5.0% through August 27, 2025, then will have a floating rate of 90-day average SOFR plus 4.9% until maturity.

Note 9 - Commitments and Contingencies

The following table presents a summary of the Bank’s commitments and contingent liabilities:

(in thousands)	September 30, 2024	December 31, 2023
Financial instruments whose amounts represent risk:		
Commitments to extend credit:		
Commercial loans	$ 889,617	$ 788,742
Consumer loans	627,109	652,110
Real estate mortgage loans	432,022	453,647
Real estate construction loans	266,126	331,178
Standby letters of credit	51,691	38,449
Deposit account overdraft privilege	127,285	121,539

In April 2024, Visa Inc. announced the commencement of an exchange offer for Visa Class B-1 common stock and the Company subsequently tendered all of its Visa Class B-1 common stock in exchange for a combination of Visa Class B-2 common stock and Visa Class C common stock. Completion of the exchange resulted in a gain of $2.9 million relating to the Visa Class C common stock. Visa Class B-2 common stock continues to be carried at zero. The Bank owns 6,698 shares of Class B-2 common stock of Visa Inc. which may be convertible into Class A common stock at a conversion ratio of 1.5875 per Class B-2 share. As of September 30, 2024, the value of the Class A shares was $274.95 per share. Utilizing the conversion ratio, the value of unredeemed Class A equivalent shares owned by the Bank was $2.9 million as of September 30, 2024, and has not been reflected in the accompanying consolidated financial statements. The shares of Visa Class B-2 common stock are restricted and may not be transferred. Visa Member Banks are required to fund an escrow account to cover settlements, resolution of pending litigation and related claims. If the funds in the escrow account are insufficient to settle all the covered litigation, Visa may sell additional Class A shares, use the proceeds to settle litigation, and further reduce the conversion ratio. If funds remain in the escrow account after all litigation is settled, the Class B-2 conversion ratio may be increased to reflect that surplus. Until all U.S. covered litigation obligations have been satisfied or the Applicable Conversion Rate for the Class B-2 common stock reaches zero, there is no dollar cap on the amount of payments that a participating holder and its guarantors may be obligated to make under its Makewhole Agreement.

Note 10 - Shareholders' Equity

Dividends Paid

The Bank paid to the Company cash dividends in the aggregate amounts of $10.5 million and $11.5 million during the three months ended September 30, 2024 and 2023, respectively and $54.4 million and $41.4 million during the equivalent nine month periods then ended, respectively. The Bank is regulated by the FDIC and the DFPI. Absent approval from the Commissioner of the DFPI, California banking laws generally limit the Bank's ability to pay dividends to the lesser of (1) retained earnings or (2) net income for the last three fiscal years, less cash distributions paid during such period.

Stock Repurchase Plan

On February 25, 2021, the Board of Directors authorized the repurchase of up to 2.0 million shares of the Company's common stock (the 2021 Repurchase Plan), which approximated 6.7% of the shares outstanding as of the approval date. The actual timing of any share repurchases can be determined by the Company's management and therefore the total value of the shares to be purchased under the 2021 Repurchase Plan is subject to change. The 2021 Repurchase Plan has no expiration date (in accordance with applicable laws and regulations). During the three and nine months ended September 30, 2024, the Company repurchased zero and 344,324 shares with market values of $0.0 million and $12.5 million, respectively. During the three and nine months ended September 30, 2023, the Company repurchased zero and 150,000 shares with market values of zero and $7.0 million, respectively.

Stock Repurchased Under Equity Compensation Plans

The Company's shareholder-approved equity compensation plans permit employees to tender recently vested shares in lieu of cash for the payment of exercise price, if applicable, and the tax withholding on such shares. During the three and nine months ended September 30, 2023, exercising option holders tendered zero and 2,506 shares, respectively, of the Company's common stock in connection with option exercises. There were no option exercises during the nine months ended September 30, 2024. Employees also tendered 1,551 and 976 shares in connection with the tax withholding requirements of other share-based awards during the three months ended September 30, 2024 and 2023, respectively, and 32,061 and 52,437 during the nine months ended September 30, 2024 and 2023, respectively. In total, shares of the Company's common stock tendered had market values of $0.1 million and $0.03 million during the quarters ended September 30, 2024 and 2023, respectively and $1.2 million and $2.1 million, respectively during the year to date periods then ended. The tendered shares were retired. The market value of tendered shares is the last market trade price at closing on the day an option is exercised or the other share-based award vests. Stock repurchased under equity incentive plans are not included in the total of stock repurchased under the 2021 Stock Repurchase Plans.

Note 11 - Stock Options and Other Equity-Based Incentive Instruments

On April 16, 2024, the Board of Directors adopted the 2024 Equity Incentive Plan (2024 Plan) which was approved by shareholders on May 23, 2024. The 2024 Plan allows for up to 1,200,000 shares to be issued in connection with equity-based incentives. In conjunction with shareholder approval of the 2024 Plan, the 2019 Equity Incentive Plan (2019 Plan), which allowed for up to 1,500,000 shares to be issued in connection with equity-based incentives, is no longer available for grant issuances. The Company's 2009 Equity Incentive Plan expired on March 26, 2019. While no new awards can be granted under the 2019 Plan or 2009 Plan, existing grants continue to be governed by the terms, conditions and procedures set forth in any applicable award agreement.

Stock option activity during the nine months ended September 30, 2024, is summarized in the following table:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2023	7,500	$ 23.21
Options granted	—	—
Options exercised	(7,500)	23.21
Options forfeited	—	—
Outstanding at September 30, 2024	—	$ —

The Company did not modify any option grants during the nine months ended September 30, 2024 or 2023.

Activity related to restricted stock unit awards during the nine months ended September 30, 2024 is summarized in the following table:

	Service Condition Vesting RSUs	Market Plus Service Condition Vesting RSUs
Outstanding at December 31, 2023	144,487	123,102
RSUs granted	86,036	56,516
RSUs added through dividend and performance credits	4,685	1,536
RSUs released	(69,043)	(32,248)
RSUs forfeited	(4,001)	(2,458)
Outstanding at September 30, 2024	162,164	146,448

The 162,164 of service condition vesting RSUs outstanding as of September 30, 2024 include a feature whereby each RSU outstanding is credited with a dividend amount equal to any common stock cash dividend declared and paid, and the credited amount is divided by the closing price of the Company’s stock on the dividend payable date to arrive at an additional amount of RSUs outstanding under the original grant. The dividend credits follow the same vesting requirements as the RSU awards and are not considered participating securities. The 162,164 of service condition vesting RSUs outstanding as of September 30, 2024 are expected to vest, and be released, on a weighted-average basis, over the next 1.7 years. The Company expects to recognize $4.4 million of pre-tax compensation costs related to these service condition vesting RSUs between September 30, 2024 and their vesting dates. The Company did not modify any service condition vesting RSUs during the nine months ended September 30, 2024 or 2023.

The 146,448 of market plus service condition vesting RSUs outstanding as of September 30, 2024 are expected to vest, and be released, on a weighted-average basis, over the next 1.8 years. The Company expects to recognize $2.3 million of pre-tax compensation costs related to these RSUs between September 30, 2024 and their vesting dates. As of September 30, 2024, the number of market plus service condition vesting RSUs outstanding that will actually vest, and be released, may be reduced to zero or increased to 219,672 depending on the total return of the Company’s common stock versus the total return of an index of bank stocks from the grant date to the vesting date. The Company did not modify any market plus service condition vesting RSUs during the nine months ended September 30, 2024 or 2023.

Note 12 - Non-interest Income and Expense

The following table summarizes the Company's non-interest income for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
ATM and interchange fees	$ 6,472	$ 6,728	$ 19,013	$ 19,928
Service charges on deposit accounts	4,979	4,851	14,489	12,863
Other service fees	1,224	1,142	3,876	3,300
Mortgage banking service fees	439	445	1,305	1,364
Change in value of mortgage servicing rights	(332)	(91)	(468)	(215)
Total service charges and fees	12,782	13,075	38,215	37,240
Increase in cash value of life insurance	786	684	2,420	2,274
Asset management and commission income	1,502	1,141	3,989	3,233
Gain on sale of loans	549	382	1,198	883
Lease brokerage income	62	160	377	332
Sale of customer checks	303	396	916	1,091
(Loss) gain on sale or exchange of investment securities	2	—	(43)	(164)
(Loss) gain on marketable equity securities	356	(81)	207	(81)
Other	153	227	853	552
Total other non-interest income	3,713	2,909	9,917	8,120
Total non-interest income	$ 16,495	$ 15,984	$ 48,132	$ 45,360

The components of non-interest expense were as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
Base salaries, net of deferred loan origination costs	$ 24,407	$ 23,616	$ 72,279	$ 70,675
Incentive compensation	4,361	4,391	12,329	11,663
Benefits and other compensation costs	6,782	6,456	20,647	19,402
Total salaries and benefits expense	35,550	34,463	105,255	101,740
Occupancy	4,191	3,948	12,205	12,099
Data processing and software	5,258	5,246	15,459	13,916
Equipment	1,374	1,503	4,060	4,322
Intangible amortization	1,030	1,590	3,090	4,902
Advertising	1,152	881	2,733	2,656
ATM and POS network charges	1,712	1,606	5,360	5,217
Professional fees	1,893	1,752	5,047	5,326
Telecommunications	507	567	1,576	1,971
Regulatory assessments and insurance	1,256	1,194	3,651	3,979
Postage	335	306	983	916
Operational losses	603	474	1,199	1,999
Courier service	542	492	1,581	1,314
(Gain) loss on sale or acquisition of foreclosed assets	26	(152)	(12)	(152)
Loss on disposal of fixed assets	6	4	12	22
Other miscellaneous expense	4,052	4,004	12,131	12,688
Total other non-interest expense	23,937	23,415	69,075	71,175
Total non-interest expense	$ 59,487	$ 57,878	$ 174,330	$ 172,915

Note 13 - Earnings Per Share

Basic earnings per share represent income available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings per share reflect additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustments to income that would result from assumed issuance. Potential common shares that may be issued by the Company relate to outstanding stock options and restricted stock units (RSUs), and are determined using the treasury stock method. Earnings per share have been computed based on the following:

	Three months ended September 30,	
(in thousands)	2024	2023
Net income	$ 29,051	$ 30,590
Average number of common shares outstanding	32,993	33,263
Effect of dilutive stock options and restricted stock	144	56
Average number of common shares outstanding used to calculate diluted earnings per share	33,137	33,319
Options excluded from diluted earnings per share because of their antidilutive effect	—	—

	Nine months ended September 30,	
(in thousands)	2024	2023
Net income	$ 85,834	$ 91,315
Average number of common shares outstanding	33,119	33,259
Effect of dilutive stock options and restricted stock	132	97
Average number of common shares outstanding used to calculate diluted earnings per share	33,251	33,356
Options excluded from diluted earnings per share because of their antidilutive effect	—	—

Note 14 – Comprehensive Income (Loss)

Accounting principles generally require that recognized revenue, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the balance sheet identified as accumulated other comprehensive income (AOCI), such items, along with net income, are components of other comprehensive income (loss) (OCI).

The components of other comprehensive income (loss) and related tax effects are as follows:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2024	2023	2024	2023
Unrealized holding gains (losses) on available for sale securities before reclassifications	$ 63,232	$ (62,525)	$ 48,438	$ (44,901)
Amounts reclassified out of AOCI:				
Realized gain (loss) on debt securities	(2)	—	2,945	164
Unrealized holding gains (losses) on available for sale securities after reclassifications	63,230	(62,525)	51,383	(44,737)
Tax effect	(18,692)	18,485	(15,191)	13,226
Unrealized holding gains (losses) on available for sale securities, net of tax	44,538	(44,040)	36,192	(31,511)
Change in unfunded status of the supplemental retirement plans before reclassifications	114	114	344	342
Amounts reclassified out of AOCI:				
Amortization of prior service cost	—	—	—	—
Amortization of actuarial losses	(114)	(114)	(344)	(342)
Total amounts reclassified out of accumulated other comprehensive loss	(114)	(114)	(344)	(342)
Change in unfunded status of the supplemental retirement plans after reclassifications	—	—	—	—
Tax effect	—	—	—	—
Change in unfunded status of the supplemental retirement plans, net of tax	—	—	—	—
Change in joint beneficiary agreement liability before reclassifications	—	—	—	—
Tax effect	—	—	—	—
Change in joint beneficiary agreement liability before reclassifications, net of tax	—	—	—	—
Total other comprehensive income (loss)	$ 44,538	$ (44,040)	$ 36,192	$ (31,511)

The components of accumulated other comprehensive loss, included in shareholders' equity, are as follows:

(in thousands)	September 30, 2024	December 31, 2023
Net unrealized loss on available for sale securities	$ (180,438)	$ (231,821)
Tax effect	53,343	68,534
Unrealized holding loss on available for sale securities, net of tax	(127,095)	(163,287)
Unfunded status of the supplemental retirement plans	13,527	13,527
Tax effect	(3,999)	(3,999)
Unfunded status of the supplemental retirement plans, net of tax	9,528	9,528
Joint beneficiary agreement liability	590	590
Tax effect	—	—
Joint beneficiary agreement liability, net of tax	590	590
Accumulated other comprehensive loss	$ (116,977)	$ (153,169)

Note 15 - Fair Value Measurement

The Company utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In estimating fair value, the Company utilizes valuation techniques that are consistent with the market approach, income approach, and/or the cost approach. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability including assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. Marketable equity securities, trading securities, debt securities available-for-sale, loans held for sale, and mortgage servicing rights are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets on a nonrecurring basis, such loans held for investment and certain other assets. These nonrecurring fair value adjustments typically involve application impairment write-downs of individual assets.

The Company groups assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded and the observable nature of the assumptions used to determine fair value. These levels are:

Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 - Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Marketable equity securities, trading securities and debt securities available for sale - Marketable equity, trading and debt securities available for sale are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange, such as the New York Stock Exchange, U.S. Treasury securities that are traded by dealers or brokers in active over-the-counter markets and money market funds. Level 2 securities include mortgage-backed securities issued by government sponsored entities, municipal bonds and corporate debt securities. The Company had no securities classified as Level 3 during any of the periods covered in these consolidated financial statements.

Loans held for sale - Loans held for sale are carried at the lower of cost or fair value. The fair value of loans held for sale is based on what secondary markets are currently offering for loans with similar characteristics. As such, we classify those loans subjected to recurring fair value adjustments as Level 2.

Individually evaluated loans - Loans are not recorded at fair value on a recurring basis. However, from time to time, certain loans have individual risk characteristics not consistent with a pool of loans and is individually evaluated for credit reserves. Loans for which it is probable that payment of interest and principal will not be made in accordance with the original contractual terms of the loan agreement are typically individually evaluated. The fair value of these loans are estimated using one of several methods, including collateral value, fair value of similar debt, enterprise value, liquidation value and discounted cash flows. Those loans not requiring an allowance represent loans for which the fair value of the expected repayments or collateral exceed the recorded investments in such loans. Loans where an allowance is established based on the fair value of collateral require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price or a current appraised value which uses substantially observable data, the Company records the loan as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value, or the appraised value contains a significant unobservable assumption, such as deviations from comparable sales, and there is no observable market price, the Company records the loan as nonrecurring Level 3.

Foreclosed assets - Foreclosed assets include assets acquired through, or in lieu of, loan foreclosure. Foreclosed assets are held for sale and are initially recorded at fair value at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, management periodically performs valuations and the assets are carried at the lower of carrying amount or fair value less cost to sell. When the fair value of foreclosed assets is based on an observable market price or a current appraised value which uses substantially observable data, the Company records the loan as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value, or the appraised value contains a significant unobservable assumption, such as deviations from comparable sales, and there is no observable market price, the Company records the foreclosed asset as nonrecurring Level 3. Revenue and expenses from operations and changes in the valuation allowance are included in other non-interest expense.

Mortgage servicing rights - Mortgage servicing rights are carried at fair value. A valuation model, which utilizes a discounted cash flow analysis using a discount rate and prepayment speed assumptions is used in the computation of the fair value measurement. While the prepayment speed assumption is currently quoted for comparable instruments, the discount rate assumption currently requires a significant degree of management judgment and is therefore considered an unobservable input. As such, the Company classifies mortgage servicing rights subjected to recurring fair value adjustments as Level 3.

The table below presents the recorded amount of assets and liabilities measured at fair value on a recurring basis (in thousands):

Fair value at September 30, 2024	Total	Level 1	Level 2	Level 3
Marketable equity securities	$ 2,690	$ 2,690	$ —	$ —
Debt securities available for sale:				
Obligations of U.S. government corporations and agencies	1,101,997	—	1,101,997	—
Obligations of states and political subdivisions	229,342	—	229,342	—
Corporate bonds	5,864	—	5,864	—
Asset backed securities	363,540	—	363,540	—
Non-agency mortgage backed securities	278,527	—	278,527	—
Loans held for sale	1,995	—	1,995	—
Mortgage servicing rights	6,520	—	—	6,520
Total assets measured at fair value	$ 1,990,475	$ 2,690	$ 1,981,265	$ 6,520

Fair value at December 31, 2023	Total	Level 1	Level 2	Level 3
Marketable equity securities	$ 2,634	$ 2,634	$ —	$ —
Debt securities available for sale:				
Obligations of U.S. government corporations and agencies	1,221,737	—	1,221,737	—
Obligations of states and political subdivisions	236,375	—	236,375	—
Corporate bonds	5,602	—	5,602	—
Asset backed securities	355,281	—	355,281	—
Non-agency mortgage backed securities	333,509	—	333,509	—
Loans held for sale	458	—	458	—
Mortgage servicing rights	6,606	—	—	6,606
Total assets measured at fair value	$ 2,162,202	$ 2,634	$ 2,152,962	$ 6,606

Transfers between levels of the fair value hierarchy are recognized on the actual date of the event or circumstances that caused the transfer, which generally corresponds with the Company's quarterly valuation process. There were no transfers between any levels during the nine months ended September 30, 2024 or September 30, 2023, respectively.

The following table provides a reconciliation of assets and liabilities measured at fair value using significant unobservable inputs (Level 3) on a recurring basis during the time periods indicated. Had there been any transfer into or out of Level 3 during the time periods indicated, the amount included in the "Transfers into (out of) Level 3" column would represent the beginning balance of an item in the period (interim quarter) during which it was transferred (in thousands):

Three months ended September 30,	Beginning Balance	Transfers into (out of) Level 3	Change Included in Earnings	Issuances	Ending Balance
2024: Mortgage servicing rights	$ 6,666	—	$ (332)	$ 186	$ 6,520
2023: Mortgage servicing rights	$ 6,741	—	$ (91)	$ 142	$ 6,792

Nine months ended September 30,	Beginning Balance	Transfers into (out of) Level 3	Change Included in Earnings	Issuances	Ending Balance
2024: Mortgage servicing rights	$ 6,606	—	$ (468)	$ 382	$ 6,520
2023: Mortgage servicing rights	$ 6,712	—	$ (215)	$ 295	$ 6,792

The key unobservable inputs used in determining the fair value of mortgage servicing rights are mortgage prepayment speeds and the discount rate used to discount cash projected cash flows. Generally, any significant increases in the mortgage prepayment speed and discount rate utilized in the fair value measurement of the mortgage servicing rights will result in a negative fair value adjustments (and decrease in the fair value measurement). Conversely, a decrease in the mortgage prepayment speed and discount rate will result in a positive fair value adjustment (and increase in the fair value measurement).

The following table presents quantitative information about recurring Level 3 fair value measurements at September 30, 2024 and December 31, 2023:

As of September 30, 2024:	Fair Value (in thousands)	Valuation Technique	Unobservable Inputs	Range, Weighted Average
Mortgage Servicing Rights	$ 6,520	Discounted cash flow	Constant prepayment rate	7% - 11%; 7.2%
			Discount rate	10% - 14%; 12%
As of December 31, 2023:				
Mortgage Servicing Rights	$ 6,606	Discounted cash flow	Constant prepayment rate	6% - 12.8%; 7.0%
			Discount rate	10% - 14%; 12%

The tables below present the recorded investment in assets and liabilities measured at fair value on a nonrecurring basis, as of the dates indicated, that had a write-down or an additional allowance provided during the periods indicated (in thousands):

September 30, 2024	Total	Level 1	Level 2	Level 3
Fair value:				
Collateral dependent loans	$ 8,384	—	—	$ 8,384

December 31, 2023	Total	Level 1	Level 2	Level 3
Fair value:				
Collateral dependent loans	$ 4,175	—	—	$ 4,175
Foreclosed assets	50	—	—	50
Total assets measured at fair value	$ 4,225	—	—	$ 4,225

The tables below present the gains (losses) resulting from non-recurring fair value adjustments of assets and liabilities for the periods indicated (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Collateral dependent loans	$ (4,051)	$ 4,749	$ (4,358)	$ (2,281)
Foreclosed assets	—	(41)	—	(233)
Total losses from non-recurring measurements	$ (4,051)	$ 4,708	$ (4,358)	$ (2,514)

The individually evaluated loan amounts above represent collateral dependent loans that have been adjusted to fair value. When the Company identifies a collateral dependent loan with unique risk characteristics, the Company evaluates the need for an allowance using the current fair value of the collateral, less selling costs. Depending on the characteristics of a loan, the fair value of collateral is generally estimated by obtaining external appraisals. If the Company determines that the value of the loan is less than the recorded investment in the loan, the Company recognizes this impairment and adjust the carrying value of the loan to fair value through the allowance for credit losses. The loss represents charge-offs or impairments on collateral dependent loans for fair value adjustments based on the fair value of collateral. The carrying value of loans fully charged-off is zero.

The foreclosed assets amount above represents impaired real estate that has been adjusted to fair value. Foreclosed assets represent real estate which the Company has taken control of in partial or full satisfaction of loans. At the time of foreclosure, other real estate owned is recorded at fair value less costs to sell, which becomes the property's new basis. Any write-downs based on the asset's fair value at the date of acquisition are charged to the allowance for credit losses. After foreclosure, management periodically performs valuations such that the real estate is carried at the lower of its new cost basis or fair value, net of estimated costs to sell. Fair value adjustments on other real estate owned are recognized within net loss on real estate owned. The loss represents impairments on real estate owned for fair value adjustments based on the fair value of the real estate.

The Company's property appraisals are primarily based on the sales comparison approach and income approach methodologies, which consider recent sales of comparable properties, including their income generating characteristics, and then make adjustments to reflect the general assumptions that a market participant would make when analyzing the property for purchase. These adjustments may increase or decrease an appraised value and can vary significantly depending on the location, physical characteristics and income producing potential of each property. Additionally, the quality and volume of market information available at the time of the appraisal can vary from period to period and cause significant changes to the nature and magnitude of comparable sale adjustments. Given these variations, comparable sale adjustments are generally not a reliable indicator for how fair value will increase or decrease from period to period. Under certain circumstances, management discounts are applied based on specific characteristics of an individual property.

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a nonrecurring basis at September 30, 2024:

September 30, 2024	Fair Value (in thousands)	Valuation Technique	Unobservable Inputs	Range, Weighted Average
Collateral dependent loans	$ 8,384	Sales comparison approach Income approach	Adjustment for differences between comparable sales; Capitalization rate	Not meaningful N/A

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a nonrecurring basis at December 31, 2023:

December 31, 2023	Fair Value (in thousands)	Valuation Technique	Unobservable Inputs	Range, Weighted Average
Collateral dependent loans	$ 4,175	Sales comparison approach Income approach	Adjustment for differences between comparable sales; Capitalization rate	Not meaningful N/A
Foreclosed assets (Residential real estate)	$ 50	Sales comparison approach	Adjustment for differences between comparable sales	Not meaningful N/A

Fair values for financial instruments are management's estimates of the values at which the instruments could be exchanged in a transaction between willing parties. The Company uses the exit price notion when measuring the fair value of financial instruments. These estimates are subjective and may vary significantly from amounts that would be realized in actual transactions. In addition, other significant assets are not considered financial assets including, any mortgage banking operations, deferred tax assets, and premises and equipment. Further, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on the fair value estimates and have not been considered in any of these estimates.

	September 30, 2024		December 31, 2023	
(in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Level 1 inputs:				
Cash and due from banks	$ 110,141	$ 110,141	$ 81,626	$ 81,626
Cash at Federal Reserve and other banks	209,973	209,973	17,075	17,075
Level 2 inputs:				
Securities held to maturity	117,259	113,708	133,494	125,126
Restricted equity securities	17,250	n/a	17,250	n/a
Level 3 inputs:				
Loans, net	6,560,131	6,259,677	6,672,948	6,278,577
Financial liabilities:				
Level 2 inputs:				
Deposits	8,037,091	8,035,484	7,834,038	7,828,554
Other borrowings	266,767	266,767	632,582	632,582
Level 3 inputs:				
Junior subordinated debt	101,164	105,949	101,099	95,407

Note 16 - Regulatory Matters

The Company is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios (set forth in the table below) of total, Tier 1, and common equity Tier 1 capital to risk-weighted assets, and of Tier 1 capital to average assets. The following tables present actual and required capital ratios as of September 30, 2024 and December 31, 2023 for the Company and the Bank under applicable Basel III Capital Rules. The minimum capital amounts presented include the minimum required capital levels as of September 30, 2024 and December 31, 2023 based on the then phased-in provisions of the Basel III Capital Rules. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Capital Rules.

	Actual		Required for Capital Adequacy Purposes		Required to be Considered Well Capitalized	
As of September 30, 2024:	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(dollars in thousands)			
Total Capital (to Risk Weighted Assets):						
Consolidated	$ 1,240,075	15.56 %	$ 836,744	10.50 %	N/A	N/A
Tri Counties Bank	$ 1,232,404	15.47 %	$ 836,543	10.50 %	$ 796,708	10.00 %
Tier 1 Capital (to Risk Weighted Assets):						
Consolidated	$ 1,099,766	13.80 %	$ 677,364	8.50 %	N/A	N/A
Tri Counties Bank	$ 1,132,442	14.21 %	$ 677,202	8.50 %	$ 637,366	8.00 %
Common equity Tier 1 Capital (to Risk Weighted Assets):						
Consolidated	$ 1,042,283	13.08 %	$ 557,829	7.00 %	N/A	N/A
Tri Counties Bank	$ 1,132,442	14.21 %	$ 557,696	7.00 %	$ 517,860	6.50 %
Tier 1 Capital (to Average Assets):						
Consolidated	$ 1,099,766	11.57 %	$ 380,245	4.00 %	N/A	N/A
Tri Counties Bank	$ 1,132,442	11.91 %	$ 380,234	4.00 %	$ 475,293	5.00 %

	Actual		Required for Capital Adequacy Purposes		Required to be Considered Well Capitalized	
As of December 31, 2023:	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(dollars in thousands)			
Total Capital (to Risk Weighted Assets):						
Consolidated	$ 1,196,106	14.73 %	$ 852,850	10.50 %	N/A	N/A
Tri Counties Bank	$ 1,190,542	14.66 %	$ 852,648	10.50 %	$ 812,046	10.00 %
Tier 1 Capital (to Risk Weighted Assets):						
Consolidated	$ 1,052,063	12.95 %	$ 690,402	8.50 %	N/A	N/A
Tri Counties Bank	$ 1,088,717	13.41 %	$ 690,239	8.50 %	$ 649,637	8.00 %
Common equity Tier 1 Capital (to Risk Weighted Assets):						
Consolidated	$ 994,907	12.25 %	$ 568,566	7.00 %	N/A	N/A
Tri Counties Bank	$ 1,088,717	13.41 %	$ 568,432	7.00 %	$ 527,830	6.50 %
Tier 1 Capital (to Average Assets):						
Consolidated	$ 1,052,063	10.75 %	$ 391,620	4.00 %	N/A	N/A
Tri Counties Bank	$ 1,088,717	11.12 %	$ 391,574	4.00 %	$ 489,468	5.00 %

As of September 30, 2024 and December 31, 2023, capital levels at the Company and the Bank exceed all capital adequacy requirements under the Basel III Capital Rules. Also, at September 30, 2024 and December 31, 2023, the Bank's capital levels exceeded the minimum amounts necessary to be considered well capitalized under the current regulatory framework for prompt corrective action.

The Basel III Capital Rules require for all banking organizations to maintain a capital conservation buffer above the minimum risk-based capital requirements in order to avoid certain limitations on capital distributions, stock repurchases and discretionary bonus payments to executive officers. The capital conservation buffer is exclusively composed of common equity tier 1 capital, and it applies to each of the risk-based capital ratios but not the leverage ratio. At September 30, 2024, the Company and the Bank are in compliance with the capital conservation buffer requirement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

Cautionary Statements Regarding Forward-Looking Information

The statements contained herein that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on the Company. Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond our control. We caution readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the conditions of the United States economy in general and the strength of the local economies in which we conduct operations; the impact of any future federal government shutdown and uncertainty regarding the federal government's debt limit or changes in trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; the impacts of inflation, interest rate, market and monetary fluctuations on the Company's business condition and financial operating results; the impact of changes in financial services industry policies, laws and regulations; regulatory restrictions affecting our ability to successfully market and price our products to consumers; the risks related to the development, implementation, use and management of emerging technologies, including artificial intelligence and machine learning; extreme weather, natural disasters and other catastrophic events that may or may not be caused by climate change and their effects on the Company's customers and the economic and business environments in which the Company operates; the impact of a slowing U.S. economy, decreases in housing and commercial real estate prices, and potentially increased unemployment on the performance of our loan portfolio, the market value of our investment securities and possible other-than-temporary impairment of securities held by us due to changes in credit quality or rates; the availability of, and cost of, sources of funding and the demand for our products; adverse developments with respect to U.S. or global economic conditions and other uncertainties, including the impact of supply chain disruptions, commodities prices, inflationary pressures and labor shortages on the economic recovery and our business; the impacts of international hostilities, wars, terrorism or geopolitical events; adverse developments in the financial services industry generally such as the recent bank failures and any related impact on depositor behavior or investor sentiment; risks related to the sufficiency of liquidity; the possibility that our recorded goodwill could become impaired, which may have an adverse impact on our earnings and capital; the costs or effects of mergers, acquisitions or dispositions we may make, as well as whether we are able to obtain any required governmental approvals in connection with any such activities, or identify and complete favorable transactions in the future, and/or realize the anticipated financial and business benefits; the regulatory and financial impacts associated with exceeding $10 billion in total assets; the negative impact on our reputation and profitability in the event customers experience economic harm or in the event that regulatory violations are identified; the ability to execute our business plan in new markets; the future operating or financial performance of the Company, including our outlook for future growth and changes in the level and direction of our nonperforming assets and charge-offs; the appropriateness of the allowance for credit losses, including the assumptions made under our current expected credit losses model; any deterioration in values of California real estate, both residential and commercial; the effectiveness of the Company's asset management activities managing the mix of earning assets and in improving, resolving or liquidating lower-quality assets; the effect of changes in the financial performance and/or condition of our borrowers; changes in accounting standards and practices; changes in consumer spending, borrowing and savings habits; our ability to attract and maintain deposits and other sources of liquidity; the effects of changes in the level or cost of checking or savings account deposits on our funding costs and net interest margin; increasing noninterest expense and its impact on our financial performance; competition and innovation with respect to financial products and services by banks, financial institutions and non-traditional competitors including retail businesses and technology companies; the challenges of attracting, integrating and retaining key employees; the vulnerability of the Company's operational or security systems or infrastructure, the systems of third-party vendors or other service providers with whom the Company contracts, and the Company's customers to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and data/security breaches and the cost to defend against and respond to such incidents; the impact of the 2023 cyber security ransomware incident, including the pending litigation, on our operations and reputation; increased data security risks due to work from home arrangements and email vulnerability; failure to safeguard personal information, and any resulting litigation; the effect of a fall in stock market prices on our brokerage and wealth management businesses; the transition from the LIBOR to new interest rate benchmarks; the emergence or continuation of widespread health emergencies or pandemics; the Company's potential judgments, orders, settlements, penalties, fines and reputational damage resulting from pending or future litigation and regulatory investigations, proceedings and enforcement actions; and our ability to manage the risks involved in the foregoing. There can be no assurance that future developments affecting us will be the same as those anticipated by management. Additional factors that could cause results to differ materially from those described above can be found in our Annual Report on Form 10-K for the year ended December 31, 2023, which has been filed with the Securities and Exchange Commission (the "SEC") and all subsequent filings with the SEC under Sections 13(a), 13(c), 14, and 15(d) of the Securities Act of 1934, as amended. Such filings are also available in the "Investor Relations" section of our website, *https://www.tcbk.com/investor-relations* and in other documents we file with the SEC. Annualized, pro forma, projections and estimates are not forecasts and may not reflect actual results. We undertake no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

General

As TriCo Bancshares (referred to in this report as "we", "our" or the "Company") has not commenced any business operations independent of Tri Counties Bank (the "Bank"), the following discussion pertains primarily to the Bank. Average balances, including such balances used in calculating certain financial ratios, are generally comprised of average daily balances for the Company. Within Management's Discussion and Analysis of Financial Condition and Results of Operations, interest income, net interest income, and net interest yield are generally presented on a FTE basis. The Company believes the use of these non-generally accepted accounting principles (non-GAAP) measures provides additional clarity in assessing its results, and the presentation of these measures on a FTE basis is a common practice within the banking industry. Interest income and net interest income are shown on a non-FTE basis in the Part I - Financial Information section of this Form 10-Q, and a reconciliation of the FTE and non-FTE presentations is provided below in the discussion of net interest income.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those that materially affect the financial statements and are related to the adequacy of the allowance for loan losses, investments, mortgage servicing rights, fair value measurements, retirement plans and intangible assets. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A detailed discussion related to the Company's accounting policies including those related to estimates on the allowance for credit losses related to loans and investment securities, and impairment of intangible assets, can be found in Note 1 of the consolidated financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2023.

Geographical Descriptions

For the purpose of describing the geographical location of the Company's operations, the Company has defined northern California as that area of California north of, and including, Stockton to the east and San Jose to the west; central California as that area of the state south of Stockton and San Jose, to and including, Bakersfield to the east and San Luis Obispo to the west; and southern California as that area of the state south of Bakersfield and San Luis Obispo.

Financial Highlights

Performance highlights and other developments for the Company as of or for the three and nine months ended September 30, 2024, included the following:

- Net income was $29.1 million or $0.88 per diluted share as compared to $29.0 million or $0.87 per diluted share in the trailing quarter
- Deposit balances decreased $13.1 million or 0.7% (annualized) from the trailing quarter and have increased $27.4 million or 0.3% (annualized) from the same quarter of the prior year
- Average yield on earning assets was 5.26%, an increase of 2 basis points over the 5.24% in the trailing quarter
- Net interest margin (FTE) was 3.71% in the recent quarter, an increase of 3 basis points over 3.68% in the trailing quarter
- Non-interest bearing deposits averaged 31.7% of total deposits during the quarter
- The average cost of total deposits was 1.52%, an increase of 7 basis points as compared to 1.45% in the trailing quarter, and an increase of 66 basis points from 0.86% in the same quarter of the prior year; the Company's total cost of deposits have increased 148 basis points since FOMC rate actions began in March 2022, which translates to a cycle-to-date deposit beta of 31.2%
- For the quarter ended September 30, 2024, the Company's return on average assets was 1.20%, while the return on average equity was 9.52%; for the trailing quarter ended June 30, 2024, the Company's return on average assets was 1.19%, while the return on average equity was 9.99%
- Diluted earnings per share were $0.88 for the third quarter of 2024, compared to $0.87 for the trailing quarter and $0.92 during the third quarter of 2023
- The loan to deposit ratio decreased to 83.2% as of September 30, 2024, as compared to 83.8% for the trailing quarter end, as a result of loan contraction during the quarter
- The efficiency ratio was 60.02% for the quarter ended September 30, 2024, as compared to 59.61% for the trailing quarter
- The provision for credit losses was approximately $0.2 million during the quarter ended September 30, 2024, as compared to $0.4 million during the trailing quarter
- The allowance for credit losses (ACL) to total loans was 1.85% as of September 30, 2024, compared to 1.83% as of the trailing quarter end, and 1.73% as of September 30, 2023. Non-performing assets to total assets were 0.45% on September 30, 2024, as compared to 0.36% as of June 30, 2024, and 0.33% at September 30, 2023. At September 30, 2024, the ACL represented 297% of non-performing loans

TRICO BANCSHARES
Financial Summary
(In thousands, except per share amounts; unaudited)

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net interest income	$ 82,611	$ 88,123	$ 247,344	$ 270,060
Provision for credit losses	(220)	(4,155)	(4,930)	(18,000)
Non-interest income	16,495	15,984	48,132	45,360
Non-interest expense	(59,487)	(57,878)	(174,330)	(172,915)
Provision for income taxes	(10,348)	(11,484)	(30,382)	(33,190)
Net income	$ 29,051	$ 30,590	$ 85,834	$ 91,315
Per Share Data:				
Basic earnings per share	$ 0.88	$ 0.92	$ 2.59	$ 2.75
Diluted earnings per share	$ 0.88	$ 0.92	$ 2.58	$ 2.74
Dividends paid	$ 0.33	$ 0.30	$ 0.99	$ 0.90
Book value at period end			$ 37.55	$ 32.18
Average common shares outstanding	32,993	33,263	33,119	33,259
Average diluted common shares outstanding	33,137	33,319	33,251	33,356
Shares outstanding at period end			33,001	33,263
At period end:				
Loans			$ 6,683,891	$ 6,708,666
Total investment securities			$ 2,116,469	$ 2,333,162
Total assets			$ 9,823,890	$ 9,897,006
Total deposits			$ 8,037,091	$ 8,009,643
Other borrowings			$ 266,767	$ 537,975
Shareholders' equity			$ 1,239,015	$ 1,070,401
Financial Ratios:				
During the period:				
Return on average assets (annualized)	1.20 %	1.23 %	1.17 %	1.24 %
Return on average equity (annualized)	9.52 %	10.91 %	9.67 %	11.06 %
Net interest margin[1] (annualized)	3.71 %	3.88 %	3.69 %	4.01 %
Efficiency ratio	60.02 %	55.59 %	59.00 %	54.82 %
Average equity to average assets	12.56 %	11.27 %	12.14 %	11.19 %
At end of period:				
Equity to assets			12.61 %	10.82 %
Total capital to risk-adjusted assets			15.56 %	14.51 %

[1] Fully Taxable Equivalent (FTE)

Results of Operations

The following discussion and analysis is designed to provide a better understanding of the significant changes and trends related to the Company and the Bank's financial condition, operating results, asset and liability management, liquidity and capital resources and should be read in conjunction with the Condensed Consolidated Financial Statements of the Company and the Notes thereto located at Item 1 of this report.

Net Interest Income

The Company's primary source of revenue is net interest income, or the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. Following is a summary of the components of FTE net income for the periods indicated.

	Three months ended			
(in thousands)	September 30, 2024	June 30, 2024	Change	% Change
Interest income	$ 117,347	$ 117,032	$ 315	0.3 %
Interest expense	(34,736)	(35,035)	299	(0.9)%
Fully tax-equivalent adjustment (FTE) [1]	269	275	(6)	(2.2)%
Net interest income (FTE)	$ 82,880	$ 82,272	$ 608	0.7 %
Net interest margin (FTE)	3.71 %	3.68 %		
Acquired loans discount accretion, net:				
Amount (included in interest income)	$ 1,018	$ 850	$ 168	19.8 %
Net interest margin less effect of acquired loan discount accretion[1]	3.66 %	3.64 %	0.02 %	

	Three months ended September 30,			
(in thousands)	2024	2023	Change	% Change
Interest income	$ 117,347	$ 112,380	$ 4,967	4.4 %
Interest expense	(34,736)	(24,257)	(10,479)	43.2 %
Fully tax-equivalent adjustment (FTE) [1]	269	405	(136)	(33.6)%
Net interest income (FTE)	$ 82,880	$ 88,528	$ (5,648)	(6.4)%
Net interest margin (FTE)	3.71 %	3.88 %		
Acquired loans discount accretion, net:				
Amount (included in interest income)	$ 1,018	$ 1,324	$ (306)	(23.1)%
Net interest margin less effect of acquired loan discount accretion[1]	3.66 %	3.82 %	(0.16)%	

	Nine months ended September 30,			
(in thousands)	2024	2023	Change	% Change
Interest income	$ 349,796	$ 322,445	$ 27,351	8.5 %
Interest expense	(102,452)	(52,385)	(50,067)	95.6 %
Fully tax-equivalent adjustment (FTE) [1]	819	1,176	(357)	(30.4)%
Net interest income (FTE)	$ 248,163	$ 271,236	$ (23,073)	(8.5)%
Net interest margin (FTE)	3.69 %	4.01 %		
Acquired loans discount accretion, net:				
Amount (included in interest income)	$ 3,200	$ 4,192	$ (992)	(23.7)%
Net interest margin less effect of acquired loan discount accretion[1]	3.64 %	3.95 %	(0.31)%	

(1) Certain information included herein is presented on a FTE basis and/or to present additional financial details which may be desired by users of this financial information. The Company believes the use of this non-generally accepted accounting principles (non-GAAP) measure provides additional clarity in assessing its results, and the presentation of these measures is a common practice within the banking industry.

Loans may be acquired at a premium or discount to par value, in which case, the premium is amortized (subtracted from) or the discount is accreted (added to) interest income over the remaining life of the loan. The dollar impact of loan discount accretion and loan premium amortization decrease as the purchased loans mature or pay off early. Upon the early pay off of a loan, any remaining unaccreted discount or unamortized premium is immediately taken into interest income; and as loan payoffs may vary significantly from quarter to quarter, so may the impact of discount accretion and premium amortization on interest income. Despite the elevated rate environment, the prepayment rate of portfolio loans, inclusive of those acquired at a premium or discount, remains generally consistent. During the quarters ended September 30, 2024, June 30, 2024 and September 30, 2023, the purchased loan discount accretion was $1.0 million, $0.9 million and $1.3 million, respectively.

Summary of Average Balances, Yields/Rates and Interest Differential

The following table presents, for the three month periods indicated, information regarding the Company's consolidated average assets, liabilities and shareholders' equity, the amounts of interest income from average interest-earning assets and resulting yields, and the amount of interest expense paid on interest-bearing liabilities. Average loan balances include nonperforming loans. Interest income includes proceeds from loans on nonaccrual loans only to the extent cash payments have been received and applied to interest income. Yields on securities and certain loans have been adjusted upward to reflect the effect of income thereon exempt from federal income taxation at the current statutory tax rate (dollars in thousands).

	Three months ended September 30,					
	2024			2023		
	Average Balance	Interest Income/ Expense	Rates Earned /Paid	Average Balance	Interest Income/ Expense	Rates Earned /Paid
Assets:						
Loans	$ 6,690,326	$ 98,085	5.83 %	$ 6,597,400	$ 91,707	5.51 %
Investment securities - taxable	1,972,859	17,188	3.47 %	2,246,569	18,990	3.35 %
Investment securities - nontaxable[(1)]	135,500	1,166	3.42 %	182,766	1,755	3.81 %
Total investments	2,108,359	18,354	3.46 %	2,429,335	20,745	3.39 %
Cash at Federal Reserve and other banks	93,538	1,177	5.01 %	26,654	333	4.96 %
Total interest-earning assets	8,892,223	117,616	5.26 %	9,053,389	112,785	4.94 %
Other assets	774,756			820,851		
Total assets	$ 9,666,979			$ 9,874,240		
Liabilities and shareholders' equity:						
Interest-bearing demand deposits	$ 1,736,442	$ 6,132	1.40 %	$ 1,751,625	$ 3,916	0.89 %
Savings deposits	2,686,303	13,202	1.96 %	2,790,197	9,526	1.35 %
Time deposits	1,055,612	11,354	4.28 %	535,715	3,937	2.92 %
Total interest-bearing deposits	5,478,357	30,688	2.23 %	5,077,537	17,379	1.36 %
Other borrowings	175,268	2,144	4.87 %	449,274	5,106	4.51 %
Junior subordinated debt	101,150	1,904	7.49 %	101,070	1,772	6.96 %
Total interest-bearing liabilities	5,754,775	34,736	2.40 %	5,627,881	24,257	1.71 %
Noninterest-bearing deposits	2,542,579			2,965,564		
Other liabilities	155,115			168,391		
Shareholders' equity	1,214,510			1,112,404		
Total liabilities and shareholders' equity	$ 9,666,979			$ 9,874,240		
Net interest spread[(2)]			2.86 %			3.23 %
Net interest income and interest margin[(3)]		$ 82,880	3.71 %		$ 88,528	3.88 %

(1) Fully taxable equivalent (FTE). All yields and rates are calculated using specific day counts for the period and year as applicable.
(2) Net interest spread represents the average yield earned on interest-earning assets minus the average rate paid on interest-bearing liabilities.
(3) Net interest margin is computed by calculating the difference between interest income and interest expense, divided by the average balance of interest-earning assets, then annualized based on the number of days in the given period.

Net interest income (FTE) during the three months ended September 30, 2024, decreased $5.6 million or 6% to $82.9 million compared to $88.5 million during the three months ended September 30, 2023. In addition, net interest margin declined 17 basis points to 3.71%, compared to the same quarter last year. The decrease in net interest income is primarily attributed to an additional $13.3 million in deposit interest expense due to rate increases associated with competitive pricing pressures, and to a lesser extent, changes in product mix. The cost of interest-bearing deposits increased by 87 basis points between the quarter ended September 30, 2024 and the same quarter of the prior year. In addition, the average balance of noninterest-bearing deposits decreased by $423.0 million from the three month average for the period ended September 30, 2023 as customers continued to migrate towards higher yielding term deposit accounts. As of September 30, 2024, the ratio of average total noninterest-bearing deposits to total average deposits was 31.7%, as compared to 32.0% and 36.9% at June 30, 2024 and September 30, 2023, respectively. The increase in cost of interest bearing liabilities was partially offset by increased interest and fee income on loans totaling $6.4 million compared to the same quarter of the prior year. Average loan yields increased 32 basis points from 5.51% during the three months ended September 30, 2023, to 5.83% during the three months ended September 30, 2024. The accretion of discounts from acquired loans added 6 and 8 basis points to loan yields during the quarters ended September 30, 2024 and 2023, respectively. Additionally, the average balance of loans during the quarter increased $92.9 million compared to the same period in the prior year.

	Nine months ended September 30,					
	2024			2023		
	Average Balance	Interest Income/ Expense	Rates Earned /Paid	Average Balance	Interest Income/ Expense	Rates Earned /Paid
Assets:						
Loans	$ 6,755,916	$ 292,799	5.79 %	$ 6,493,585	$ 260,868	5.37 %
Investment securities - taxable	2,034,336	52,021	3.42 %	2,328,883	56,681	3.25 %
Investment securities - nontaxable(1)	137,515	3,548	3.45 %	184,524	5,096	3.69 %
Total investments	2,171,851	55,569	3.42 %	2,513,407	61,777	3.29 %
Cash at Federal Reserve and other banks	58,792	2,247	5.11 %	27,606	976	4.73 %
Total interest-earning assets	8,986,559	350,615	5.21 %	9,034,598	323,621	4.79 %
Other assets	781,406			832,501		
Total assets	$ 9,767,965			$ 9,867,099		
Liabilities and shareholders’ equity:						
Interest-bearing demand deposits	$ 1,738,876	$ 17,294	1.33 %	$ 1,694,438	$ 6,476	0.51 %
Savings deposits	2,670,555	36,362	1.82 %	2,818,817	20,616	0.98 %
Time deposits	961,577	29,582	4.11 %	413,359	6,889	2.23 %
Total interest-bearing deposits	5,371,008	83,238	2.07 %	4,926,614	33,981	0.92 %
Other borrowings	361,175	13,640	5.04 %	402,016	13,318	4.43 %
Junior subordinated debt	101,128	5,574	7.36 %	101,057	5,086	6.73 %
Total interest-bearing liabilities	5,833,311	102,452	2.35 %	5,429,687	52,385	1.29 %
Noninterest-bearing deposits	2,584,705			3,153,807		
Other liabilities	163,704			179,483		
Shareholders’ equity	1,186,245			1,104,122		
Total liabilities and shareholders’ equity	$ 9,767,965			$ 9,867,099		
Net interest spread(2)			2.86 %			3.50 %
Net interest income and interest margin(3)		$ 248,163	3.69 %		$ 271,236	4.01 %

(1) Fully taxable equivalent (FTE). All yields and rates are calculated using specific day counts for the period and year as applicable.
(2) Net interest spread represents the average yield earned on interest-earning assets minus the average rate paid on interest-bearing liabilities.
(3) Net interest margin is computed by calculating the difference between interest income and interest expense, divided by the average balance of interest-earning assets, then annualized based on the number of days in the given period.

Net interest income (FTE) during the nine months ended September 30, 2024, decreased $23.1 million, or 9%, to $248.2 million compared to $271.2 million during the nine months ended September 30, 2023. In addition, net interest margin declined 32 basis points to 3.69%, compared to the same period in the prior year. The decrease in net interest income is primarily attributed to an increased cost of interest bearing liabilities, primarily on deposits. The cost of interest bearing deposits increased by 115 basis points during the nine months ended September 30, 2024, compared to the same period in the prior year. In addition, the average balance of noninterest-bearing deposits decreased by $569.1 million from the nine month average for the period ended September 30, 2023 amidst a continued migration of customer funds to interest-bearing products, as discussed above. The increases in the cost of interest bearing liabilities were partially offset by increased interest and fee income on loans. As compared to the same period in the prior year, the average balance of loans increased $262.3 million and average loan yields increased 42 basis points from 5.37% during the nine months ended September 30, 2023, to 5.79% during the nine months ended September 30, 2024. The accretion of discounts from acquired loans added 6 and 9 basis points to loan yields during the nine months ended September 30, 2024 and September 30, 2023, respectively.

Summary of Changes in Interest Income and Expense due to Changes in Average Asset and Liability Balances and Yields Earned and Rates Paid

The following table sets forth, for the period identified, a summary of the changes in interest income and interest expense from changes in average asset and liability balances (volume) and changes in average interest rates for the periods indicated. Changes not solely attributable to volume or rates have been allocated in proportion to the respective volume and rate components.

(in thousands)	Three months ended September 30, 2024 compared with three months ended September 30, 2023		
	Volume	Rate	Total
Increase (decrease) in interest income:			
Loans	$ 1,281	$ 5,097	$ 6,378
Investment securities	(2,742)	351	(2,391)
Cash at Federal Reserve and other banks	829	15	844
Total interest-earning assets	(632)	5,463	4,831
Increase (decrease) in interest expense:			
Interest-bearing demand deposits	(34)	2,250	2,216
Savings deposits	(351)	4,027	3,676
Time deposits	3,795	3,622	7,417
Other borrowings	(3,089)	127	(2,962)
Junior subordinated debt	1	131	132
Total interest-bearing liabilities	322	10,157	10,479
Decrease in net interest income	$ (954)	$ (4,694)	$ (5,648)

The following commentary regarding net interest income, interest income and interest expense may be best understood while referencing the *Summary of Average Balances, Yields/Rates and Interest Differential* and the *Summary of Changes in Interest Income and Expense due to Changes in Average Asset and Liability Balances and Yields Earned and Rates Paid* shown above.

Net interest income (FTE) during the three months ended September 30, 2024 decreased $5.6 million to $82.9 million compared to $88.5 million during the three months ended September 30, 2023. The overall decrease in net interest income (FTE) was due to increasing interest rates elevating interest expense on interest-bearing liabilities, most significantly deposits. Elevated interest rates also improved interest income on earning assets by $4.8 million, partially offsetting the increases in interest expense.

(in thousands)	Nine months ended September 30, 2024 compared with nine months ended September 30, 2023		
	Volume	Rate	Total
Increase (decrease) in interest income:			
Loans	$ 10,565	$ 21,366	$ 31,931
Investment securities	(8,481)	2,273	(6,208)
Cash at Federal Reserve and other banks	1,106	165	1,271
Total interest-earning assets	3,190	23,804	26,994
Increase (decrease) in interest expense:			
Interest-bearing demand deposits	170	10,648	10,818
Savings deposits	(1,090)	16,836	15,746
Time deposits	9,169	13,524	22,693
Other borrowings	(1,357)	1,679	322
Junior subordinated debt	4	484	488
Total interest-bearing liabilities	6,896	43,171	50,067
Decrease in net interest income	$ (3,706)	$ (19,367)	$ (23,073)

Net interest income (FTE) during the nine months ended September 30, 2024 decreased $23.1 million to $248.2 million compared to $271.2 million during the nine months ended September 30, 2023. The overall decrease in net interest income (FTE) was due to increasing interest rates elevating interest expense on interest-bearing liabilities, most significantly deposits and other borrowings, resulting in a net increase of $49.3 million and $0.3 million, respectively. Elevated interest rates also improved interest income on earning assets by $27.0 million, partially offsetting the increases in interest expense.

Asset Quality and Credit Loss Provisioning

During the three months ended September 30, 2024, the Company recorded a provision for credit losses of $0.2 million, as compared to $0.4 million during the trailing quarter, and $4.2 million during the third quarter of 2023.

(dollars in thousands)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Addition to allowance for credit losses	$ 320	$ 3,120	$ 4,670	$ 16,415
Addition to (reversal of) reserve for unfunded loan commitments	(100)	1,035	260	1,585
Total provision for credit losses	$ 220	$ 4,155	$ 4,930	$ 18,000

The provision for credit losses on loans of $0.3 million during the recent quarter was the result of net charge-offs approximating $0.1 million and decreases in reserves for qualitative factors due to improved concentration levels and overall lower loan balances, offset by a $3.7 million increase in specific reserves for individually evaluated credits within the commercial and industrial portfolio.

(dollars in thousands)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Balance, beginning of period	$ 123,517	$ 117,329	$ 121,522	$ 105,680
Provision for credit losses	320	3,120	4,670	16,415
Loans charged-off	(444)	(5,357)	(3,329)	(7,391)
Recoveries of previously charged-off loans	367	720	897	1,108
Balance, end of period	$ 123,760	$ 115,812	$ 123,760	$ 115,812

The allowance for credit losses (ACL) was $123.8 million or 1.85% of total loans as of September 30, 2024. The Company utilizes a forecast period of approximately eight quarters and obtains the forecast data from publicly available sources as of the balance sheet date. This forecast data continues to evolve and includes improving shifts in the magnitude of changes for both the unemployment and GDP factors leading up to the balance sheet date. Core inflation is slowing but prices remain elevated relative to wage increases, as reflected by higher living costs such as housing, energy and general services. Actions by the Federal Reserve to cut rates during 2024 and beyond may help improve this outlook overall, but the uncertainty associated with the extent and timing of these potential reductions has inhibited a material change to forecasted reserve levels. Furthermore, geopolitical risks remain elevated and appear to be getting worse, which may lead to further negative effects on domestic economic outcomes. As a result, management continues to believe that certain credit weaknesses are present in the overall economy and that it is appropriate to maintain a reserve level that incorporates such risk factors.

Loans past due 30 days or more increased by $7.5 million during the quarter ended September 30, 2024, to $37.9 million, as compared to $30.4 million at June 30, 2024. The majority of loans identified as past due are well-secured by collateral, and approximately $16.3 million is less than 90 days delinquent. Non-performing loans were $41.6 million at September 30, 2024, an increase of $8.9 million from $32.8 million as of June 30, 2024, and an increase of $11.8 million from $29.8 million as of September 30, 2023. Management continues to proactively work with these borrowers to identify actionable and appropriate resolution strategies which are customary for the industries. Of the $41.6 million loans designated as non-performing as of September 30, 2024, approximately $10.0 million are current or less than 30 days past due with respect to payments required under their existing loan agreements.

(dollars in thousands)	September 30, 2024	% of Loans Outstanding	June 30, 2024	% of Loans Outstanding	September 30, 2023	% of Loans Outstanding
Risk Rating:						
Pass	$ 6,461,451	96.7 %	$ 6,536,223	96.9 %	$ 6,532,424	97.4 %
Special Mention	104,759	1.6 %	101,324	1.5 %	94,614	1.4 %
Substandard	117,681	1.8 %	104,979	1.6 %	81,628	1.2 %
Total	$ 6,683,891		$ 6,742,526		$ 6,708,666	
Classified loans to total loans	1.76 %		1.56 %		1.22 %	
Loans past due 30+ days to total loans	0.57 %		0.45 %		0.12 %	

The ratio of classified loans to total loans of 1.76% as of September 30, 2024, increased 20 basis points from June 30, 2024, and increased 55 basis points from the comparative quarter ended 2023. The change in classified loans outstanding as compared to the trailing quarter totaled $16.1 million. Loans with the risk grade classification substandard increased by $12.7 million over the trailing quarter and relate primarily to the commercial and industrial portfolio. As a percentage of total loans outstanding, classified assets remain consistent with volumes experienced prior to the recent quantitative easing cycle spurred by the COVID pandemic and reflect management's historically conservative approach to credit risk monitoring. The Company's combined criticized loan balances totaled $222.4 million as of September 30, 2024, an increase of $46.2 million from September 30, 2023.

Outstanding balances on construction loans, which have historically been associated with elevated levels of risk, experienced balance reductions of $7.3 million during the current quarter and $44.9 million since September 30, 2023. These reductions were primarily associated with balances that were converted to term loans upon the completion of construction and achievement of stabilized occupancy, and were partially offset by new draws or originations.

Management continues to proactively assess the repayment capacity of borrowers that will be subject to rate resets in the near term. To date this analysis as well as management's observations of loans that have experienced a rate reset, have resulted in an insignificant need to provide concessions to borrowers.

As of September 30, 2024, other real estate owned consisted of 10 properties with a carrying value of approximately $2.8 million, compared to 10 properties with a carrying value of approximately $2.5 million as of June 30, 2024. Non-performing assets of $44.4 million at September 30, 2024, represented 0.45% of total assets, a change from the $35.3 million or 0.36% and $32.7 million or 0.33% as of June 30, 2024 and September 30, 2023, respectively.

Non-interest Income

The following table summarizes the Company’s non-interest income for the periods indicated (in thousands):

	Three months ended September 30,			
(in thousands)	2024	2023	$ Change	% Change
ATM and interchange fees	$ 6,472	$ 6,728	$ (256)	(3.8)%
Service charges on deposit accounts	4,979	4,851	128	2.6 %
Other service fees	1,224	1,142	82	7.2 %
Mortgage banking service fees	439	445	(6)	(1.3)%
Change in value of mortgage servicing rights	(332)	(91)	(241)	264.8 %
Total service charges and fees	12,782	13,075	(293)	(2.2)%
Increase in cash value of life insurance	786	684	102	14.9 %
Asset management and commission income	1,502	1,141	361	31.6 %
Gain on sale of loans	549	382	167	43.7 %
Lease brokerage income	62	160	(98)	(61.3)%
Sale of customer checks	303	396	(93)	(23.5)%
(Loss) gain on sale or exchange of investment securities	2	—	2	n/m
(Loss) gain on marketable equity securities	356	(81)	437	(539.5)%
Other	153	227	(74)	(32.6)%
Total other non-interest income	3,713	2,909	804	27.6 %
Total non-interest income	$ 16,495	$ 15,984	$ 511	3.2 %

Non-interest income increased $0.5 million or 3.2% to $16.5 million during the three months ended September 30, 2024, compared to $16.0 million during the comparative quarter ended September 30, 2023. Elevated activity and volumes of assets under management drove an increase in asset management and commission income, in addition to the benefit mentioned above related to Visa stock. These increases were partially offset by a decline in interchange fees earned related to decreased customer activity in the third quarter of 2024 as compared to the equivalent quarter in 2023.

(in thousands)	Nine months ended September 30, 2024	Nine months ended September 30, 2023	$ Change	% Change
ATM and interchange fees	$ 19,013	$ 19,928	$ (915)	(4.6)%
Service charges on deposit accounts	14,489	12,863	1,626	12.6 %
Other service fees	3,876	3,300	576	17.5 %
Mortgage banking service fees	1,305	1,364	(59)	(4.3)%
Change in value of mortgage servicing rights	(468)	(215)	(253)	117.7 %
Total service charges and fees	38,215	37,240	975	2.6 %
Increase in cash value of life insurance	2,420	2,274	146	6.4 %
Asset management and commission income	3,989	3,233	756	23.4 %
Gain on sale of loans	1,198	883	315	35.7 %
Lease brokerage income	377	332	45	13.6 %
Sale of customer checks	916	1,091	(175)	(16.0)%
(Loss) gain on sale or exchange of investment securities	(43)	(164)	121	(73.8)%
(Loss) gain on marketable equity securities	207	(81)	288	(355.6)%
Other	853	552	301	54.5 %
Total other non-interest income	9,917	8,120	1,797	22.1 %
Total non-interest income	$ 48,132	$ 45,360	$ 2,772	6.1 %

Non-interest income increased $2.8 million or 6.1% to $48.1 million during the nine months ended September 30, 2024, compared to $45.4 million during the comparative nine months ended September 30, 2023. As noted above, interchange fees as driven by customer activities was elevated in the 2023 period and resulted in a decrease of $0.9 million as compared to the nine months ended September 30, 2024. Meanwhile, service charges on deposit accounts increased by $1.6 million or 12.6% as compared to the equivalent period in 2023 following $0.9 million in waived or reversed fees as a courtesy to customers in the 2023 year. As noted above, elevated activity within asset management and the gain on Visa stock further contributed to the overall improvement.

Non-interest Expense

The following table summarizes the Company's non-interest expense for the periods indicated:

(in thousands)	Three months ended September 30, 2024	Three months ended September 30, 2023	$ Change	% Change
Base salaries, net of deferred loan origination costs	$ 24,407	$ 23,616	$ 791	3.3 %
Incentive compensation	4,361	4,391	(30)	(0.7)%
Benefits and other compensation costs	6,782	6,456	326	5.0 %
Total salaries and benefits expense	35,550	34,463	1,087	3.2 %
Occupancy	4,191	3,948	243	6.2 %
Data processing and software	5,258	5,246	12	0.2 %
Equipment	1,374	1,503	(129)	(8.6)%
Intangible amortization	1,030	1,590	(560)	(35.2)%
Advertising	1,152	881	271	30.8 %
ATM and POS network charges	1,712	1,606	106	6.6 %
Professional fees	1,893	1,752	141	8.0 %
Telecommunications	507	567	(60)	(10.6)%
Regulatory assessments and insurance	1,256	1,194	62	5.2 %
Postage	335	306	29	9.5 %
Operational losses	603	474	129	27.2 %
Courier service	542	492	50	10.2 %
(Gain) loss on sale or acquisition of foreclosed assets	26	(152)	178	(117.1)%
(Gain) loss on disposal of fixed assets	6	4	2	50.0 %
Other miscellaneous expense	4,052	4,004	48	1.2 %
Total other non-interest expense	23,937	23,415	522	2.2 %
Total non-interest expense	$ 59,487	$ 57,878	$ 1,609	2.8 %
Average full time equivalent staff	1,161	1,215	(54)	(4.4)%

Total non-interest expense increased $1.6 million or 2.8% to $59.5 million during the three months ended September 30, 2024, as compared to $57.9 million for the quarter ended September 30, 2023. Total salaries and benefits expense increased by $1.1 million or 3.2%, reflecting the increase of $0.8 million in salaries and $0.3 million in benefits and other costs.

(in thousands)	Nine months ended September 30, 2024	2023	$ Change	% Change
Base salaries, net of deferred loan origination costs	$ 72,279	$ 70,675	$ 1,604	2.3 %
Incentive compensation	12,329	11,663	666	5.7 %
Benefits and other compensation costs	20,647	19,402	1,245	6.4 %
Total salaries and benefits expense	105,255	101,740	3,515	3.5 %
Occupancy	12,205	12,099	106	0.9 %
Data processing and software	15,459	13,916	1,543	11.1 %
Equipment	4,060	4,322	(262)	(6.1)%
Intangible amortization	3,090	4,902	(1,812)	(37.0)%
Advertising	2,733	2,656	77	2.9 %
ATM and POS network charges	5,360	5,217	143	2.7 %
Professional fees	5,047	5,326	(279)	(5.2)%
Telecommunications	1,576	1,971	(395)	(20.0)%
Regulatory assessments and insurance	3,651	3,979	(328)	(8.2)%
Postage	983	916	67	7.3 %
Operational losses	1,199	1,999	(800)	(40.0)%
Courier service	1,581	1,314	267	20.3 %
(Gain) loss on sale or acquisition of foreclosed assets	(12)	(152)	140	(92.1)%
(Gain) loss on disposal of fixed assets	12	22	(10)	(45.5)%
Other miscellaneous expense	12,131	12,688	(557)	(4.4)%
Total other non-interest expense	69,075	71,175	(2,100)	(3.0)%
Total non-interest expense	$ 174,330	$ 172,915	$ 1,415	0.8 %
Average full time equivalent staff	1,170	1,215	(45)	(3.7)%

Total non-interest expense increased $1.4 million or 0.8% to $174.3 million during the nine months ended September 30, 2024, as compared to $172.9 million for the nine months ended September 30, 2023. This was largely attributed to an increase of $3.5 million or 3.5% in total salaries and benefits expense to $105.3 million, from annual compensation adjustments and other routine increases in benefits and compensation. Salaries expense was also impacted by an increase in average compensation per employee as various strategic talent acquisitions were made in order to further prepare the Company to execute its growth objectives beyond $10 billion in total assets. Additionally, data processing and software expenses increased by $1.5 million or 11.1% related to ongoing investments in the Company's data management and security infrastructure. These increases were partially offset by declines in non-cash intangible amortization expense of $1.8 million or 37.0% and reductions in operational losses of $0.8 million or 40.0% due to non-recurring ATM burglary expenses totaling $0.7 million in the comparative period.

Income Taxes

The Company’s effective tax rate was 26.3% and 26.1% for the quarter and nine months ended September 30, 2024, respectively as compared to 27.3% and 26.7% for the comparative periods ended September 30, 2023, respectively. Differences between the Company's effective tax rate and applicable federal and state blended statutory rate of approximately 29.6% are due to the proportion of non-taxable revenues, non-deductible expenses, and benefits from tax credits as compared to the levels of pre-tax earnings.

Financial Condition

For financial reporting purposes, the Company does not separately track the changes in assets and liabilities based on branch location or regional geography. The following is a comparison of the quarterly change in certain assets and liabilities:

Ending balances (dollars in thousands)	September 30, 2024	June 30, 2024	$ Change	Annualized % Change
Total assets	$ 9,823,890	$ 9,741,399	$ 82,491	3.4 %
Total loans	6,683,891	6,742,526	(58,635)	(3.5)
Total investments	2,116,469	2,086,090	30,379	5.8
Total deposits	8,037,091	8,050,230	(13,139)	(0.7)
Total other borrowings	266,767	247,773	18,994	30.7

Loans outstanding decreased by $58.6 million or 3.5% on an annualized basis during the quarter ended September 30, 2024. During the quarter, loan originations/draws totaled approximately $310.1 million while payoffs/repayments of loans totaled $368.7 million, which compares to originations/draws and payoffs/repayments during the trailing quarter ended of $325.5 million and $321.3 million, respectively. Origination volume activity levels remain slightly lower relative to the comparative period in 2023 due in part to disciplined pricing and underwriting, as well as decreased borrower demand given economic uncertainties. The increase in payoffs/repayments as compared to the trailing quarter was spread amongst numerous borrowers, regions and loan types.

Investment security balances decreased $30.4 million or 5.8% on an annualized basis during the current quarter as a result of net prepayments, and maturities, collectively totaling approximating $164.0 million and, to a lesser extent, sales totaling $28.6 million, partially offset by security purchases totaling $53.5 million, in addition to net increases in the market value of securities of $4.1 million. Investment security purchases were comprised of floating rate instruments tied to SOFR with an initial weighted average coupon of 6.77% and a weighted average life of 4.7 years. Investment security sales were primarily comprised of fixed rate instruments with a weighted average coupon of 2.39% and a weighted average life of 3.8 years. While management intends to primarily utilize cash flows from the investment security portfolio and organic deposit growth to support loan growth, excess liquidity will be utilized for purchases of investment securities to support net interest income growth and net interest margin expansion.

Deposit balances increased by $13.1 million or 0.7% annualized during the quarter, led by growth within time deposits.

Other borrowings totaled $266.8 million at September 30, 2024, representing a net decrease of $19.0 million from the trailing quarter. This quarter over quarter decrease was facilitated by proceeds from the sale, call or maturity of investment securities, and growth in deposits.

The following is a comparison of the year over year change in certain assets and liabilities:

Ending balances	As of September 30,			
(dollars in thousands)	2024	2023	$ Change	% Change
Total assets	$ 9,823,890	$ 9,897,006	$ (73,116)	(0.7)%
Total loans	6,683,891	6,708,666	(24,775)	(0.4)
Total investments	2,116,469	2,333,162	(216,693)	(9.3)
Total deposits	8,037,091	8,009,643	27,448	0.3
Total other borrowings	266,767	537,975	(271,208)	(50.4)

Investment Securities

The following table presents the available for sale debt securities portfolio by major type as of September 30, 2024 and December 31, 2023:

	September 30, 2024		December 31, 2023	
(in thousands)	Fair Value	%	Fair Value	%
Debt securities available for sale:				
Obligations of U.S. government agencies	$ 1,101,997	55.7 %	$ 1,221,737	56.8 %
Obligations of states and political subdivisions	229,342	11.6 %	236,375	11.0 %
Corporate bonds	5,864	0.3 %	5,602	0.3 %
Asset backed securities	363,540	18.3 %	355,281	16.5 %
Non-agency mortgage backed	278,527	14.1 %	333,509	15.4 %
Total debt securities available for sale	$ 1,979,270	100.0 %	$ 2,152,504	100.0 %

	September 30, 2024		December 31, 2023	
(in thousands)	Amortized Cost	%	Amortized Cost	%
Debt securities held to maturity:				
Obligations of U.S. government and agencies	$ 114,558	97.7 %	$ 130,823	98.0 %
Obligations of states and political subdivisions	2,701	2.3 %	2,671	2.0 %
Total debt securities held to maturity	$ 117,259	100.0 %	$ 133,494	100.0 %

Investment securities held to maturity decreased $16.2 million to $117.3 million as of September 30, 2024, as compared to December 31, 2023. This decrease is attributable to calls and principal repayments of $16.0 million, and amortization of net purchase premiums of $0.1 million.

Loans

The Company focuses its primary lending activities in six principal areas: commercial real estate loans, consumer loans, commercial and industrial loans, construction loans, agriculture production loans and leases. The interest rates charged for the loans made by the Company vary with the degree of risk, the size and duration of the loans, the borrower's relationship with the Company and prevailing money market rates indicative of the Company's cost of funds.

The majority of the Company's loans are direct loans made to individuals, and local or regional businesses which service a variety of industries. The Company relies substantially on local promotional activity and personal contacts by bank officers, directors and employees to compete with other financial institutions. The Company makes loans to borrowers whose applications include a sound purpose, a viable repayment source and a plan of repayment established at inception and generally backed by a secondary source of repayment.

The following table shows the Company's loan balances, net of deferred loan costs and discounts, as of the dates indicated:

(in thousands)	September 30, 2024		December 31, 2023	
Commercial real estate	$ 4,487,524	67.1 %	$ 4,394,802	64.7 %
Consumer	1,283,963	19.2 %	1,313,268	19.3 %
Commercial and industrial	484,763	7.3 %	586,455	8.6 %
Construction	276,095	4.1 %	347,198	5.1 %
Agriculture production	144,123	2.2 %	144,497	2.2 %
Leases	7,423	0.1 %	8,250	0.1 %
Total loans	$ 6,683,891	100.0 %	$ 6,794,470	100.0 %

Nonperforming Assets

The following tables set forth the amount of the Company's NPAs as of the dates indicated. "Performing nonaccrual loans" are loans that may be current for both principal and interest payments, or are less than 90 days past due, but for which payment in full of both principal and interest is not expected, and are not well secured and in the process of collection:

(in thousands)	September 30, 2024	December 31, 2023
Performing nonaccrual loans	$ 20,026	$ 25,380
Nonperforming nonaccrual loans	21,525	6,500
Total nonaccrual loans	41,551	31,880
Loans 90 days past due and still accruing	85	11
Total nonperforming loans	41,636	31,891
Foreclosed assets	2,764	2,704
Total nonperforming assets	$ 44,400	$ 34,595
Nonperforming assets to total assets	0.45 %	0.35 %
Nonperforming loans to total loans	0.62 %	0.47 %
Allowance for credit losses to nonperforming loans	297 %	381 %

Changes in nonperforming assets during the three months ended September 30, 2024

(in thousands)	Balance at June 30, 2024	New NPA / Valuation Adjustments	Pay-downs /Sales /Upgrades	Charge-offs/ [1] Write-downs	Transfers to Foreclosed Assets	Balance at September 30, 2024
Commercial real estate:						
CRE non-owner occupied	$ 4,882	587	(1,846)	—	—	$ 3,623
CRE owner occupied	3,426	—	(148)	—	—	3,278
Multifamily	—	502	—	—	—	502
Farmland	13,071	—	(104)	—	—	12,967
Total commercial real estate loans	21,379	1,089	(2,098)	—	—	20,370
Consumer						
SFR 1-4 1st DT liens	5,189	878	(70)	—	—	5,997
SFR HELOCs and junior liens	3,291	1,046	(99)	—	—	4,238
Other	72	113	(4)	(64)	—	117
Total consumer loans	8,552	2,037	(173)	(64)	—	10,352
Commercial and industrial	2,623	8,631	(338)	(274)	—	10,642
Construction	63	—	(4)	—	—	59
Agriculture production	157	198	(142)	—	—	213
Leases	—	—	—	—	—	—
Total nonperforming loans	32,774	11,955	(2,755)	(338)	—	41,636
Foreclosed assets	2,493	665	(394)	—	—	2,764
Total nonperforming assets	$ 35,267	12,620	(3,149)	(338)	—	$ 44,400

[1] The table above does not include deposit overdraft charge-offs.

Nonperforming assets increased during the three months ended September 30, 2024 by $9.1 million or 25.9% to $44.4 million compared to $35.3 million at June 30, 2024. The increase in nonperforming assets during the third quarter of 2024 was primarily the result of nonperforming loan pay-downs and upgrades, which totaled $2.8 million during the quarter, as well as $0.3 million in charge-offs. Management is actively engaged in the collection and recovery efforts for all nonperforming assets and believes that the loan loss reserves associated with these loans is sufficient as of September 30, 2024.

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Changes in nonperforming assets during the nine months ended September 30, 2024

(in thousands)	Balance at December 31, 2023	New NPA / Valuation Adjustments	Pay-downs /Sales /Upgrades	Charge-offs/ [(1)] Write-downs	Transfers to Foreclosed Assets	Balance at September 30, 2024
Commercial real estate:						
CRE non-owner occupied	$ 2,024	4,211	(2,612)	—	—	$ 3,623
CRE owner occupied	3,994	26	(742)	—	—	3,278
Multifamily	—	502	—	—	—	502
Farmland	14,484	—	(1,517)	—	—	12,967
Total commercial real estate loans	20,502	4,739	(4,871)	—	—	20,370
Consumer						
SFR 1-4 1st DT liens	2,811	3,647	(435)	(26)	—	5,997
SFR HELOCs and junior liens	3,571	1,802	(1,095)	(40)	—	4,238
Other	105	308	(35)	(261)	—	117
Total consumer loans	6,487	5,757	(1,565)	(327)	—	10,352
Commercial and industrial	2,513	10,607	(1,204)	(1,274)	—	10,642
Construction	67	9	(5)	—	(12)	59
Agriculture production	2,321	217	(875)	(1,450)	—	213
Leases	—	—	—	—	—	—
Total nonperforming loans	31,890	21,329	(8,520)	(3,051)	(12)	41,636
Foreclosed assets	2,705	442	(395)	—	12	2,764
Total nonperforming assets	$ 34,595	21,771	(8,915)	(3,051)	—	$ 44,400

[(1)] The table above does not include deposit overdraft charge-offs.

Nonperforming assets increased during the nine months ended September 30, 2024 by $9.8 million or 28.3% to $44.4 million compared to $34.6 million at December 31, 2023. The increase in nonperforming assets during the nine months ended September 30, 2024 was primarily the result of nonperforming loan increases/down-grades, which totaled $21.3 million. Management is actively engaged in the collection and recovery efforts for all nonperforming assets and believes that the loan loss reserves associated with these loans is sufficient as of September 30, 2024.

Loan charge-offs during the three and nine months ended September 30, 2024

In the third quarter of 2024, the Company recorded $0.4 million in loan charge-offs and $0.1 million in deposit overdraft charge-offs less $0.3 million in loan recoveries and $0.02 million in deposit overdraft recoveries, which collectively resulted in $0.1 million in net charge-offs. During the nine months ended September 30, 2024, the Company recorded $3.3 million in loan charge-offs and $0.2 million in deposit overdraft charge-offs less $0.9 million in loan recoveries and $0.1 million in deposit overdraft recoveries, which collectively resulted in $3.0 million in net charge-offs.

The Components of the Allowance for Credit Losses for Loans

The following table sets forth the allowance for credit losses for loans as of the dates indicated:

(in thousands)	September 30, 2024	December 31, 2023	September 30, 2023
Allowance for credit losses:			
Qualitative and forecast factor allowance	$ 85,518	$ 84,291	$ 80,923
Cohort model allowance reserves	33,514	34,139	33,325
Allowance for individually evaluated loans	4,728	3,092	1,564
Total allowance for credit losses	$ 123,760	$ 121,522	$ 115,812
Allowance for credit losses for loans / total loans	1.85 %	1.79 %	1.73 %

For additional information regarding the allowance for loan losses, including changes in specific, formula, and environmental factors allowance categories, see *"Asset Quality and Loan Loss Provisioning"* at *"Results of Operations"*, above. Based on the current conditions of the loan portfolio, management believes that the $123.8 million allowance for loan losses at September 30, 2024 is adequate to absorb probable losses inherent in the Bank's loan portfolio. No assurance can be given, however, that adverse economic conditions or other circumstances will not result in increased losses in the portfolio.

The following table summarizes the allocation of the allowance for credit losses between loan types and by percentage of the total allowance for credit losses on loans as of the dates indicated:

(in thousands)	September 30, 2024		December 31, 2023		September 30, 2023	
Commercial real estate	$ 71,339	57.6 %	$ 68,864	56.7 %	$ 66,675	57.6 %
Consumer	27,504	22.2 %	27,453	22.6 %	26,618	23.0 %
Commercial and industrial	14,453	11.7 %	12,750	10.5 %	12,290	10.6 %
Construction	7,119	5.8 %	8,856	7.3 %	8,097	7.0 %
Agriculture production	3,312	2.7 %	3,589	2.9 %	2,125	1.8 %
Leases	33	0.0 %	10	0.0 %	7	0.0 %
Total allowance for credit losses	$ 123,760	100.0 %	$ 121,522	100.0 %	$ 115,812	100.0 %

The following table summarizes the allocation of the allowance for credit losses as a percentage of the total loans for each loan category as of the dates indicated:

(in thousands)	September 30, 2024	December 31, 2023	September 30, 2023
Commercial real estate	1.59 %	1.57 %	1.53 %
Consumer	2.14 %	2.09 %	2.07 %
Commercial and industrial	2.98 %	2.17 %	2.05 %
Construction	2.58 %	2.55 %	2.52 %
Agriculture production	2.30 %	2.48 %	1.72 %
Leases	0.44 %	0.12 %	0.09 %
Total loans	1.85 %	1.79 %	1.73 %

The following table summarizes the activity in the allowance for credit losses for the periods indicated:

(in thousands)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Allowance for credit losses:				
Balance at beginning of period	$ 123,517	$ 117,329	$ 121,522	$ 105,680
Provision for credit losses	320	3,120	4,670	16,415
Loans charged-off:				
Commercial real estate:				
CRE non-owner occupied	—	—	—	—
CRE owner occupied	—	(3,608)	—	(3,608)
Multifamily	—	—	—	—
Farmland	—	—	—	—
Consumer:				
SFR 1-4 1st DT liens	—	—	(26)	—
SFR HELOCs and junior liens	—	—	(41)	(42)
Other	(170)	(133)	(538)	(438)
Commercial and industrial	(274)	(1,616)	(1,274)	(3,303)
Construction	—	—	—	—
Agriculture production	—	—	(1,450)	—
Leases	—	—	—	—
Total loans charged-off	(444)	(5,357)	(3,329)	(7,391)
Recoveries of previously charged-off loans:				
Commercial real estate:				
CRE non-owner occupied	—	—	—	—
CRE owner occupied	1	—	2	1
Multifamily	—	—	—	—
Farmland	—	—	—	—
Consumer:				
SFR 1-4 1st DT liens	—	262	—	262
SFR HELOCs and junior liens	196	314	296	416
Other	63	52	184	129
Commercial and industrial	106	91	389	267
Construction	—	—	—	—
Agriculture production	1	1	26	33
Leases	—	—	—	—
Total recoveries of previously charged-off loans	367	720	897	1,108
Net charge-offs	(77)	(4,637)	(2,432)	(6,283)
Balance at end of period	$ 123,760	$ 115,812	$ 123,760	$ 115,812
Average total loans	$ 6,690,326	$ 6,597,400	$ 6,755,916	$ 6,493,585
Ratios (annualized):				
Net (charge-offs) recoveries during period to average loans outstanding during period	— %	(0.28)%	(0.05)%	(0.13)%
Provision for credit losses to average loans outstanding during period	0.02 %	0.19 %	0.09 %	0.34 %

Foreclosed Assets, Net of Allowance for Losses

The following table details the components and summarize the activity in foreclosed assets, net of allowances for losses, for the nine months ended September 30, 2024:

(in thousands)	Balance at December 31, 2023	Sales	Valuation Adjustments	Transfers from Loans	Balance at September 30, 2024
Land & construction	$ 154	$ 12	$ 39	$ —	$ 205
Residential real estate	1,673	446	(262)	—	1,857
Commercial real estate	878	—	218	(394)	702
Total foreclosed assets	$ 2,705	$ 458	$ (5)	$ (394)	$ 2,764

Deposits

During the nine months ended September 30, 2024, the Company's deposits increased by $203.1 million to $8.0 billion at quarter end. There were no brokered deposits included in the deposit balances as of September 30, 2024 and December 31, 2023. Estimated uninsured deposits totaled $2.5 billion and $2.4 billion as of September 30, 2024 and December 31, 2023, respectively.

Off-Balance Sheet Arrangements

See Note 9 to the condensed consolidated financial statements at Item 1 of Part I of this report for information about the Company's commitments and contingencies including off-balance-sheet arrangements.

Capital Resources

The current and projected capital position of the Company and the impact of capital plans and long-term strategies are reviewed regularly by Management.

On February 25, 2021 the Board of Directors authorized the repurchase of up to 2,000,000 shares of the Company's common stock (the 2021 Repurchase Plan), which approximated 6.7% of the shares outstanding as of the approval date. The actual timing of any share repurchases will be determined by the Company's management and therefore the total value of the shares to be purchased under the 2021 Repurchase Plan is subject to change. The Company may repurchase its outstanding shares of common stock from time to time in open market or privately-negotiated transactions, including block trades, or pursuant to 10b5-1 trading plans. The 2021 Repurchase Plan has no expiration date (in accordance with applicable laws and regulations).

During the three and nine months ended September 30, 2024, the Company repurchased zero and 344,324 shares with market values of $0.0 million and $12.5 million, respectively. During the three and nine months ended September 30, 2023, the Company repurchased zero and 150,000 shares with market values of zero and $7.0 million, respectively. In addition, the Company's Tier 1 common equity and tangible capital ratios increased to 13.1% and 9.7%, respectively as of September 30, 2024, compared to 12.2% and 8.8%, respectively, as of December 31, 2023.

Total shareholders' equity increased by $64.0 million during the quarter ended September 30, 2024, as net income of $29.1 million and a $44.5 million decrease in accumulated other comprehensive losses was partially offset by cash dividend payments on common stock of approximately $10.9 million. As a result, the Company's book value grew to $37.55 per share at September 30, 2024, compared to $32.18 at September 30, 2023. The Company's tangible book value per share, a non-GAAP measure, calculated by subtracting goodwill and other intangible assets from total shareholders' equity and dividing that sum by total shares outstanding, was $28.09 per share at September 30, 2024, as compared to $22.67 at September 30, 2023. As noted previously, changes in the fair value of available-for-sale investment securities, net of deferred taxes continue to create moderate levels of volatility in tangible book value per share.

Current Year Balance Sheet Change

	September 30, 2024		December 31, 2023	
	Ratio	Minimum Regulatory Requirement	Ratio	Minimum Regulatory Requirement
Total risk based capital	15.6 %	10.5 %	14.7 %	10.5 %
Tier I capital	13.8 %	8.5 %	12.9 %	8.5 %
Common equity Tier 1 capital	13.1 %	7.0 %	12.2 %	7.0 %
Leverage	11.6 %	4.0 %	10.7 %	4.0 %

See Note 10 and Note 16 to the condensed consolidated financial statements at Item 1 of Part I of this report for additional information about the Company's capital resources.

As of September 30, 2024, we had an effective shelf registration statement on file with the Securities and Exchange Commission that allows us to issue various types of debt securities, as well as common stock, preferred stock, warrants, depository shares representing fractional interest in shares of preferred stock, purchase contracts and units from time to time in one or more offerings. Each issuance under the shelf registration statement will require the filing of a prospectus supplement identifying the amount and terms of the securities to be issued. The registration statement does not limit the amount of securities that may be issued thereunder. Our ability to issue securities is subject to market conditions and other factors including, in the case of our debt securities, our credit ratings and compliance with current and prospective covenants in credit agreements.

Liquidity

The Company's primary sources of liquidity include the following for the periods indicated:

(dollars in thousands)	September 30, 2024	December 31, 2023
Borrowing capacity at correspondent banks and FRB	$ 2,757,640	$ 2,921,525
Less: borrowings outstanding	(250,000)	(600,000)
Unpledged available-for-sale investment securities	1,312,745	1,558,506
Cash held or in transit with FRB	274,908	51,253
Total primary liquidity	$ 4,095,293	$ 3,931,284

At September 30, 2024, the Company's primary sources of liquidity represented 51% of total deposits and 163% of estimated total uninsured (excluding collateralized municipal deposits and intercompany balances) deposits, respectively. As secondary sources of liquidity, the Company's held-to-maturity investment securities had a fair value of $112.0 million, including approximately $5.3 million in net unrealized losses.

The Company’s profitability during the first nine months of 2024 generated cash flows from operations of $85.5 million compared to $102.4 million during the first nine months of 2023. Net cash from investing activities was $345.0 million for the nine months ended September 30, 2024, compared to net cash from investing activities of $13.6 million during the nine months ending 2023. Financing activities used $209.0 million during the nine months ended September 30, 2024, compared to $84.9 million during the nine months ended September 30, 2023.

The changes in contractual obligations of the Company and Bank, to include but not limited to term subordinated debt, operating leases, deferred compensation and supplemental retirement plans as well as off-balance sheet commitments such as unfunded loans and letters of credit, are consistent with similar balances or totals as of December 31, 2023.

The Company is dependent upon the payment of cash dividends by the Bank to service its commitments, which have historically included dividends to shareholders, scheduled debt service payments, and general operations. Shareholder dividends are expected to continue subject to the Board’s discretion and management's continuing evaluation of capital levels, earnings, asset quality and other factors. The Company expects that the cash dividends paid by the Bank to the Company will be sufficient to cover the Company's cash flow needs. However, the Company and its ability to generate liquidity through either the issuance of stock or debt, also serves as a potential source of strength for the Bank. Dividends paid by the Company to holders of its common stock used $32.8 million and $29.9 million of cash during the nine months ended September 30, 2024 and 2023, respectively. The Company’s liquidity is dependent on dividends received from the Bank. Dividends from the Bank are subject to certain regulatory restrictions.

TRICO BANCSHARES—NON-GAAP FINANCIAL MEASURES
(Unaudited. Dollars in thousands)

In addition to results presented in accordance with generally accepted accounting principles in the United States of America (GAAP), this filing contains certain non-GAAP financial measures. Management has presented these non-GAAP financial measures in this filing because it believes that they provide useful and comparative information to assess trends in the Company's core operations reflected in the current quarter's results, and facilitate the comparison of our performance with the performance of our peers. However, these non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP. Where applicable, comparable earnings information using GAAP financial measures is also presented. Because not all companies use the same calculations, our presentation may not be comparable to other similarly titled measures as calculated by other companies. For a reconciliation of these non-GAAP financial measures, see the tables below:

	Three months ended		Nine months ended	
(dollars in thousands)	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net interest margin				
Acquired loans discount accretion, net:				
Amount (included in interest income)	$1,018	$1,324	$3,200	$4,192
Effect on average loan yield	0.06 %	0.08 %	0.06 %	0.09 %
Effect on net interest margin (FTE)	0.05 %	0.06 %	0.05 %	0.06 %
Net interest margin (FTE)	3.71 %	3.88 %	3.69 %	4.01 %
Net interest margin less effect of acquired loan discount accretion (Non-GAAP)	3.66 %	3.82 %	3.64 %	3.95 %

	Three months ended		Nine months ended	
(dollars in thousands)	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Pre-tax pre-provision return on average assets or equity				
Net income (GAAP)	$29,051	$30,590	$85,834	$91,315
Exclude provision for income taxes	10,348	11,484	30,382	33,190
Exclude provision for credit losses	220	4,155	4,930	18,000
Net income before income tax and provision expense (Non-GAAP)	$39,619	$46,229	$121,146	$142,505
Average assets (GAAP)	$9,666,979	$9,874,240	$9,767,965	$9,867,099
Average equity (GAAP)	$1,214,510	$1,112,404	$1,186,245	$1,104,122
Return on average assets (GAAP) (annualized)	1.20 %	1.23 %	1.17 %	1.24 %
Pre-tax pre-provision return on average assets (Non-GAAP) (annualized)	1.63 %	1.86 %	1.66 %	1.93 %
Return on average equity (GAAP) (annualized)	9.52 %	10.91 %	9.67 %	11.06 %
Pre-tax pre-provision return on average equity (Non-GAAP) (annualized)	12.98 %	16.49 %	13.64 %	17.26 %

(dollars in thousands)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Return on tangible common equity				
Average total shareholders' equity	$1,214,510	$1,112,404	$1,186,245	$1,104,122
Exclude average goodwill	304,442	304,442	304,442	304,442
Exclude average other intangibles	8,093	12,563	9,098	14,219
Average tangible common equity (Non-GAAP)	$901,975	$795,399	$872,705	$785,461
Net income (GAAP)	$29,051	$30,590	$85,834	$91,315
Exclude amortization of intangible assets, net of tax effect	725	1,120	2,175	3,453
Tangible net income available to common shareholders (Non-GAAP)	$29,776	$31,710	$88,009	$94,768
Return on average equity (GAAP) (annualized)	9.52 %	10.91 %	9.67 %	11.06 %
Return on average tangible common equity (Non-GAAP)	13.13 %	15.82 %	13.47 %	16.13 %

(dollars in thousands)	As of September 30, 2024	As of December 31, 2023
Tangible shareholders' equity to tangible assets		
Shareholders' equity (GAAP)	$1,239,015	$1,159,682
Exclude goodwill and other intangible assets, net	311,904	314,994
Tangible shareholders' equity (Non-GAAP)	$927,111	$844,688
Total assets (GAAP)	$9,823,890	$9,910,089
Exclude goodwill and other intangible assets, net	311,904	314,994
Total tangible assets (Non-GAAP)	$9,511,986	$9,595,095
Shareholders' equity to total assets (GAAP)	12.61 %	11.70 %
Tangible shareholders' equity to tangible assets (Non-GAAP)	9.75 %	8.80 %

(dollars in thousands)	As of September 30, 2024	As of December 31, 2023
Tangible common shareholders' equity per share		
Tangible shareholders' equity (Non-GAAP)	$927,111	$844,688
Common shares outstanding at end of period	33,000,508	33,268,102
Common shareholders' equity (book value) per share (GAAP)	$37.55	$34.86
Tangible common shareholders' equity (tangible book value) per share (Non-GAAP)	$28.09	$25.39

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Based on the changes in interest rates as well as the mix shift of interest earning assets and interest bearing liabilities occurring subsequent to December 31, 2023, the following update of the Company's assessment of market risk as of September 30, 2024 is being provided. These updates and changes should be read in conjunction with the additional quantitative and qualitative disclosures in our Annual Report on Form 10-K for the year ended December 31, 2023.

As of September 30, 2024, the Company's loan portfolio consisted of approximately $6.7 billion in outstanding principal with a weighted average coupon rate of 5.49%. During the three-month periods ending September 30, 2024, June 30, 2024, and September 30, 2023, the weighted average coupon on loan production in the quarter was 7.63%, 7.98% and 7.31%, respectively. Included in the September 30, 2024, total loans are adjustable rate loans totaling $4.2 billion, of which, $891.6 million are considered floating based on the Wall Street Prime index. In addition, the Company holds certain investment securities with fair values totaling $371.1 million which are subject to repricing on not less than a quarterly basis.

Management funds the acquisition of nearly all of its earning assets through its core deposit gathering activities. As of September 30, 2024, non-interest bearing deposits represented 31.7% of total deposits. Further, during the quarter ended September 30, 2024, the cost of interest bearing deposits were 2.23% and the cost of total deposits were 1.52%. With the intent of stabilizing or increasing net interest income, management intends to continue to deploy its excess liquidity and/or seek to migrate certain earning assets into higher yielding categories. However, in situations where deposit balances contract, management may rely upon various borrowing facilities or the use of brokered deposits. Through the third quarter of 2024 and during the entire 2023 year, management did not utilize any brokered deposits. Management did however utilize borrowing lines from the FHLB, both overnight and term structured up to 12 months, due to expectations that such borrowings will be needed through the remainder of the year and into 2025 to support earning asset strategies.

As of September 30, 2024 the overnight Federal funds effective rate, the rate primarily used in these interest rate shock scenarios, was 4.83%. These scenarios assume that 1) interest rates increase or decrease evenly (in a "ramp" fashion) over a twelve-month period and remain at the new levels beyond twelve months or 2) that interest rates change instantaneously ("shock"). The simulation results shown below assume no changes in the structure of the Company's balance sheet over the twelve months being measured.

The following table summarizes the estimated effect on net interest income and market value of equity to changing interest rates as measured against a flat rate (no interest rate change) instantaneous parallel shock scenario over a twelve month period utilizing a interest sensitivity (GAP) analysis based on the Company's specific mix of interest earning assets and interest bearing liabilities as of September 30, 2024.

Interest Rate Risk Simulations:

Change in Interest Rates (Basis Points)	Estimated Change in Net Interest Income (NII) (as % of NII)	Estimated Change in Market Value of Equity (MVE) (as % of MVE)
+300 (shock)	(7.4)%	(5.6)%
+200 (shock)	(5.0)%	(3.7)%
+100 (shock)	(2.4)%	(0.8)%
+ 0 (flat)	—	—
-100 (shock)	0.2 %	(2.8)%
-200 (shock)	0.1 %	(9.6)%
-300 (shock)	1.5 %	(20.8)%

Item 4. Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2024. Disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are controls and procedures designed to reasonably assure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported on a timely basis. Disclosure controls are also designed to reasonably assure that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2024.

During the three months ended September 30, 2024, there were no changes in our internal controls or in other factors that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1 — Legal Proceedings

Due to the nature of our business, we are involved in legal proceedings that arise in the ordinary course of our business. While the outcome of these matters is currently not determinable, we do not expect that the ultimate costs to resolve these matters will have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Item 1A — Risk Factors

In evaluating an investment in the Company's common stock, investors should consider carefully, among other things, the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 29, 2024, and in the information contained in this Quarterly Report on Form 10-Q and our other reports and registration statements.

Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds

The following table shows the repurchases made by the Company or any affiliated purchaser (as defined in Rule 10b-18(a)(3) under the Exchange Act) during the periods indicated:

Period	(a) Total number of shares purchased [1]	(b) Average price paid per share	(c) Total number of shares purchased as of part of publicly announced plans or programs	(d) Maximum number of shares that may yet be purchased under the plans or programs at period end [2]
July 1-31, 2024	1,551	$ 42.98	—	865,478
August 1-31, 2024	—	—	—	865,478
September 1-30, 2024	—	—	—	865,478
Total	1,551	$ 42.98	—	

(1) Includes shares purchased by the Company’s Employee Stock Ownership Plan in open market purchases and shares tendered by employees pursuant to various other equity incentive plans. See Notes 10 and 11 to the condensed consolidated financial statements at Item 1 of Part I of this report, for a discussion of the Company’s stock repurchased under equity compensation plans.

(2) Does not include shares that may be purchased by the Company’s Employee Stock Ownership Plan and pursuant to various other equity incentive plans. See Note 11 to the condensed consolidated financial statements at Item 1 of Part I of this report, for a discussion of the Company’s stock repurchase plan.

Item 5 — Other Information

Rule 10b5-1 Trading Arrangements

(a) TriCo Bancshares (the “Company”) adopted a form of Restricted Stock Unit Award Agreement (the “RSU Agreement”) and a form of Performance Award Agreement (the “PSU Agreement”) to be used to document grants of awards to executives made under the 2019 Equity Incentive Plan (the “Plan”) during 2024. The agreements were signed by the executives on November 6, 2024.

The RSU Agreement provides that awards of restricted stock units (“RSUs”) vest in three equal annual installments. RSUs vest automatically upon a recipient’s employment termination due to death or disability.

The PSU Agreement provides that performance stock units (“PSUs”) vest in a single tranche three years after the grant date. The number of PSUs earned upon vesting depends on the total shareholder return for the Company’s common stock relative to the KBW Nasdaq Regional Banking Index over a three-year performance period beginning on the date of grant. The actual number of shares earned on vesting ranges from 0% to 150% of the target number granted, depending on the performance of the Company’s common stock compared to the index over the performance period. Upon a recipient’s employment termination due to death or disability, the final day of the performance period will be adjusted to be the executive’s termination date and a pro rata portion of the PSUs will vest based on the portion of the original three-year performance period elapsed. In the event of a change of control, the performance period will be adjusted to end the day immediately prior to the change of control and a pro rata portion of the PSUs will vest based on the portion of the original three-year performance period elapsed, provided that if the recipient is terminated within 12 months of the date of the change of control, the recipient shall instead be entitled to 100% of the number of PSU determined as of the end of the adjusted performance period.

The RSU Agreement and PSU Agreement further provide that if an executive recipient having at least six full years of service with the Company retires from employment at age 62 or greater, a percentage of the outstanding and unvested equity awards granted by the Company pursuant to these agreements will continue to vest following retirement, subject to certain conditions, including that (1) the participant provides at least 9 months written notice of their intent to retire, (2) the Company determines that the continued vesting is appropriate, based on the recipient’s performance and (3) the recipient executes of a release of claims in favor of the Company. The percentage of the awards entitled to post-retirement vesting is based on the number of full years of service with the Company that participant has completed at retirement and ranges from 20% (with six full years of service) to 100% (with 10 or more full years of service), provided that if the Company’s pre-tax, pre-provision income is negative for any of the four quarters immediately preceding the participant’s retirement, the number of awards entitled to post-retirement vesting will be reduced by 25%.

This summary of the RSU Agreement and the PSU Agreement does not purport to be complete and is qualified in its entirety by reference to the forms such agreements filed as exhibits to this report. Form of these agreements are included as exhibits 10.2 and 10.4 to this Form 10-Q.

(b) N/A

(c) During the three and nine months ended September 30, 2024, none of the Company’s directors or officers (as defined in Rule 16a-1(f)) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (in each case, as defined in item 408 of Regulation S-K) for the purchase or sale of the Company's common stock.

Item 6 – Exhibits

EXHIBIT INDEX

Exhibit No.	Exhibit
10.1	Form of Restricted Stock Unit Agreement and Grant Notice for Non-Executives pursuant to TriCo’s 2019 Equity Incentive Plan
10.2	Form of Restricted Stock Unit Agreement and Grant Notice for Executives pursuant to TriCo’s 2019 Equity Incentive Plan
10.3	Form of Performance Award Agreement and Grant Notice for Non-Executives pursuant to TriCo’s 2019 Equity Incentive Plan
10.4	Form of Performance Award Agreement and Grant Notice for Executives pursuant to TriCo’s 2019 Equity Incentive Plan
31.1	Rule 13a-14(a)/15d-14(a) Certification of CEO
31.2	Rule 13a-14(a)/15d-14(a) Certification of CFO
32.1	Section 1350 Certification of CEO
32.2	Section 1350 Certification of CFO
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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 hereunto duly authorized.

	TRICO BANCSHARES
	(Registrant)
Date: November 7, 2024	/s/ Peter G. Wiese
	Peter G. Wiese
	Executive Vice President and Chief Financial Officer
	(Duly authorized officer and principal financial and chief accounting officer)

Exhibit 10.1

TRICO BANCSHARES
RESTRICTED STOCK UNIT GRANT NOTICE

TriCo Bancshares, a California corporation (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to the holder listed below (the "***Participant***" or ***"you"***), a Restricted Stock Unit Award (the "***Award***"). The Award is comprised of restricted stock units (the "***Units***" or *"**RSUs**"*), each of which is a right to receive one (1) share of Common Stock, on the terms and conditions set forth herein and in the Restricted Stock Unit Award Agreement attached hereto (including Appendix A, the "***Award Agreement***") and the Plan, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Award Agreement.

Participant: **[insert name]**
Grant Date: **March 1, 2024**
Number of Units/Shares Subject to Award: **[●]**

Vesting Schedule:	The Award will vest in three (3) equal annual installments on each of the first three anniversaries of the Grant Date (such period, "***Vesting Period***")* subject to the Participant's Continuous Service following the Grant Date through each applicable vesting date, or as otherwise provided herein. **For vesting dates that fall on weekends and holidays, this date will be the next business day following such date.*
Vesting Date:	1/3 of the RSUs (to the extent vested) shall be paid out on the first anniversary of the of the Grant Date. 1/3 of the RSUs (to the extent vested) shall be paid on the second anniversary of the of the Grant Date. 1/3 of the RSUs (to the extent vested) shall be paid out on the third anniversary of the of the Grant Date.

By signing below or by electronic acceptance or authentication in a form authorized by the Company, the Participant agrees to be bound by the terms and conditions of the Plan, the Award Agreement and the Grant Notice. The Participant has reviewed and fully understands all provisions of the Plan, the Award Agreement (including Appendix A), and the Grant Notice in their entirety and has had an opportunity to obtain the advice of counsel prior to executing below. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Award Agreement, the Grant Notice or relating to the Units.

TRICO BANCSHARES	**PARTICIPANT**
By:	By:
Name: Richard P. Smith	Print Name:
Title: President & CEO	
Address: 63 Constitution Drive Chico, CA 95973	Address:

ATTACHMENTS:	Restricted Stock Unit Award Agreement. A copy of the TriCo Bancshares 2019 Equity Incentive Plan, as amended, and the prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares of Common Stock issuable pursuant to the Award are available on the Human Resources section of the Company's intranet or upon request to Human Resources.

TriCo Bancshares

2019 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Restricted Stock Unit Award Grant Notice ("***Grant Notice***") and this Restricted Stock Unit Award Agreement (including Appendix A, the "***Award Agreement***"), TriCo Bancshares (the "***Company***") has awarded you a Restricted Stock Unit Award under its 2019 Equity Incentive Plan, (the "***Plan***") for the number of RSUs specified in the Grant Notice (collectively, the "***Award***"). Except where indicated otherwise, defined terms not explicitly defined in this Award Agreement but defined in the Plan or Grant Notice shall have the same definitions as in the Plan or Grant Notice. You agree that any shares of Common Stock issued with respect to the Award are subject to the minimum holding requirements described in Section 10(f) of the Plan.

The details of your Award are as follows:

1. Number of Restricted Stock Units and Shares of Common Stock. The number of RSUs subject to your Award is set forth in the Grant Notice. Each RSU shall represent the right to receive one (1) share of Common Stock. The number of RSUs will increase by any dividend equivalents, as described in Section 3 below. The number of RSUs subject to your Award and the number of shares of Common Stock deliverable with respect to such RSUs may be adjusted from time to time for capitalization adjustments as described in Section 11(a) of the Plan.

2. Vesting.

(a) **Normal Vesting.** Except as otherwise provided by this Award Agreement, Units shall vest and become Vested Units as provided in the Grant Notice.

(b) **Death/Disability**. If you die or become Permanently Disabled (as defined below) while you are eligible to vest in RSUs under this Award, the RSUs will immediately vest and, if you die, will be distributed in shares of Common Stock (after applicable tax withholding, if any) to your designated beneficiary on file with the Company's stock administration department or Human Resources, or if no beneficiary has been designated or survives you or if beneficiary designation is not recognized by local legislation, then to your estate (in the case of death) or to you (in the case of Permanent Disability). Any shares of Common Stock will be distributed no later than the end of the calendar year immediately following the calendar year which contains your date of death or Permanent Disability; however, with respect to shares of Common Stock issued due to death, our administrative practice is to register such shares of Common Stock in the name of your beneficiary or estate within 60 days of the Company's receipt of any required documentation.

(i) "***Permanently Disabled***" means your "permanent disability" as such term is defined in the long-term disability insurance provided by the Company, or if such insurance is not provided by Company, the term shall mean that you have has been deemed by a medical care provider to indefinitely be unable to perform the essential functions of your position with the Company with or without reasonable accommodation, such event satisfies the requirements of you becoming "disabled" under Code Section 409 and you have satisfied the Release / Certification Requirements set forth below.

(ii) **Release / Certification**. You shall meet the Release / Certification requirements, if: (i) within 55 days following your Termination of Continuous Service because you are Permanently Disabled, you execute and deliver a general release of claims in favor of the Company, having such form and terms as the Company shall specify, and such release becomes irrevocable, and (ii) in all cases, you have complied with all other terms of the Award Agreement.

(c) **Continued Vesting on Retirement / Full Career Eligibility**. In the event and for so long as you meet the Retirement/Full Career Eligibility Requirements described in Appendix A hereto at the time of your Termination of Continuous Service then, subject to the terms and conditions set forth in this Award Agreement (including, but not limited to, Section 12 - Right to Set Off and Section 20 - Clawback" in this Award Agreement and the sections entitled "Your Obligations" and "Additional Conditions Precedent" in Appendix A), you will be eligible to continue to vest (as you otherwise would vest had you remain employed by the Company and/or an Affiliate through the applicable Vesting Date) with respect to this Award following your Termination of Continuous Service due to your qualifying Retirement/Full Career Eligibility.

(d) **No Vesting on Termination of Continuous Service.** In the event of the Participant's Termination of Continuous Service for any reason prior to the Vesting Date, with or without Cause, other than as described in Sections 2(b) or 2(c), or as determined by the Company under Section 11 of the Plan, and to the extent any Units otherwise remain unvested upon the Participant's Termination of Continuous Service, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units, and the Participant shall not be entitled to any payment with respect to the shares of Common Stock or other consideration therefor.

3. Dividends. If the Company pays dividends with respect to the Common Stock (the date of any such payment is a "***Dividend Date***"), then Dividend equivalents shall then be credited to any then outstanding RSU. The amount of such dividend equivalent credit will be equal to the dollar value of dividends paid on an actual share of Common Stock on the Dividend Date, multiplied by the number of outstanding RSUs held by you pursuant to this Award as of the Dividend Date. This aggregate dollar amount will then be divided by the Fair Market Value on the Dividend Date of a share of Common Stock, and the resulting quotient shall be the number of additional RSUs ("***Additional RSUs***") that will be credited to this Award. Such Additional RSUs will be subject to the Plan and the same vesting (on a pro-rata basis based on each vesting tranche of RSUs outstanding hereunder on the Dividend Date), forfeiture restrictions, restrictions on transferability, and settlement provisions as apply to the RSUs that are the subject of this Award and for avoidance of doubt Additional RSUs will also be eligible to accrue future dividend equivalents.

4. No Ownership Rights/Rights as a Shareholder/Other Restrictions. You shall have no rights as a shareholder with respect to any shares of Common Stock which may be issued in settlement of this Award until the date of the issuance of such share of Common Stock under the terms of this Award Agreement (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, dividend equivalents, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 1.

You also acknowledge that should there be a determination that the cancellation provisions of this award apply during the period when the vesting of any outstanding RSUs has been suspended, then you agree that such RSUs may be cancelled in whole or part. (See Section 12 – Right to Set Off and Section 20 - Clawback in this Award Agreement and the section entitled "Additional Conditions Precedent" in Appendix A, as well as Section 24 - Amendment permitting suspension of vesting.)

With respect to any applicable vesting date, the Company may impose for any reason, as of such vesting date for such period as it may specify in its sole discretion, such restrictions on the Common Stock to be issued to you as it may deem appropriate, including, but not limited to, restricting the sale, transfer, pledging, assignment, hedging or encumbrance of such shares of Common Stock. Such restrictions described in the last sentence shall not impact your right to vote or receive dividends with respect to the Common Stock. By accepting this Award, you acknowledge that during such specified period should there be a determination that the recovery provisions of this award apply, then you agree that you may be required to pay the Company up to an amount equal to the fair market value (determined as of the applicable vesting date) of the gross number of shares subject to such restrictions (notwithstanding the limitation set forth in the Section 12 - Right to Set Off). (See Section 20 - Clawback in this Award Agreement and the section "Additional Conditions Precedent" in Appendix A.)

5. **Payment**. Subject to Section 11 below, you will not be required to make any payment to the Company with respect to your receipt of the Award, vesting of the RSUs, or the delivery of the shares of Common Stock subject to the RSUs.

6. **Delivery of Shares**. Subject to Sections 7 and 11 below, the Company will issue you one share of Common Stock for each RSU which vests under this Award Agreement, on the applicable vesting date or as soon as practicable thereafter, but not later than thirty (30) days from the Vesting Dates (the actual date of such issuance during such period shall be solely determined by the Company). The form of delivery (e.g., a stock certificate or electronic entry evidencing such shares of Common Stock) shall be determined by the Company. You hereby authorize the Company, in its sole discretion, to deposit for your benefit with a Company-designated brokerage firm or, at the Company's discretion, any other broker with which you have an account relationship of which the Company has notice any or all shares of Common Stock acquired by you pursuant to the settlement of the Award. Except as provided by the preceding sentence, a certificate for the shares of Common Stock as to which the Award is settled shall be registered in your name, or, if applicable, in the names of your heirs.

7. **Restrictions on Grant of the Award and Issuance of Shares**. The grant of the Award and issuance of shares of Common Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of U.S. federal or state law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares of Common Stock would constitute a violation of any applicable U.S. federal or state securities laws or other laws or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares of Common Stock subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares of Common Stock as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Further, regardless of whether the transfer or issuance of the shares of Common Stock to be issued pursuant to the Units has been registered under the Securities Act or has been registered or qualified under the securities laws of any State, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the shares of Common Stock (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any State, or any other law.

8. Transfer Restrictions. Prior to the time that the shares of Common Stock subject to your Award have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of such shares of Common Stock or of the RSUs. For example, you may not use shares of Common Stock that may be issued in respect of your RSUs as security for a loan, nor may you transfer, pledge, sell or otherwise dispose of such shares of Common Stock. This restriction on transfer will lapse upon delivery to you of shares of Common Stock in respect of your vested RSUs. Your Award is not transferable, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to receive any distribution of shares of Common Stock in respect of vested RSUs pursuant to this Award Agreement.

9. Award Not a Service Contract. Your Award is not an employment or service contract, and nothing in your Award shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or any Affiliate, or on the part of the Company or any Affiliate to continue such service. In addition, nothing in your Award shall obligate the Company or any Affiliate, their respective shareholders, boards of directors or employees to continue any relationship that you might have as an Employee or Consultant of the Company or any Affiliate.

10. Unsecured Obligation. Your Award is unfunded, and even as a holder of vested RSUs, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares of Common Stock pursuant to this Award Agreement. Nothing contained in this Award Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

11. Withholding of Taxes. At the time the Grant Notice is executed, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for, any sums required to satisfy the U.S. federal, state, and local taxes required by law to be withheld with respect to any taxable event arising as a result of your participation in the Plan (referred to herein as "***Tax-Related Items***"). The Company or any Affiliate, as appropriate, shall have the authority and the right to deduct or withhold, or require you to remit an amount sufficient to satisfy applicable Tax-Related Items or to take such other action as may be reasonably necessary to satisfy such Tax-Related Items. In this regard, you authorize the Company and any Affiliate, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from your wages or other cash compensation paid to you; or

(b) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting and settlement of the RSUs, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization); or

(c) withholding in shares of Common Stock to be issued upon vesting and settlement of the RSUs; or

(d) direct payment from you.

The Company does not have any duty or obligation to minimize your liability for Tax-Related Items arising from the Award, and, will not be liable to you for any Tax-Related Items arising in connection with the Award. Finally, you shall pay any amount of Tax-Related Items that the Company or any Affiliate may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock that may be issued in connection with the settlement of the RSUs if you fail to comply with your Tax-Related Items obligations.

You represent, warrant and acknowledge that the Company has made no warranties or representations to you with respect to the income tax consequences of the transactions contemplated by this Award Agreement, and you are in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences. YOU UNDERSTAND THAT THE TAX LAWS AND REGULATION ARE SUBJECT TO CHANGE. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR REGARDING THE UNITS. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

12. Right to Set Off. Although the Company expects to settle this award in share(s) of Common Stock as of the applicable vesting date, as set forth in your Award Agreement, the Company may, to the maximum extent permitted by applicable law (including Section 409A of the Code to the extent it is applicable to you), retain for itself funds or the shares of Common Stock resulting from any vesting of this award to satisfy any obligation or debt that you owe to the Company and/or an Affiliate. Notwithstanding any bank account agreement with the

Company and/or an Affiliate to the contrary, the Company will not recoup or recover any amount owed from any funds or unrestricted securities held in your name and maintained at the Company and/or Affiliate pursuant to such bank account agreement to satisfy any obligation or debt owed by you under this award without your consent. This restriction on the Company does not apply to accounts described and authorized in Section 6 – Delivery of Shares described above.

13. Notices. Any notice required to be given or delivered to the Company under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address maintained for the Participant in the Company's records or at the address of the local office of the Company or Affiliate at which the Participant works.

14. Miscellaneous.

(a) The rights and obligations of the Company with respect to your Award shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) All obligations of the Company under the Plan and this Award Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(d) The Participant's rights, if any, in respect of or in connection with the Units are derived solely from the discretionary decision of the Company to permit the Participant to participate in the Plan and to benefit from a discretionary Award. By accepting the Units, the Participant expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional Units or other Awards to the Participant. The Units are not intended to be compensation of a continuing or recurring nature, or part of the Participant's normal or expected compensation, and in no way represents any portion of the Participant's salary, compensation, or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.

15. Headings. The headings of the Sections and subsections in this Award Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

16. Severability. If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

17. Compliance with Code Section 409A.

(a) It is intended that the RSUs granted hereunder be exempt from or comply with the requirements of Code Section 409A, so that none of the RSUs, or the resulting shares of Common Stock or compensation, if any, shall be subject to the additional tax imposed by Section 409A. The vesting and settlement of such RSUs are intended to qualify for the "short-term deferral" exemption from Code Section 409A. Each installment of RSUs that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). As such, each eligible vested RSU shall be settled, per the terms of the Plan, the Grant Notice and this Award Agreement, within the short-term deferral period, as defined in Code Section 409A, the applicable Treasury Regulations and related guidance issued thereunder. Notwithstanding any other provision of the Plan, this Award Agreement, or the Grant Notice:

(i) The Plan, this Award Agreement and the Grant Notice shall be interpreted in accordance with, and incorporate the terms and conditions required by, Code Section 409A and any Department of Treasury regulations and other applicable guidance issued thereunder (including any regulations or guidance that may be issued after the date hereof), and any ambiguities herein shall be interpreted to so comply.

(ii) The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Award Agreement to ensure that the RSUs qualify for exemption from, comply with or otherwise avoid the imposition of any additional tax or income recognition under Code Section 409A; *provided*, *however*, that the Company makes no representations that the RSUs will be exempt from Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to the RSUs.

(b) **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Award Agreement on account of your termination of Service which constitutes a "deferral of compensation" within the meaning of Code Section 409A shall be paid unless and until you have incurred a "separation from service" within the meaning of Code Section 409A. Furthermore, to the extent that you are a "Specified Employee" within the meaning of Code Section 409A as of the date of your separation from service, no amount that constitutes a deferral of compensation which is payable on account of your separation from service that would result in the imposition of additional tax under Code Section 409A if issued to you on or within the six (6) month period following your termination of an employment shall be paid to you before the date (the
"Delayed Payment Date") which is the first day of the seventh month after the date of your separation from service or, if earlier, ten (10) days following the date of your death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

18. Restrictions on Contracts and Payments for Insured Depository Institutions in Troubled Status. The parties acknowledge and agree that the restrictions contained in the Federal Deposit Insurance Act, Section 18(k) [12 U.S.C. §1828(k)], relating to contracts for and payment of executive compensation and benefits by insured depository institutions in "troubled" condition could apply in the future. In the event that any such restrictions or any contractual arrangement with or required by a regulatory authority require the Company to seek or demand repayment or return of any payments made to you under this Award Agreement and the Plan for any reason, you agree to repay to the Company the aggregate amount of such payments no later than thirty (30) days following your receipt of a written notice from the Company indicating that payments received by you under this Award Agreement and the Plan are subject to recapture or clawback.

19. Authorization to Release Necessary Personal Information. You hereby authorize and direct the Company to collect, use and transfer in electronic or other form, any personal information (the "***Data***"), the nature and amount of your compensation and the fact and conditions of your participation in the Plan (including, but not limited to, your name, home address, telephone number, date of birth, social security number, salary, job title, number of shares held and the details of all RSUs or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding) for the purpose of implementing, administering and managing your participation in the Plan. You understand that the Data may be transferred to the Company or any Affiliate, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a brokerage firm or other third party assisting with administration of the Award or with whom shares acquired upon settlement of this Award or cash from the sale of such shares may be deposited. Furthermore, Participant acknowledges and understands that the transfer of the Data to the Company or any Affiliate, or to any third parties is necessary for your participation in the Plan. You may at any time withdraw the consents herein, by contacting the Company's stock administration department in writing. You further acknowledge that withdrawal of consent may affect your ability to realize benefits from the Award, and your ability to participate in the Plan.

20. Clawback. In consideration of the grant of this Award, you agree that this Award is subject to any clawback under Section 15 of the Plan and the Company's Compensation Clawback Policy (or any successor policy, the "***Policy***") adopted by the Board and in effect from time to time, as permitted by law. For the avoidance of doubt, nothing in these terms and conditions in any way limits the rights of the Company and/or an Affiliate under the Policy.

21. Counterparts. The Grant Notice may be executed in counterparts, including execution by facsimile, pdf or other electronic transmission, which, when taken together, will be deemed to constitute one and the same instrument.

22. Administration. The Committee shall have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee or the Board in good faith shall be final and binding upon you, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Award Agreement or the Units.

1. Governing Law. The interpretation, performance and enforcement of this Award Agreement shall be governed by the laws of the State of California, U.S.A. without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

24. Amendment. The Committee or its nominee reserves the right to amend this Award Agreement in any manner, at any time and for any reason; provided, however, that no such amendment shall materially adversely affect your rights under this Award Agreement without your consent except to the extent that the Committee or its delegate considers advisable to (i) comply with applicable laws or changes in or interpretation of applicable laws, regulatory requirements and accounting rules or standards and/or (ii) make a change in a scheduled vesting date or impose the restrictions described above under Section 4 - No Ownership Rights/Rights as Shareholder/Other Restrictions, in either case, to the extent permitted by Section 409A of the Code if it is applicable to you. This Award Agreement may not be amended except in writing signed by the Chief Executive Officer or Chair of the Committee of the Company.

25. **Internal Revenue Code Section 280G.** Notwithstanding any provision of this Award Agreement to the contrary, in the event of a change in control and the Award is accelerated, and it would be more likely than not that all or a portion of any benefit payment under this Award Agreement, alone or together with any other compensation or benefit payable to Participant, will be a non-deductible expense to the Company by reason of Code Section 280G, the Company shall reduce, but not less than zero, the benefits payable under this Award Agreement or the Plan as necessary to avoid the application of Section 280G.

26. Governing Plan Documents. The Grant Notice, this Award Agreement, and the RSUs evidenced hereby (i) are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan, and (ii) constitute the entire agreement between you and the Company on the subject matter hereof and supersede all proposals, written or oral, and all other communications between the parties related to the subject matter. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

Appendix A to Restricted Stock Agreement

Termination of Employment

Except as explicitly set forth under "Section 2 - Vesting" of the Award Agreement and this Appendix A, any unvested RSUs outstanding under this Award will be cancelled effective on the termination of your Continuous Service for any reason.

Subject to these terms and conditions (including, but not limited to, Sections "12 – Right to Set Off" and "20 - Clawback" in the Award Agreement, and the Sections "Your Obligations" and "Additional Conditions Precedent" in this Appendix A), however, a portion of your Award will be eligible to continue vesting as if you were still employed by the Company or an Affiliate though the Vesting Date if the following circumstances apply to you:

Retirement/Full Career Eligibility

Your RSUs under this Award may be eligible for continued vesting upon your qualified retirement if the Chief Executive Officer (or, if you are the Chief Executive Officer, the Committee or its nominee) determines, in their sole discretion, that:

- you voluntarily terminated your Continuous Service with the Company and/or an Affiliate, and
- you had completed at least eleven (11) years of Continuous Service with the Company and/or an Affiliate immediately preceding your termination date, and
- your age on your date of termination equaled or exceeded sixty-five (65) and
- you provided at least nine (9) months advance written notice to the Company of your intention to voluntarily terminate your employment under this provision, during which notice period you provided such services as requested by the Company and/or an Affiliate in a cooperative and professional manner and you did not perform any services for any other employer, and
- continued vesting shall be appropriate, which determination shall be made prior to your termination and will be based on your performance and conduct (before and after providing notice), and
- you satisfied the Release/Confirmation Requirements set forth below.

After receipt of such advance written notice, the Company and/or an Affiliate may choose to have you continue to provide services during such nine (9) month period as a condition to continued vesting or may, in its sole discretion, elect to shorten the length of the nine (9) month period to a date no earlier than the date you would otherwise meet the age and service requirements.

Portion of Your Award Subject to Continued Vesting Following Retirement

If you meet the requirements of this Appendix A, the number of RSUs under this Award that will be eligible to continue vesting following the termination of your Continuous Service, if any, will be a percentage of the RSUs that would have vested if your Continuous Service had continued through the Vesting Date (as determined in accordance with the Award Agreement) based on your years of Continuous Service preceding your Termination of Continuous Service, as follows:

- 0% if you have at least 10 or less years of Continuous Service,

- 20% if you have at least 11 but less than 12 years of Continuous Service,
- 40% if you have at least 12 but less than 13 years of Continuous Service,
- 60% if you have at least 13 but less than 14 years of Continuous Service,
- 80% if you have at least 14 but less than 15 years of Continuous Service, or
- 100% if you have 15 or more years of Continuous Service.

There is no pro rata credit for partial years of Continuous Service.

The portion of your Award that is subject to continued vesting upon your qualifying retirement is referred to as the "CV Award." Any portion of your Award that does not continue to vest hereunder will, upon the date of your Termination of Continuous Service, be immediately cancelled and forfeited as of such date without any payment or other consideration therefor.

So, for example if you had 100 unvested Units and you had 12.5 years of Continuous Service immediately preceding your Termination of Continuous Service, and you complied with the terms of Appendix A, the number of your CV Award would be 40 RSUs (40% of 100 RSUs) , subject to the pro-rata adjustments and the terms set forth in this Appendix A. The remaining 60 RSUs would be immediately forfeited on the date your Continuous Service terminates.

Release/Confirmation

To qualify for continued vesting after your Termination of Continuous Service as described in this Appendix A:

- you must timely execute and deliver a release of claims in favor of the Company and its Affiliates, having such form and terms as the Company shall specify within 30 days of the Termination of your Continuous Service,
- prior to the Termination of your Continuous Service, you must confirm with management that you meet the eligibility criteria (including providing at least nine (9) months advance written notification), advise that you are seeking to be treated as an individual eligible for "Retirement/Full Career Eligibility", and receive written consent to such continued vesting, and
- in all cases, complied with all other terms of the Award Agreement. (See section captioned "Your Obligations".)

Your Obligations

In consideration of the grant of this CV Award , you agree to comply with and be bound by the obligations set forth below next to the subsections captioned "--Confidentiality & Non-Solicitation", "--False Statements", "--Cooperation", "--Compliance with Award Agreement" and "--Notice Period."

- **Confidentiality & Non-Solicitation**

  You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, directly or indirectly use or disclose to anyone any Confidential Information (as defined herein) related to the Company and/or an Affiliate's business or its customers except as explicitly permitted by the TriCo Bancshares Code of Ethics and Business Conduct Policy (as amended or replaced from time to time, the "Code of Conduct") and applicable policies or law or legal process. "Confidential Information" includes but is not limited to: (i) information received by the Company and/or an Affiliate from third parties under confidential conditions; (ii) intellectual property and trade secrets, technical, product, business, financial, or development information from the Company and/or an Affiliate, the use or disclosure of which reasonably might be construed to be contrary to the interest of the Company and/or an Affiliate; or (iii) other proprietary information or data, including, but not limited to, customer lists and information. In addition, following your termination of employment, you will not, without prior written authorization, access the Company and/or an Affiliate's private and internal information through telephonic, intranet or internet means.

If you are required by law or requested to provide information to any private party, including the news media, related to your or anyone else's employment with the Company and/or an Affiliate, you will, in advance of providing any response (to the extent lawfully permitted), and within five days of receiving any such legal demand or request, provide written notice to the Company and/or an Affiliate. Additionally, you agree to cooperate with the Company and/or an Affiliate in connection with the request for such information to the extent lawfully permitted.

- **False Statements**

  You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, make any untrue statements, such that they are made with knowledge of their falsity or with reckless disregard for their truth or falsity, about the Company and/or an Affiliate, its employees, officers, directors or shareholders as a group in verbal, written, electronic or any other form.

- **Cooperation**

  You will cooperate with any Company and/or Affiliate investigation, inquiry, or litigation, and provide full and accurate information to the Company and/or an Affiliate and its counsel with respect to any matter that relates to issues or events about which you may have knowledge or information, subject to reimbursement for actual, appropriate and reasonable out-of-pocket expenses incurred by you.

- **Compliance with Award Agreement**

  You will provide the Company and/or an Affiliate with any information reasonably requested to determine compliance with the Award Agreement, and you authorize the Company and/or an Affiliate to disclose the terms of the Award Agreement to any third party who might be affected thereby, including your prospective employer.

Additional Conditions Precedent

- **Detrimental Conduct, Risk Related and Other Cancellation/Recapture**

  In addition to the cancellation provisions described under Sections 12 - Right to Set Off and 20 - Clawback in the Award Agreement, up to 100% of continued vesting of your RSUs under this CV Award is further subject to the condition that neither the Company nor an Affiliate in its sole discretion determines that:

  - Any of the following detrimental and risk-related conduct has occurred:
    - you engaged in conduct detrimental to the Company and/or an Affiliate insofar as it causes material financial or reputational harm to the Company and/or an Affiliate or its business activities, or

    - this CV Award was based on materially inaccurate performance metrics, whether or not you were responsible for the inaccuracy, or
    - this CV Award was based on a material misrepresentation by you, or
    - you improperly or with gross negligence failed to identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company and/or an Affiliate or its business activities, or
    - your Continuous Service was terminated for Cause (as defined herein) or, in the case of a determination after the termination of your employment, that your Continuous Service could have been terminated for Cause; or
  - you have failed to comply with any of the advance notice/cooperation requirements or employment restrictions applicable to your termination of employment, or
  - you have failed to sign and return the release described under the section captioned "Release/Confirmation" by the specified deadline, or
  - you have violated any of the provisions as set forth above in the section captioned "Your Obligations".

A termination "for cause", as such term may be defined in any written employment, consulting agreement, or change in control agreement (or similar agreement) entered into by and between the Company and you, but for the purpose of this Appendix A also includes your willful, continued and unreasonable failure to perform your duties or obligations under this Award Agreement, or if none, shall mean:

(b) A material breach of your written employment or consulting agreement (or similar agreement) entered into by and between the Company and you;

(c) Your material violation of any written policies or procedures of Company;

(d) Your breach of duty of loyalty to the Company;

(e) You engage in any activity that brings disrepute or discredit on Company;

(f) You commit any act which is unlawful or materially detrimental to the business and affairs of Company;

(g) You commit any act of fraud, theft or embezzlement or other abuse of the property, information or funds of Company; or

(h) You are convicted of any felony or a crime involving deceit, moral turpitude or fraud.

(i) Your willful, continued and unreasonable failure to perform your duties or obligations under this Award Agreement.

- **Performance Assessment by CEO / Committee for CEO**

  Up to 75% of your CV Award may be cancelled if the Chief Executive Officer of the Company determines in his or her sole discretion that cancellation of up to 75% of the CV Award is appropriate in light of either or both of the following factors:

- Your performance in relation to the priorities for your position have been unsatisfactory for a sustained period of time, or
- Your conduct is not consistent with the Company's expectations as document in the Code of Conduct or the applicable ethics and conduct sections of the Company's and/or Affiliate's Employee Handbook.

Any determination above with respect to these performance provisions is subject to ratification by the Committee. In the case of an award to the Chief Executive Officer, all such determinations shall be made by the Committee and ratified by the Board.

- **Company Performance**

  If the Company's pre-tax provision income is negative for any of the four calendar quarters immediately preceding the date of the termination of your Continuous Service, then (1) only 25% of such portion of your CV Award shall be eligible for vesting on the Vesting Date and (2) the remaining 75% of such portion of your CV award shall be automatically canceled and forfeited.

- **Recovery**

  In addition, you may be required to pay the Company and/or an Affiliate up to an amount equal to the fair market value (determined as of the applicable Vesting Date) of the gross number of shares of Common Stock previously distributed under this CV Award as follows:

  - Payment may be required with respect to any shares of Common Stock distributed within the three year period prior to a notice-of-recovery under this section, if the Company and/or an Affiliate in its sole discretion determines that:
    - you committed a fraudulent act, or engaged in knowing and willful misconduct related to your employment, or
    - you violated any of the provisions as set forth above in the section captioned "Your Obligations", or
    - you violated the restrictions and conditions set forth in this Appendix A following the termination of your employment.

  Notice-of-recovery under this subsection is a written (including electronic) notice from the Company and/or an Affiliate to you either requiring payment under this subsection or stating that the Company is evaluating requiring payment under this subsection. Without limiting the foregoing, notice-of-recovery will be deemed provided if the Company makes a good faith attempt to provide written (including electronic) notice at your last known address maintained in the Company's and/or an Affiliate's employment records. For the avoidance of doubt, a notice-of-recovery that the Company is evaluating requiring payment under this subsection shall preserve the Company's rights to require payment as set forth above in all respects and the Company shall be under no obligation to complete its evaluation other than as the Company may determine in its sole discretion.

For purposes of this subsection, shares of Common Stock distributed under this CV Award include shares of Common Stock withheld for tax purposes. However, it is the Company's intention that you only be required to pay the amounts under this subsection with respect to shares of Common Stock that are or may be received by you following a determination of tax liability and that you will not be required to pay amounts with respect to shares of Common Stock representing irrevocable tax withholdings or tax payments previously made (whether by you or the Company and/or an Affiliate) that you will not be able to recover, recapture or reclaim (including as a tax credit, refund or other benefit). Accordingly, the Company will not require you to pay any amount that the Company or its nominee in his or her sole discretion determines is represented by such withholdings or tax payments.

Payment may be made in shares of Common Stock or in cash. You agree that any repayment will be a lawful recovery under the terms and conditions of your Award Agreement and is not to be construed in any manner as a penalty.

Nothing in the section in any way limits your obligations under Section 20 – Clawback in the Award Agreement.

- **<u>Right to an Injunction</u>**

  You acknowledge that a violation or attempted violation of any of the provisions set forth in "Your Obligations" set forth herein will cause immediate and irreparable damage to the Company and/or an Affiliate, and therefore agree that the Company and/or an Affiliate shall be entitled as a matter of right to an injunction, from any court of competent jurisdiction, restraining any violation or further violation of any of the provisions set forth in "Your Obligations"; such right to an injunction, however, shall be cumulative and in addition to whatever other remedies the Company and/or an Affiliate may have under law or equity.

- **<u>Suspension of Vesting</u>**

  To the extent provided under Section 24 – Amendment in the Award Agreement, the Company reserves the right to suspend vesting of the CV Award and/or distribution of shares of Common Stock under the CV Award, including, without limitation, during any period that the Company is evaluating whether this CV Award is subject to cancellation and/or recovery and/or whether the conditions for distributions of shares of Common Stock under the CV Award are satisfied. The Company is not responsible for any price fluctuations during any period of suspension and, if applicable, suspended units will be reinstated consistent with Plan administration procedures. See Section 4 - No Ownership Rights/Rights as a Shareholder/Other Restrictions in the Award Agreement.

Limitation on Restrictions and Conditions

Nothing in this <u>Appendix A</u> precludes you from reporting to the Company and/or an Affiliate's management or directors, the government, a regulator, a self-regulatory agency, your attorneys or a court, conduct you believe to be in violation of the law or concerns of any known or suspected Code of Conduct violation. It is also not intended to prevent you from responding truthfully to questions or requests from the government, a regulator or in a court of law.

Exhibit 10.2

TRICO BANCSHARES
RESTRICTED STOCK UNIT GRANT NOTICE

TriCo Bancshares, a California corporation (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to the holder listed below (the "***Participant***" or ***"you"***), a Restricted Stock Unit Award (the "***Award***"). The Award is comprised of restricted stock units (the "***Units***" or *"**RSUs**"*), each of which is a right to receive one (1) share of Common Stock, on the terms and conditions set forth herein and in the Restricted Stock Unit Award Agreement attached hereto (including Appendix A, the "***Award Agreement***") and the Plan, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Award Agreement.

Participant: **[insert name]**
Grant Date: **March 1, 2024**
Number of Units/Shares Subject to Award: **[●]**

Vesting Schedule:	The Award will vest in three (3) equal annual installments on each of the first three anniversaries of the Grant Date (such period, "***Vesting Period***")* subject to the Participant's Continuous Service following the Grant Date through each applicable vesting date, or as otherwise provided herein. **For vesting dates that fall on weekends and holidays, this date will be the next business day following such date.*
Vesting Date:	1/3 of the RSUs (to the extent vested) shall be paid out on the first anniversary of the of the Grant Date. 1/3 of the RSUs (to the extent vested) shall be paid on the second anniversary of the of the Grant Date. 1/3 of the RSUs (to the extent vested) shall be paid out on the third anniversary of the of the Grant Date.

By signing below or by electronic acceptance or authentication in a form authorized by the Company, the Participant agrees to be bound by the terms and conditions of the Plan, the Award Agreement and the Grant Notice. The Participant has reviewed and fully understands all provisions of the Plan, the Award Agreement (including Appendix A), and the Grant Notice in their entirety and has had an opportunity to obtain the advice of counsel prior to executing below. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Award Agreement, the Grant Notice or relating to the Units.

TRICO BANCSHARES	**PARTICIPANT**
By:	By:
Name: Richard P. Smith	Print Name:
Title: President & CEO	
Address: 63 Constitution Drive Chico, CA 95973	Address:

ATTACHMENTS:	Restricted Stock Unit Award Agreement. A copy of the TriCo Bancshares 2019 Equity Incentive Plan, as amended, and the prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares of Common Stock issuable pursuant to the Award are available on the Human Resources section of the Company's intranet or upon request to Human Resources.

TriCo Bancshares

2019 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Restricted Stock Unit Award Grant Notice ("***Grant Notice***") and this Restricted Stock Unit Award Agreement (including Appendix A, the "***Award Agreement***"), TriCo Bancshares (the "***Company***") has awarded you a Restricted Stock Unit Award under its 2019 Equity Incentive Plan, (the "***Plan***") for the number of RSUs specified in the Grant Notice (collectively, the "***Award***"). Except where indicated otherwise, defined terms not explicitly defined in this Award Agreement but defined in the Plan or Grant Notice shall have the same definitions as in the Plan or Grant Notice. You agree that any shares of Common Stock issued with respect to the Award are subject to the minimum holding requirements described in Section 10(f) of the Plan.

The details of your Award are as follows:

1. Number of Restricted Stock Units and Shares of Common Stock. The number of RSUs subject to your Award is set forth in the Grant Notice. Each RSU shall represent the right to receive one (1) share of Common Stock. The number of RSUs will increase by any dividend equivalents, as described in Section 3 below. The number of RSUs subject to your Award and the number of shares of Common Stock deliverable with respect to such RSUs may be adjusted from time to time for capitalization adjustments as described in Section 11(a) of the Plan.

2. Vesting.

(a) **Normal Vesting.** Except as otherwise provided by this Award Agreement, Units shall vest and become Vested Units as provided in the Grant Notice.

(b) **Death/Disability**. If you die or become Permanently Disabled (as defined below) while you are eligible to vest in RSUs under this Award, the RSUs will immediately vest and, if you die, will be distributed in shares of Common Stock (after applicable tax withholding, if any) to your designated beneficiary on file with the Company's stock administration department or Human Resources, or if no beneficiary has been designated or survives you or if beneficiary designation is not recognized by local legislation, then to your estate (in the case of death) or to you (in the case of Permanent Disability). Any shares of Common Stock will be distributed no later than the end of the calendar year immediately following the calendar year which contains your date of death or Permanent Disability; however, with respect to shares of Common Stock issued due to death, our administrative practice is to register such shares of Common Stock in the name of your beneficiary or estate within 60 days of the Company's receipt of any required documentation.

(i) "***Permanently Disabled***" means your "permanent disability" as such term is defined in the long-term disability insurance provided by the Company, or if such insurance is not provided by Company, the term shall mean that you have has been deemed by a medical care provider to indefinitely be unable to perform the essential functions of your position with the Company with or without reasonable accommodation, such event satisfies the requirements of you becoming "disabled" under Code Section 409 and you have satisfied the Release / Certification Requirements set forth below.

(ii) **Release / Certification**. You shall meet the Release / Certification requirements, if: (i) within 55 days following your Termination of Continuous Service because you are Permanently Disabled, you execute and deliver a general release of claims in favor of the Company, having such form and terms as the Company shall specify, and such release becomes irrevocable, and (ii) in all cases, you have complied with all other terms of the Award Agreement.

(c) **Continued Vesting on Retirement / Full Career Eligibility**. In the event and for so long as you meet the Retirement/Full Career Eligibility Requirements described in Appendix A hereto at the time of your Termination of Continuous Service then, subject to the terms and conditions set forth in this Award Agreement (including, but not limited to, Section 12 - Right to Set Off and Section 20 - Clawback" in this Award Agreement and the sections entitled "Your Obligations" and "Additional Conditions Precedent" in Appendix A), you will be eligible to continue to vest (as you otherwise would vest had you remain employed by the Company and/or an Affiliate through the applicable Vesting Date) with respect to this Award following your Termination of Continuous Service due to your qualifying Retirement/Full Career Eligibility.

(d) **No Vesting on Termination of Continuous Service.** In the event of the Participant's Termination of Continuous Service for any reason prior to the Vesting Date, with or without Cause, other than as described in Sections 2(b) and 2(c), or as determined by the Company under Section 11 of the Plan, and to the extent any Units otherwise remain unvested upon the Participant's Termination of Continuous Service, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units, and the Participant shall not be entitled to any payment with respect to the shares of Common Stock or other consideration therefor.

3. Dividends. If the Company pays dividends with respect to the Common Stock (the date of any such payment is a "***Dividend Date***"), then Dividend equivalents shall then be credited to any then outstanding RSU. The amount of such dividend equivalent credit will be equal to the dollar value of dividends paid on an actual share of Common Stock on the Dividend Date, multiplied by the number of outstanding RSUs held by you pursuant to this Award as of the Dividend Date. This aggregate dollar amount will then be divided by the Fair Market Value on the Dividend Date of a share of Common Stock, and the resulting quotient shall be the number of additional RSUs ("***Additional RSUs***") that will be credited to this Award. Such Additional RSUs will be subject to the Plan and the same vesting (on a pro-rata basis based on each vesting tranche of RSUs outstanding hereunder on the Dividend Date), forfeiture restrictions, restrictions on transferability, and settlement provisions as apply to the RSUs that are the subject of this Award and for avoidance of doubt Additional RSUs will also be eligible to accrue future dividend equivalents.

4. No Ownership Rights/Rights as a Shareholder/Other Restrictions. You shall have no rights as a shareholder with respect to any shares of Common Stock which may be issued in settlement of this Award until the date of the issuance of such share of Common Stock under the terms of this Award Agreement (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, dividend equivalents, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 1.

You also acknowledge that should there be a determination that the cancellation provisions of this award apply during the period when the vesting of any outstanding RSUs has been suspended, then you agree that such RSUs may be cancelled in whole or part. (See Section 12 – Right to Set Off and Section 20 - Clawback in this Award Agreement and the section entitled "Additional Conditions Precedent" in Appendix A, as well as Section 24 - Amendment permitting suspension of vesting.)

With respect to any applicable vesting date, the Company may impose for any reason, as of such vesting date for such period as it may specify in its sole discretion, such restrictions on the Common Stock to be issued to you as it may deem appropriate, including, but not limited to, restricting the sale, transfer, pledging, assignment, hedging or encumbrance of such shares of Common Stock. Such restrictions described in the last sentence shall not impact your right to vote or receive dividends with respect to the Common Stock. By accepting this Award, you acknowledge that during such specified period should there be a determination that the recovery provisions of this award apply, then you agree that you may be required to pay the Company up to an amount equal to the fair market value (determined as of the applicable vesting date) of the gross number of shares subject to such restrictions (notwithstanding the limitation set forth in the Section 12 - Right to Set Off). (See Section 20 - Clawback in this Award Agreement and the section "Additional Conditions Precedent" in Appendix A.)

5. Payment. Subject to Section 11 below, you will not be required to make any payment to the Company with respect to your receipt of the Award, vesting of the RSUs, or the delivery of the shares of Common Stock subject to the RSUs.

6. Delivery of Shares. Subject to Sections 7 and 11 below, the Company will issue you one share of Common Stock for each RSU which vests under this Award Agreement, on the applicable vesting date or as soon as practicable thereafter, but not later than thirty (30) days from the Vesting Dates (the actual date of such issuance during such period shall be solely determined by the Company). The form of delivery (e.g., a stock certificate or electronic entry evidencing such shares of Common Stock) shall be determined by the Company. You hereby authorize the Company, in its sole discretion, to deposit for your benefit with a Company-designated brokerage firm or, at the Company's discretion, any other broker with which you have an account relationship of which the Company has notice any or all shares of Common Stock acquired by you pursuant to the settlement of the Award. Except as provided by the preceding sentence, a certificate for the shares of Common Stock as to which the Award is settled shall be registered in your name, or, if applicable, in the names of your heirs.

7. Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Common Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of U.S. federal or state law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares of Common Stock would constitute a violation of any applicable U.S. federal or state securities laws or other laws or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares of Common Stock subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares of Common Stock as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Further, regardless of whether the transfer or issuance of the shares of Common Stock to be issued pursuant to the Units has been registered under the Securities Act or has been registered or qualified under the securities laws of any State, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the shares of Common Stock (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any State, or any other law.

8. Transfer Restrictions. Prior to the time that the shares of Common Stock subject to your Award have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of such shares of Common Stock or of the RSUs. For example, you may not use shares of Common Stock that may be issued in respect of your RSUs as security for a loan, nor may you transfer, pledge, sell or otherwise dispose of such shares of Common Stock. This restriction on transfer will lapse upon delivery to you of shares of Common Stock in respect of your vested RSUs. Your Award is not transferable, except by will or by the laws of descent and distribution. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to receive any distribution of shares of Common Stock in respect of vested RSUs pursuant to this Award Agreement.

9. Award Not a Service Contract. Your Award is not an employment or service contract, and nothing in your Award shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company or any Affiliate, or on the part of the Company or any Affiliate to continue such service. In addition, nothing in your Award shall obligate the Company or any Affiliate, their respective shareholders, boards of directors or employees to continue any relationship that you might have as an Employee or Consultant of the Company or any Affiliate.

10. Unsecured Obligation. Your Award is unfunded, and even as a holder of vested RSUs, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares of Common Stock pursuant to this Award Agreement. Nothing contained in this Award Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

11. Withholding of Taxes. At the time the Grant Notice is executed, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for, any sums required to satisfy the U.S. federal, state, and local taxes required by law to be withheld with respect to any taxable event arising as a result of your participation in the Plan (referred to herein as "***Tax-Related Items***"). The Company or any Affiliate, as appropriate, shall have the authority and the right to deduct or withhold, or require you to remit an amount sufficient to satisfy applicable Tax-Related Items or to take such other action as may be reasonably necessary to satisfy such Tax-Related Items. In this regard, you authorize the Company and any Affiliate, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from your wages or other cash compensation paid to you; or

(b) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting and settlement of the RSUs, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization); or

(c) withholding in shares of Common Stock to be issued upon vesting and settlement of the RSUs; or

(d) direct payment from you.

The Company does not have any duty or obligation to minimize your liability for Tax-Related Items arising from the Award, and, will not be liable to you for any Tax-Related Items arising in connection with the Award. Finally, you shall pay any amount of Tax-Related Items that the Company or any Affiliate may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock that may be issued in connection with the settlement of the RSUs if you fail to comply with your Tax-Related Items obligations.

You represent, warrant and acknowledge that the Company has made no warranties or representations to you with respect to the income tax consequences of the transactions contemplated by this Award Agreement, and you are in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences. YOU UNDERSTAND THAT THE TAX LAWS AND REGULATION ARE SUBJECT TO CHANGE. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR REGARDING THE UNITS. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

12. Right to Set Off. Although the Company expects to settle this award in share(s) of Common Stock as of the applicable vesting date, as set forth in your Award Agreement, the Company may, to the maximum extent permitted by applicable law (including Section 409A of the Code to the extent it is applicable to you), retain for itself funds or the shares of Common Stock resulting from any vesting of this award to satisfy any obligation or debt that you owe to the Company and/or an Affiliate. Notwithstanding any bank account agreement with the

Company and/or an Affiliate to the contrary, the Company will not recoup or recover any amount owed from any funds or unrestricted securities held in your name and maintained at the Company and/or Affiliate pursuant to such bank account agreement to satisfy any obligation or debt owed by you under this award without your consent. This restriction on the Company does not apply to accounts described and authorized in Section 6 – Delivery of Shares described above.

13. Notices. Any notice required to be given or delivered to the Company under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address maintained for the Participant in the Company's records or at the address of the local office of the Company or Affiliate at which the Participant works.

14. Miscellaneous.

(a) The rights and obligations of the Company with respect to your Award shall be transferable to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) All obligations of the Company under the Plan and this Award Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(d) The Participant's rights, if any, in respect of or in connection with the Units are derived solely from the discretionary decision of the Company to permit the Participant to participate in the Plan and to benefit from a discretionary Award. By accepting the Units, the Participant expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional Units or other Awards to the Participant. The Units are not intended to be compensation of a continuing or recurring nature, or part of the Participant's normal or expected compensation, and in no way represents any portion of the Participant's salary, compensation, or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.

15. Headings. The headings of the Sections and subsections in this Award Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

16. Severability. If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

17. Compliance with Code Section 409A.

(a) It is intended that the RSUs granted hereunder be exempt from or comply with the requirements of Code Section 409A, so that none of the RSUs, or the resulting shares of Common Stock or compensation, if any, shall be subject to the additional tax imposed by Section 409A. The vesting and settlement of such RSUs are intended to qualify for the "short-term deferral" exemption from Code Section 409A. Each installment of RSUs that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). As such, each eligible vested RSU shall be settled, per the terms of the Plan, the Grant Notice and this Award Agreement, within the short-term deferral period, as defined in Code Section 409A, the applicable Treasury Regulations and related guidance issued thereunder. Notwithstanding any other provision of the Plan, this Award Agreement, or the Grant Notice:

(i) The Plan, this Award Agreement and the Grant Notice shall be interpreted in accordance with, and incorporate the terms and conditions required by, Code Section 409A and any Department of Treasury regulations and other applicable guidance issued thereunder (including any regulations or guidance that may be issued after the date hereof), and any ambiguities herein shall be interpreted to so comply.

(ii) The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Award Agreement to ensure that the RSUs qualify for exemption from, comply with or otherwise avoid the imposition of any additional tax or income recognition under Code Section 409A; *provided*, *however*, that the Company makes no representations that the RSUs will be exempt from Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to the RSUs.

(b) **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Award Agreement on account of your termination of Service which constitutes a "deferral of compensation" within the meaning of Code Section 409A shall be paid unless and until you have incurred a "separation from service" within the meaning of Code Section 409A. Furthermore, to the extent that you are a "Specified Employee" within the meaning of Code Section 409A as of the date of your separation from service, no amount that constitutes a deferral of compensation which is payable on account of your separation from service that would result in the imposition of additional tax under Code Section 409A if issued to you on or within the six (6) month period following your termination of an employment shall be paid to you before the date (the
"Delayed Payment Date") which is the first day of the seventh month after the date of your separation from service or, if earlier, ten (10) days following the date of your death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

18. Restrictions on Contracts and Payments for Insured Depository Institutions in Troubled Status. The parties acknowledge and agree that the restrictions contained in the Federal Deposit Insurance Act, Section 18(k) [12 U.S.C. §1828(k)], relating to contracts for and payment of executive compensation and benefits by insured depository institutions in "troubled" condition could apply in the future. In the event that any such restrictions or any contractual arrangement with or required by a regulatory authority require the Company to seek or demand repayment or return of any payments made to you under this Award Agreement and the Plan for any reason, you agree to repay to the Company the aggregate amount of such payments no later than thirty (30) days following your receipt of a written notice from the Company indicating that payments received by you under this Award Agreement and the Plan are subject to recapture or clawback.

19. Authorization to Release Necessary Personal Information. You hereby authorize and direct the Company to collect, use and transfer in electronic or other form, any personal information (the "***Data***"), the nature and amount of your compensation and the fact and conditions of your participation in the Plan (including, but not limited to, your name, home address, telephone number, date of birth, social security number, salary, job title, number of shares held and the details of all RSUs or any other entitlement to shares awarded, cancelled, exercised, vested, unvested or outstanding) for the purpose of implementing, administering and managing your participation in the Plan. You understand that the Data may be transferred to the Company or any Affiliate, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a brokerage firm or other third party assisting with administration of the Award or with whom shares acquired upon settlement of this Award or cash from the sale of such shares may be deposited. Furthermore, Participant acknowledges and understands that the transfer of the Data to the Company or any Affiliate, or to any third parties is necessary for your participation in the Plan. You may at any time withdraw the consents herein, by contacting the Company's stock administration department in writing. You further acknowledge that withdrawal of consent may affect your ability to realize benefits from the Award, and your ability to participate in the Plan.

20. Clawback. In consideration of the grant of this Award, you agree that this Award is subject to any clawback under Section 15 of the Plan and the Company's Compensation Clawback Policy (or any successor policy, the "***Policy***") adopted by the Board and in effect from time to time, as permitted by law. For the avoidance of doubt, nothing in these terms and conditions in any way limits the rights of the Company and/or an Affiliate under the Policy.

21. Counterparts. The Grant Notice may be executed in counterparts, including execution by facsimile, pdf or other electronic transmission, which, when taken together, will be deemed to constitute one and the same instrument.

22. Administration. The Committee shall have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee or the Board in good faith shall be final and binding upon you, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Award Agreement or the Units.

1. **Governing Law**. The interpretation, performance and enforcement of this Award Agreement shall be governed by the laws of the State of California, U.S.A. without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

24. **Amendment.** The Committee or its nominee reserves the right to amend this Award Agreement in any manner, at any time and for any reason; provided, however, that no such amendment shall materially adversely affect your rights under this Award Agreement without your consent except to the extent that the Committee or its delegate considers advisable to (i) comply with applicable laws or changes in or interpretation of applicable laws, regulatory requirements and accounting rules or standards and/or (ii) make a change in a scheduled vesting date or impose the restrictions described above under Section 4 - No Ownership Rights/Rights as Shareholder/Other Restrictions, in either case, to the extent permitted by Section 409A of the Code if it is applicable to you. This Award Agreement may not be amended except in writing signed by the Chief Executive Officer or Chair of the Committee of the Company.

25. **Internal Revenue Code Section 280G.** Notwithstanding any provision of this Award Agreement to the contrary, in the event of a change in control and the Award is accelerated, and it would be more likely than not that all or a portion of any benefit payment under this Award Agreement, alone or together with any other compensation or benefit payable to Participant, will be a non-deductible expense to the Company by reason of Code Section 280G, the Company shall reduce, but not less than zero, the benefits payable under this Award Agreement or the Plan as necessary to avoid the application of Section 280G.

26. **Governing Plan Documents**. The Grant Notice, this Award Agreement, and the RSUs evidenced hereby (i) are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan, and (ii) constitute the entire agreement between you and the Company on the subject matter hereof and supersede all proposals, written or oral, and all other communications between the parties related to the subject matter. In the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control.

Appendix A to Restricted Stock Agreement

Termination of Employment

Except as explicitly set forth under "Section 2 - Vesting" of the Award Agreement and this Appendix A, any unvested RSUs outstanding under this Award will be cancelled effective on the termination of your Continuous Service for any reason.

Subject to these terms and conditions (including, but not limited to, Sections "12 – Right to Set Off" and "20 - Clawback" in the Award Agreement, and the Sections "Your Obligations" and "Additional Conditions Precedent" in this Appendix A), however, a portion of your Award will be eligible to continue vesting as if you were still employed by the Company or an Affiliate though the Vesting Date if the following circumstances apply to you:

Retirement/Full Career Eligibility

Your RSUs under this Award may be eligible for continued vesting upon your qualified retirement if the Chief Executive Officer (or, if you are the Chief Executive Officer, the Committee or its nominee) determines, in their sole discretion, that:

- you voluntarily terminated your Continuous Service with the Company and/or an Affiliate, and
- you had completed at least six (6) years of Continuous Service with the Company and/or an Affiliate immediately preceding your termination date, and
- your age on your date of termination equaled or exceeded sixty-two (62) and
- you provided at least nine (9) months advance written notice to the Company of your intention to voluntarily terminate your employment under this provision, during which notice period you provided such services as requested by the Company and/or an Affiliate in a cooperative and professional manner and you did not perform any services for any other employer, and
- continued vesting shall be appropriate, which determination shall be made prior to your termination and will be based on your performance and conduct (before and after providing notice), and
- you satisfied the Release/Confirmation Requirements set forth below.

After receipt of such advance written notice, the Company and/or an Affiliate may choose to have you continue to provide services during such nine (9) month period as a condition to continued vesting or may, in its sole discretion, elect to shorten the length of the nine (9) month period to a date no earlier than the date you would otherwise meet the age and service requirements.

Portion of Your Award Subject to Continued Vesting Following Retirement

If you meet the requirements of this Appendix A, the number of RSUs under this Award that will be eligible to continue vesting following the termination of your Continuous Service, if any, will be a percentage of the RSUs that would have vested if your Continuous Service had continued through the Vesting Date (as determined in accordance with the Award Agreement) based on your years of Continuous Service preceding your Termination of Continuous Service, as follows:

- 0% if you have at least 5 or less years of Continuous Service,

- 20% if you have at least 6 but less than 7 years of Continuous Service,
- 40% if you have at least 7 but less than 8 years of Continuous Service,
- 60% if you have at least 8 but less than 9 years of Continuous Service,
- 80% if you have at least 9 but less than 10 years of Continuous Service, or
- 100% if you have 10 or more years of Continuous Service.

There is no pro rata credit for partial years of Continuous Service.

The portion of your Award that is subject to continued vesting upon your qualifying retirement is referred to as the "CV Award." Any portion of your Award that does not continue to vest hereunder will, upon the date of your Termination of Continuous Service, be immediately cancelled and forfeited as of such date without any payment or other consideration therefor.

So, for example if you had 100 unvested Units and you had 7.5 years of Continuous Service immediately preceding your Termination of Continuous Service, and you complied with the terms of Appendix A, the number of your CV Award would be 40 RSUs (40% of 100 RSUs) , subject to the pro-rata adjustments and the terms set forth in this Appendix A. The remaining 60 RSUs would be immediately forfeited on the date your Continuous Service terminates.

Release/Confirmation

To qualify for continued vesting after your Termination of Continuous Service as described in this Appendix A:

- you must timely execute and deliver a release of claims in favor of the Company and its Affiliates, having such form and terms as the Company shall specify within 30 days of the Termination of your Continuous Service,
- prior to the Termination of your Continuous Service, you must confirm with management that you meet the eligibility criteria (including providing at least nine (9) months advance written notification), advise that you are seeking to be treated as an individual eligible for "Retirement/Full Career Eligibility", and receive written consent to such continued vesting, and
- in all cases, complied with all other terms of the Award Agreement. (See section captioned "Your Obligations".)

Your Obligations

In consideration of the grant of this CV Award , you agree to comply with and be bound by the obligations set forth below next to the subsections captioned "--Confidentiality & Non-Solicitation", "--False Statements", "--Cooperation", "--Compliance with Award Agreement" and "--Notice Period."

- **Confidentiality & Non-Solicitation**

  You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, directly or indirectly use or disclose to anyone any Confidential Information (as defined herein) related to the Company and/or an Affiliate's business or its customers except as explicitly permitted by the TriCo Bancshares Code of Ethics and Business Conduct Policy (as amended or replaced from time to time, the "Code of Conduct") and applicable policies or law or legal process. "Confidential Information" includes but is not limited to: (i) information received by the Company and/or an Affiliate from third parties under confidential conditions; (ii) intellectual property and trade secrets, technical, product, business, financial, or development information from the Company and/or an Affiliate, the use or disclosure of which reasonably might be construed to be contrary to the interest of the Company and/or an Affiliate; or (iii) other proprietary information or data, including, but not limited to, customer lists and information. In addition, following your termination of employment, you will not, without prior written authorization, access the Company and/or an Affiliate's private and internal information through telephonic, intranet or internet means.

If you are required by law or requested to provide information to any private party, including the news media, related to your or anyone else's employment with the Company and/or an Affiliate, you will, in advance of providing any response (to the extent lawfully permitted), and within five days of receiving any such legal demand or request, provide written notice to the Company and/or an Affiliate. Additionally, you agree to cooperate with the Company and/or an Affiliate in connection with the request for such information to the extent lawfully permitted.

- **False Statements**

  You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, make any untrue statements, such that they are made with knowledge of their falsity or with reckless disregard for their truth or falsity, about the Company and/or an Affiliate, its employees, officers, directors or shareholders as a group in verbal, written, electronic or any other form.

- **Cooperation**

  You will cooperate with any Company and/or Affiliate investigation, inquiry, or litigation, and provide full and accurate information to the Company and/or an Affiliate and its counsel with respect to any matter that relates to issues or events about which you may have knowledge or information, subject to reimbursement for actual, appropriate and reasonable out-of-pocket expenses incurred by you.

- **Compliance with Award Agreement**

  You will provide the Company and/or an Affiliate with any information reasonably requested to determine compliance with the Award Agreement, and you authorize the Company and/or an Affiliate to disclose the terms of the Award Agreement to any third party who might be affected thereby, including your prospective employer.

Additional Conditions Precedent

- **Detrimental Conduct, Risk Related and Other Cancellation/Recapture**

  In addition to the cancellation provisions described under Sections 12 - Right to Set Off and 20 - Clawback in the Award Agreement, up to 100% of continued vesting of your RSUs under this CV Award is further subject to the condition that neither the Company nor an Affiliate in its sole discretion determines that:

  - Any of the following detrimental and risk-related conduct has occurred:
    - you engaged in conduct detrimental to the Company and/or an Affiliate insofar as it causes material financial or reputational harm to the Company and/or an Affiliate or its business activities, or

        - this CV Award was based on materially inaccurate performance metrics, whether or not you were responsible for the inaccuracy, or
        - this CV Award was based on a material misrepresentation by you, or
        - you improperly or with gross negligence failed to identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company and/or an Affiliate or its business activities, or
        - your Continuous Service was terminated for Cause (as defined herein) or, in the case of a determination after the termination of your employment, that your Continuous Service could have been terminated for Cause; or
    - you have failed to comply with any of the advance notice/cooperation requirements or employment restrictions applicable to your termination of employment, or
    - you have failed to sign and return the release described under the section captioned "Release/Confirmation" by the specified deadline, or
    - you have violated any of the provisions as set forth above in the section captioned "Your Obligations".

A termination "for cause", as such term may be defined in any written employment, consulting agreement, or change in control agreement (or similar agreement) entered into by and between the Company and you, but for the purpose of this Appendix A also includes your willful, continued and unreasonable failure to perform your duties or obligations under this Award Agreement, or if none, shall mean:

(b) A material breach of your written employment or consulting agreement (or similar agreement) entered into by and between the Company and you;

(c) Your material violation of any written policies or procedures of Company;

(d) Your breach of duty of loyalty to the Company;

(e) You engage in any activity that brings disrepute or discredit on Company;

(f) You commit any act which is unlawful or materially detrimental to the business and affairs of Company;

(g) You commit any act of fraud, theft or embezzlement or other abuse of the property, information or funds of Company; or

(h) You are convicted of any felony or a crime involving deceit, moral turpitude or fraud.

(i) Your willful, continued and unreasonable failure to perform your duties or obligations under this Award Agreement.

- **Performance Assessment by CEO / Committee for CEO**

  Up to 75% of your CV Award may be cancelled if the Chief Executive Officer of the Company determines in his or her sole discretion that cancellation of up to 75% of the CV Award is appropriate in light of either or both of the following factors:

- Your performance in relation to the priorities for your position have been unsatisfactory for a sustained period of time, or
- Your conduct is not consistent with the Company's expectations as document in the Code of Conduct or the applicable ethics and conduct sections of the Company's and/or Affiliate's Employee Handbook.

Any determination above with respect to these performance provisions is subject to ratification by the Committee. In the case of an award to the Chief Executive Officer, all such determinations shall be made by the Committee and ratified by the Board.

- **Company Performance**

  If the Company's pre-tax provision income is negative for any of the four calendar quarters immediately preceding the date of the termination of your Continuous Service, then (1) only 25% of such portion of your CV Award shall be eligible for vesting on the Vesting Date and (2) the remaining 75% of such portion of your CV award shall be automatically canceled and forfeited.

- **Recovery**

  In addition, you may be required to pay the Company and/or an Affiliate up to an amount equal to the fair market value (determined as of the applicable Vesting Date) of the gross number of shares of Common Stock previously distributed under this CV Award as follows:

  - Payment may be required with respect to any shares of Common Stock distributed within the three year period prior to a notice-of-recovery under this section, if the Company and/or an Affiliate in its sole discretion determines that:
    - you committed a fraudulent act, or engaged in knowing and willful misconduct related to your employment, or
    - you violated any of the provisions as set forth above in the section captioned "Your Obligations", or
    - you violated the restrictions and conditions set forth in this Appendix A following the termination of your employment.

  Notice-of-recovery under this subsection is a written (including electronic) notice from the Company and/or an Affiliate to you either requiring payment under this subsection or stating that the Company is evaluating requiring payment under this subsection. Without limiting the foregoing, notice-of-recovery will be deemed provided if the Company makes a good faith attempt to provide written (including electronic) notice at your last known address maintained in the Company's and/or an Affiliate's employment records. For the avoidance of doubt, a notice-of-recovery that the Company is evaluating requiring payment under this subsection shall preserve the Company's rights to require payment as set forth above in all respects and the Company shall be under no obligation to complete its evaluation other than as the Company may determine in its sole discretion.

For purposes of this subsection, shares of Common Stock distributed under this CV Award include shares of Common Stock withheld for tax purposes. However, it is the Company's intention that you only be required to pay the amounts under this subsection with respect to shares of Common Stock that are or may be received by you following a determination of tax liability and that you will not be required to pay amounts with respect to shares of Common Stock representing irrevocable tax withholdings or tax payments previously made (whether by you or the Company and/or an Affiliate) that you will not be able to recover, recapture or reclaim (including as a tax credit, refund or other benefit). Accordingly, the Company will not require you to pay any amount that the Company or its nominee in his or her sole discretion determines is represented by such withholdings or tax payments.

Payment may be made in shares of Common Stock or in cash. You agree that any repayment will be a lawful recovery under the terms and conditions of your Award Agreement and is not to be construed in any manner as a penalty.

Nothing in the section in any way limits your obligations under Section 20 – Clawback in the Award Agreement.

- **Right to an Injunction**

  You acknowledge that a violation or attempted violation of any of the provisions set forth in "Your Obligations" set forth herein will cause immediate and irreparable damage to the Company and/or an Affiliate, and therefore agree that the Company and/or an Affiliate shall be entitled as a matter of right to an injunction, from any court of competent jurisdiction, restraining any violation or further violation of any of the provisions set forth in "Your Obligations"; such right to an injunction, however, shall be cumulative and in addition to whatever other remedies the Company and/or an Affiliate may have under law or equity.

- **Suspension of Vesting**

  To the extent provided under Section 24 – Amendment in the Award Agreement, the Company reserves the right to suspend vesting of the CV Award and/or distribution of shares of Common Stock under the CV Award, including, without limitation, during any period that the Company is evaluating whether this CV Award is subject to cancellation and/or recovery and/or whether the conditions for distributions of shares of Common Stock under the CV Award are satisfied. The Company is not responsible for any price fluctuations during any period of suspension and, if applicable, suspended units will be reinstated consistent with Plan administration procedures. See Section 4 - No Ownership Rights/Rights as a Shareholder/Other Restrictions in the Award Agreement.

Limitation on Restrictions and Conditions

Nothing in this Appendix A precludes you from reporting to the Company and/or an Affiliate's management or directors, the government, a regulator, a self-regulatory agency, your attorneys or a court, conduct you believe to be in violation of the law or concerns of any known or suspected Code of Conduct violation. It is also not intended to prevent you from responding truthfully to questions or requests from the government, a regulator or in a court of law.

TRICO BANCSHARES
PERFORMANCE AWARD GRANT NOTICE

TriCo Bancshares, a California corporation (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to the holder listed below (the "***Participant***" or ***"you"***), a Performance Award (the "***Award***"). Such award shall be comprised of Performance Share Units (the "***Units***" or ***"PSUs"***), each of which is a right to receive the value of one (1) share of Common Stock, on the terms and conditions set forth herein and in the Performance Award Agreement attached hereto (the "***Award Agreement***") and the Plan, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Award Agreement.

Participant:	**[insert name]**
Grant Date:	**March 1, 2024**
Target Number of Units:	____, subject to adjustment as provided by the Award Agreement.
Maximum Number of Units:	# which is 150% of the Target Number of Units, subject to adjustment as provided by the Award Agreement.
Performance Period:*	Three years beginning **March 1, 2024** and ending **March 1, 2027** subject to Sections 3, 7.1 and 7.2 of the Award Agreement. **For performance periods that fall on weekends and holidays, this date will be the next business/trading day following such date.*
Performance Measure:	The difference, measured in percentage points, for the Performance Period between the Company Total Shareholder Return and the Benchmark Index Total Return, both determined in accordance with Section 2.2 of the Award Agreement (or as otherwise provided in the Award Agreement).
Benchmark Index:	The KBW Regional Banking Index (Ticker Symbol ^KRX)
Relative Return Factor:	A percentage (rounded to the nearest 1/10th of 1% and not greater than 150% or less than 0%) equal to the sum of 100% plus the product of 2 multiplied by the difference (whether positive or negative) equal to (i) the Company Total Shareholder Return minus (ii) the Benchmark Index Total Return, as illustrated by Appendix A.

Vesting Date:	The "Vesting Date" is the date upon which the Committee officially determines the degree of achievement of the Performance Measure in accordance with Section 2.2 of the Award Agreement (or as otherwise provided in the Award Agreement). The Vesting Date shall occur within 45 days following the final date of the Performance Period, except as otherwise provided by the Award Agreement.
Vested Units:	Provided that there has been no Termination of Continuous Service of Participant prior to the Vesting Date (except as otherwise provided by the Award Agreement), the number of Vested Units, if any (not to exceed the Maximum Number of Units), shall equal the product of (i) the Target Number of Units and (ii) the Relative Return Factor (rounded down to the nearest whole share), as illustrated by Appendix A.
Settlement Date:	For each Vested Unit, except as otherwise provided by the Award Agreement, a date occurring during the 28 day period following the Vesting Date, which date during such period shall be solely determined by the Company.

By signing below or by electronic acceptance or authentication in a form authorized by the Company, the Participant agrees to be bound by the terms and conditions of the Plan, the Award Agreement (including Appendixes A and B) and the Grant Notice. The Participant has reviewed and fully understands all provisions of the Plan, the Award Agreement, and the Grant Notice in their entirety and has had an opportunity to obtain the advice of counsel prior to executing below. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Award Agreement, the Grant Notice or relating to the Units.

TRICO BANCSHARES		**PARTICIPANT**	
By:		By:	
Name:	Richard P. Smith	Print Name:	
Title:	President & CEO		
Address:	63 Constitution Drive Chico, CA 95973	Address:	______________________________

ATTACHMENTS: Performance Award Agreement. A copy of the TriCo Bancshares 2019 Equity Incentive Plan, as amended, and the prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares of Common Stock issuable pursuant to the Award are available on the Human Resources section of the Company's intranet or upon request to Human Resources.

TRICO BANCSHARES
PERFORMANCE AWARD AGREEMENT

TriCo Bancshares (the "***Company***") has granted to the Participant named in the Performance Award Grant Notice (the *"**Grant Notice**"*), to which this Performance Award Agreement (including Appendixes A and B, this *"**Award Agreement**"*) is attached, an Award consisting of Performance Share Units (the "***Units***" or *"**PSUs**"*) subject to the terms and conditions set forth in the Grant Notice and this Award Agreement. This Award has been granted pursuant to the TriCo Bancshares 2019 Equity Incentive Plan (the *"**Plan**"*), as amended, the provisions of which are incorporated herein by reference. Participant agrees that any shares of Common Stock issued with respect to the Award are subject to the minimum holding requirements described in Section 10(f) of the Plan.

Unless otherwise defined herein or in the Grant Notice, capitalized terms shall have the meanings assigned under the Plan.

1. The Award.

The Company hereby awards to the Participant the Target Number of Units set forth in the Grant Notice, which, depending on the extent to which a Performance Goal (as described by Plan) is attained during the Performance Period, may result in the Participant earning as little as zero (0) Units or as many as the Maximum Number of Units. Subject to the terms of this Award Agreement and the Plan, each Unit, to the extent it is earned and becomes a Vested Unit, represents a right to receive on the Settlement Date one (1) share of Common Stock or, at the discretion of the Committee, the Fair Market Value thereof in cash. Unless and until a Unit has vested and becomes a Vested Unit as set forth in the Grant Notice, the Participant will have no right to settlement of such Units (including any rights with respect dividends payable with respect to the underlying shares of Common Stock). Prior to settlement of any earned and vested Units, such Units will represent an unfunded and unsecured obligation of the Company.

2. Performance Measurement.

2.1 Level of Performance Measure Attained. As soon as practicable following completion of the Performance Period, but in any event no later than the Vesting Date, the Committee shall certify in writing the level of attainment of the Performance Measure during the Performance Period, the resulting Relative Return Factor and the number of Units which have become Vested Units.

2.2 Components of Performance Measure. The components of Performance Measure shall be determined for the Performance Period in accordance with the following:

(a) "***Company Total Shareholder Return***" means the percentage point increase or decrease in (i) the Average Per Share Closing Price for the 30 trading day period ending on the last day of the Performance Period over (ii) the Average Per Share Closing Price for the 30 trading day period ending on the first day of the Performance Period.

(b) "***Average Per Share Closing Price***" means the average of the daily closing prices per share of Common Stock as reported on the Nasdaq Stock Market (or such other market on which shares of Common Stock are traded) for all trading days falling within an applicable 30 trading day period described in (a) above. The Average Per Share Closing Price shall be adjusted in each case to reflect an assumed reinvestment, as of the of applicable ex-dividend date, of all cash dividends and other cash distributions (excluding cash distributions resulting from share repurchases or redemptions by the Company) paid to shareholders during the 30 trading day period ending on the first day of the Performance Period and during the Performance Period.

(c) "***Benchmark Index Total Return***" means the percentage point increase or decrease in (i) the Average Closing Index Value for the 30 trading day period ending on the last day of the Performance Period over (ii) the Average Closing Index Value for the 30 trading day period ending on the first day of the Performance Period.

(d) "***Average Closing Index Value***" means the average of the daily closing index values of the Benchmark Index for all trading days falling within an applicable 30 trading day period described in (c) above.

3. <u>Vesting</u>.

3.1 Normal Vesting. Except as otherwise provided by this Award Agreement, Units shall vest and become Vested Units as provided in the Grant Notice.

3.2 Vesting Upon a Change in Control. In the event of a Change in Control, vesting shall be determined in accordance with Section 7.1.

3.3 Vesting Upon Involuntary Termination Following a Change in Control. In the event that upon or within twelve (12) months following the consummation of a Change in Control, the Participant experiences a Termination of Continuous Service due to Involuntary Termination, then vesting shall be determined in accordance with Section 7.2.

3.4 Vesting Upon Death/Disability. If you die or become Permanently Disabled (as defined below) while you are eligible to vest in PSUs under this Award, the PSUs will immediately vest pro rata in a similar fashion as set forth in Section 7 and, if you die, will be distributed in shares of Common Stock (after applicable tax withholding, if any) to your designated beneficiary on file with the Company's stock administration department or Human Resources, or if no beneficiary has been designated or survives you or if beneficiary designation is not recognized by local legislation, then to your estate (in the case of death) or to you (in the case of Permanent Disability). Any shares of Common Stock will be distributed no later than the end of the calendar year immediately following the calendar year which contains your date of death or Permanent Disability; however, with respect to shares of Common Stock issued due to death, our administrative practice is to register such shares of Common Stock in the name of your beneficiary or estate within 60 days of the Company's receipt of any required documentation.

(a) "**Permanently Disabled**" means your "permanent disability" as such term is defined in the long-term disability insurance provided by the Company, or if such insurance is not provided by Company, the term shall mean that you have been deemed by a medical care provider to indefinitely be unable to perform the essential functions your position with the Company or without reasonable accommodation, such event satisfies the requirements of you becoming "disabled" under Code Section 409 and you have satisfied the Release/ Certification Requirements set forth below.

(b) **Release/Certification**. You shall meet the Release/Certification requirements, if: (i) within 55 days following your Termination of Continuous Service because you are Permanently Disabled, you execute and deliver a general release of claims in favor of the Company, having such form and terms as the Company shall specify, and such release becomes irrevocable, and (ii) in all cases, you have complied with all other terms of the Award Agreement.

3.5 Continued Vesting on Retirement / Full Career Eligibility. In the event and for so long as you meet the Retirement/Full Career Eligibility Requirements described in Appendix B hereto at the time of your Termination of Continuous Service then, subject to the terms and conditions set forth in this Award Agreement (including, but not limited to, "Section 4.5 – Right to Set Off" and Section 11.1 – Clawback" in this Award Agreement and the sections entitled "Your Obligations" and "Additional Conditions Precedent" in Appendix B to this Award Agreement) you will be eligible to continue to vest (as you otherwise would vest had you remain employed by the Company and/or an Affiliate through the Vesting Date) with respect to this Award following your Termination of Continuous Service due to your qualifying Retirement/ Full Career Eligibility.

3.6 No Vesting on Termination of Continuous Service. In the event of the Participant's Termination of Continuous Service for any reason prior to the Vesting Date, with or without Cause, other than as described in Sections 3.2, 3.3, 3.4, or 3.5 or as determined by the Company under Section 11 of the Plan, and to the extent any Units otherwise remain unvested upon the Participant's Termination of Continuous Service, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units, and the Participant shall not be entitled to any payment with respect to the shares of Common Stock or other consideration therefor.

3.7 Definitions. The following terms shall have the meanings set forth below:

(a) "**Involuntary Termination**" means that a Participant experiences a Termination of Continuous Service by the Company without Cause or by the Participant for "Good Reason".

(b) Termination of Continuous Service for “**Cause**” means Termination of Continuous Service of the Participant by reason of any of the following:

(i) A termination “for cause”, as such term may be defined in any written employment or consulting agreement (or similar agreement) entered into by and between the Company and the Participant;

(ii) A material breach of the Participant’s written employment or consulting agreement (or similar agreement) entered into by and between the Company and the Participant;

(iii) A material violation of any written policies or procedures of Company;

(iv) A breach of duty of loyalty to the Company;

(v) The Participant engages in any activity that brings disrepute or discredit on Company;

(vi) The Participant commits any act which is unlawful or materially detrimental to the business and affairs of Company;

(vii) The Participant commits any act of fraud, theft or embezzlement or other abuse of the property, information or funds of Company; or

(viii) The Participant is convicted of any felony or a crime involving deceit, moral turpitude or fraud.

(c) The Participant’s Termination of Continuous Service for “**Good Reason**” means Participant experiences any of the following (without Participant’s consent):

(i) a material diminution in the Participant’s base compensation;

(ii) a material diminution in the Participant’s authority, duties, or responsibilities;

(iii) a material change (of at least 50 miles) in geographic location at which the Participant must perform the services; or

(iv) any other action or inaction that constitutes a material breach of the terms of an applicable employment or consulting agreement (or similar agreement).

If Participant wishes to resign for Good Reason, (A) the Participant must provide the Company with a written notice describing the event which is giving rise to such right, which notice must be delivered to the Company no later than 60 days following the first occurrence of such event; (B) the Company must fail to cure such condition within 30 days of receipt of such notice and (C) Participant must resign within 30 days of the expiration of such cure period.

Except as otherwise set forth in this Section 3 or as determined by the Committee under the terms of Section 11 of the Plan, in the event of a Change in Control, no acceleration of vesting shall occur with respect to the Units granted in this Award.

4. <u>Settlement of the Award</u>.

4.1 Issuance of Shares of Common Stock or Cash Equivalent. Subject to the provisions of Section 4.3 and Section 5 below, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) share of Common Stock. Shares of Common Stock issued in settlement of Vested Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 4.3 or provided for in Section 10(f) of the Plan. At the discretion of the Committee, payment with respect to all or any portion of the Vested Units may be made in a lump sum cash payment in an amount equal to the Fair Market Value, determined as of the Settlement Date, of the shares of Common Stock or other securities or property otherwise issuable in settlement of such Vested Units.

4.2 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the Participant with a Company-designated brokerage firm or, at the Company's discretion, any other broker with which the Participant has an account relationship of which the Company has notice any or all shares of Common Stock acquired by the Participant pursuant to the settlement of the Award. Except as provided by the preceding sentence, a certificate for the shares of Common Stock as to which the Award is settled shall be registered in the name of the Participant, or, if applicable, in the names of the Participant's heirs.

4.3 Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Common Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of U.S. federal or state law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares of Common Stock would constitute a violation of any applicable U.S. federal or state securities laws or other laws or regulations or the requirements of any stock exchange or market system upon which the shares of Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares of Common Stock subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares of Common Stock as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Further, regardless of whether the transfer or issuance of the shares of Common Stock to be issued pursuant to the Units has been registered under the Securities Act or has been registered or qualified under the securities laws of any State, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the shares of Common Stock (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any State, or any other law.

4.4 Fractional Shares. The Company shall not be required to issue fractional shares of Common Stock upon the settlement of the Award.

4.5 Right to Set Off. Although the Company expects to settle this award in share(s) of Common Stock as of the applicable vesting date, as set forth in your Award Agreement, the Company may, to the maximum extent permitted by applicable law (including Section 409A of the Code to the extent it is applicable to you), retain for itself funds or the shares of Common Stock resulting from any vesting of this award to satisfy any obligation or debt that you owe to the Company and/or an Affiliate. Notwithstanding any bank account agreement with the Company and/or an Affiliate to the contrary, the Company will not recoup or recover any amount owed from any funds or unrestricted securities held in your name and maintained at the Company and/or Affiliate pursuant to such bank account agreement to satisfy any obligation or debt owed by you under this award without your consent.

5. <u>Tax Withholding and Advice</u>.

5.1 In General. Subject to Section 5.2, at the time the Grant Notice is executed, or at any time thereafter as requested by the Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the U.S. federal, state, and local taxes required by law to be withheld with respect to any taxable event arising as a result of the Participant's participation in the Plan (referred to herein as "***Tax-Related Items***").

5.2 Withholding of Taxes. The Company or any Affiliate, as appropriate, shall have the authority and the right to deduct or withhold, or require the Participant to remit an amount sufficient to satisfy applicable Tax-Related Items or to take such other action as may be reasonably necessary to satisfy such Tax-Related Items. In this regard, the Participant authorizes the Company and any Affiliate, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Participant's wages or other cash compensation paid to the Participant; or

(b) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting and settlement of the PSUs, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or

(c) withholding in shares of Common Stock to be issued upon vesting and settlement of the PSUs; or

(d) direct payment from the Participant.

The Company does not have any duty or obligation to minimize the Participant's liability for Tax-Related Items arising from the Award, and, will not be liable to the Participant for any Tax-Related Items arising in connection with the Award. Finally, the Participant shall pay any amount of Tax-Related Items that the Company or any Affiliate may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock that may be issued in connection with the settlement of the PSUs if the Participant fails to comply with his or her Tax-Related Items obligations.

5.3 Tax Advice. The Participant represents, warrants and acknowledges that the Company has made no warranties or representations to the Participant with respect to the income tax consequences of the transactions contemplated by this Award Agreement, and the Participant is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences. THE PARTICIPANT UNDERSTANDS THAT THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE PARTICIPANT SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE UNITS. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

6. <u>Authorization to Release Necessary Personal Information</u>.

The Participant hereby authorizes and directs the Participant's service recipient to collect, use and transfer in electronic or other form, any personal information (the "***Data***"), the nature and amount of the Participant's compensation and the fact and conditions of the Participant's participation in the Plan (including, but not limited to, the Participant's name, home address, telephone number, date of birth, social security number, salary, job title, number of shares of Common Stock held and the details of all Units or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding) for the purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Data may be transferred to the Company or any Affiliate, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a brokerage firm or other third party assisting with administration of the Award or with whom shares of Common Stock acquired upon settlement of this Award or cash from the sale of such shares of Common Stock may be deposited. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company or any Affiliate, or to any third parties is necessary for Participant's participation in the Plan. The Participant may at any time withdraw the consents herein, by contacting the

Company's stock administration department in writing. The Participant further acknowledges that withdrawal of consent may affect the Participant's ability to realize benefits from the Award, and the Participant's ability to participate in the Plan.

7. **Change in Control.**

In the event of a Change in Control, this Section 7 shall determine the treatment of the Units which have not otherwise become Vested Units.

7.1 Effect of Change in Control on Award. In the event of a Change in Control which occurs more than 12 months following the Grant Date, the Performance Period shall end on the day immediately preceding the Change in Control (the "***Adjusted Performance Period***"). The number and vesting of Units shall be determined for the Adjusted Performance Period in accordance with the following:

(a) **Vested Units.** In the Committee's determination of the number of Vested Units for the Adjusted Performance Period, the following modifications shall be made to the components of the Relative Return Factor:

(i) The Company Total Shareholder Return shall be determined as provided by Section 2.2, except that the Average Per Share Closing Price for the thirty (30) trading day period ending on the last day of the Adjusted Performance Period shall be replaced with the price per share of Common Stock to be paid to the holder thereof in accordance with the definitive agreement governing the transaction constituting the Change in Control (or, in the absence of such agreement, the closing price per share of Common Stock as reported on the Nasdaq Stock Market for the last trading day of the Adjusted Performance Period), adjusted to reflect an assumed reinvestment, as of the applicable ex-dividend date, of all cash dividends and other cash distributions (excluding cash distributions resulting from share repurchases or redemptions by the Company) paid to shareholders during the Adjusted Performance Period, as illustrated in Section 2.2.

(ii) The Benchmark Index Total Return shall be determined as provided by Section 2.2, except that for the purposes of clause (a) thereof, the Average Closing Index Value shall be determined for the 30 trading day period ending on the last day of the Adjusted Performance Period.

(b) **Vested Units.** As of the last day of the Adjusted Performance Period and provided that the Participant has not Termination of Continuous Service prior to such date, a portion of the Units determined in accordance with Section 7.1(a) shall become Vested Units (the "***Accelerated Units***"), with such portion determined by multiplying the total number of Units by a fraction, the numerator of which equals the number of days contained in the Adjusted Performance Period and the denominator of which equals the number of days contained in the original Performance Period determined without regard to this Section. The Accelerated Units shall be settled in accordance Section 4 immediately prior to the consummation of the Change in Control.

7.2 Involuntary Termination Upon or Following Change in Control. If Section 7.1 does not apply, in the event that upon or within twelve (12) months following the consummation of the Change in Control (but no earlier than the twelve month anniversary of the Grant Date), the Participant experiences an Involuntary Termination, the Units determined in accordance with Section 7.1(a) (as if Section 7.1 applied) shall be deemed Vested Units effective as of the date of the Participant's Involuntary Termination and shall be settled in accordance with Section 4, treating the date of the Participant's Termination of Continuous Service as the Vesting Date, provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Common Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock).

7.3 Internal Revenue Code Section 280G. Notwithstanding any provision of this Award Agreement to the contrary, in the event that it would be more likely than not that all or a portion of any benefit payment under this Award Agreement, alone or together with any other compensation or benefit payable to Participant, will be a non-deductible expense to the Company by reason of Code Section 280G, the Company shall reduce, but not less than zero, the benefits payable under this Award Agreement or the Plan as necessary to avoid the application of Section 280G.

8. Adjustments for Changes in Capital Structure.

The number of Units awarded pursuant to this Award Agreement is subject to adjustment as provided in Section 11(a) of the Plan and otherwise is subject to Section 11(c) of the Plan, to the extent such section does not contradict Section 7 of this Award Agreement. Upon the occurrence of an event described in Plan Section 11(a), any and all new, substituted or additional securities or other property to which a holder of a share of Common Stock issuable in settlement of the Award would be entitled shall be immediately subject to the Award Agreement and included within the meaning of the terms "shares of Common Stock" for all purposes of the Award. The Participant shall be notified of such adjustments and such adjustments shall be binding upon the Company and the Participant.

9. No Entitlement or Claims for Compensation.

9.1 The Participant's rights, if any, in respect of or in connection with the Units are derived solely from the discretionary decision of the Company to permit the Participant to participate in the Plan and to benefit from a discretionary Award. By accepting the Units, the Participant expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional Units or other Awards to the Participant. The Units are not intended to be compensation of a continuing or recurring nature, or part of the Participant's normal or expected compensation, and in no way represents any portion of the Participant's salary, compensation, or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.

9.2 Neither the Plan nor the Units shall be deemed to give the Participant a right to remain an Employee, Director or Consultant of the Company or any Affiliate. The Company reserves the right to terminate the employment or service of the Participant at any time, with or without cause, and for any reason, subject to applicable laws, the Company's Articles of Incorporation and Bylaws and the Participant's written employment or consulting agreement (or similar agreement) (if any), and the Participant shall be deemed irrevocably to have waived any claim to damages or specific performance for breach of contract or dismissal, compensation for loss of office, tort or otherwise with respect to the Plan, this Award, Units or any other outstanding Award that is forfeited and/or is terminated by its terms or to any future Award.

10. Rights as a Shareholder.

The Participant shall have no rights as a shareholder with respect to any shares of Common Stock which may be issued in settlement of this Award until the date of the issuance of such share of Common Stock under this Award Agreement (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, dividend equivalents, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 8.

11. Miscellaneous Provisions.

11.1 Clawback. In consideration of the grant of this Award, you agree that this Award is subject to any clawback under Section 15 of the Plan and the Company's Compensation Clawback Policy (or any successor policy, the "***Policy***") adopted by the Board and in effect from time to time, as permitted by law. For the avoidance of doubt, nothing in these terms and conditions in any way limits the rights of the Company and/or an Affiliate under the Policy.

11.2 Amendment. The Committee may amend this Award Agreement at any time; provided, however, that no such amendment may adversely affect the Participant's rights under this Award Agreement without the consent of the Participant, except to the extent such amendment is necessary to comply with applicable law, including, but not limited to, Code Section 409A. No amendment or addition to this Award Agreement shall be effective unless in writing and signed by the parties to this Award Agreement.

11.3 Nontransferability of the Award. Prior to the issuance of shares of Common Stock on the applicable Settlement Date, no right or interest of the Participant in the Award nor any shares of Common Stock issuable on settlement of the Award shall be in any manner pledged, encumbered, or hypothecated to or in favor of any party other than the Company or shall become subject to any lien, obligation, or liability of such Participant to any other party other than the Company. Except as otherwise provided by the Committee, no Award shall be assigned, transferred or otherwise disposed of other than by will or the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

11.4 Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Award Agreement.

11.5 Binding Effect. This Award Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

11.6 Notices. Any notice required to be given or delivered to the Company under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address maintained for the Participant in the Company's records or at the address of the local office of the Company or Affiliate at which the Participant works.

11.7 Construction of Award Agreement. The Grant Notice, this Award Agreement, and the Units evidenced hereby (i) are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan, the provisions of which are hereby made a part of Participant's Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan, and (ii) constitute the entire agreement between the Participant and the Company on the subject matter hereof and supersede all proposals, written or oral, and all other communications between the parties related to the subject matter. In the event of any conflict between the provisions of Participant's Award and those of the Plan, the provisions of the Plan shall control. The headings of the Sections in this Award Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

11.8 Governing Law. The interpretation, performance and enforcement of this Award Agreement shall be governed by the laws of the State of California, U.S.A. without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

11.9 Section 409A.

(a) **Compliance with Code Section 409A.** It is intended that the Performance Share Units granted hereunder be exempt from or comply with the requirements of Code Section 409A, so that none of the Units, or the resulting shares of Common Stock or compensation, if any, shall be subject to the additional tax imposed by Section 409A. The vesting and settlement of such Units are intended to qualify for the "short-term deferral" exemption from Code Section 409A. Each installment of Units that vests is intended to constitute a “separate payment” for purposes of Treasury Regulation Section 1.409A-2(b)(2). As such, each eligible Vested Unit shall be settled, per the terms of the Plan, the Grant Notice and this Award Agreement, within the short-term deferral period, as defined in Code Section 409A, the applicable Treasury Regulations and related guidance issued thereunder. Notwithstanding any other provision of the Plan, this Award Agreement, the Grant Notice or the Plan:

(i) The Plan, this Award Agreement and the Grant Notice shall be interpreted in accordance with, and incorporate the terms and conditions required by, Code Section 409A and any Department of Treasury regulations and other applicable guidance issued thereunder (including any regulations or guidance that may be issued after the date hereof), and any ambiguities herein shall be interpreted to so comply.

(ii) The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Award Agreement to ensure that the Units qualify for exemption from, comply with or otherwise avoid the imposition of any additional tax or income recognition under Code Section 409A; *provided*, *however*, that the Company makes no representations that the Units will be exempt from Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to the Units.

(b) **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Award Agreement on account of the Participant’s Termination of Continuous Service which constitutes a “deferral of compensation” within the meaning of Code Section 409A shall be paid unless and until the Participant has incurred a “separation from service” within the meaning of Code Section 409A. Furthermore, to the extent that the Participant is a “Specified Employee” within the meaning of Code Section 409A as of the date of the Participant’s separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant’s separation from service that would result in the imposition of additional tax under Code Section 409A if issued to Participant on or within the six (6) month period following Participant’s separation from service shall be paid to the Participant before the date (the ***“Delayed Payment Date”***) which is the first day of the seventh month after the date of the Participant’s separation from service or, if earlier, ten (10) days following the date of the Participant’s death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

11.10 Restrictions on Contracts and Payments for Insured Depository Institutions in Troubled Status. The parties acknowledge and agree that while the restrictions contained in the Federal Deposit Insurance Act, Section 18(k) [12 U.S.C. §1828(k)], relating to contracts for and payment of executive compensation and benefits by insured depository institutions in “troubled” condition, do not currently apply to the Company or the Participant, such provisions could apply in the future. In the event that any such restrictions or any contractual arrangement with or required by a regulatory authority require the Company to seek or demand repayment or return of any payments made to the Participant under this Award

Agreement and the Plan for any reason, the Participant agrees to repay to the Company the aggregate amount of such payments no later than thirty (30) days following the Participant's receipt of a written notice from the Company indicating that payments received by the Participant under this Award Agreement and the Plan are subject to recapture or clawback.

11.11 Administration. The Committee shall have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee or the Board in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Award Agreement or the Units.

11.12 Counterparts. The Grant Notice may be executed in counterparts, including execution by facsimile, pdf or other electronic transmission, which, when taken together, will be deemed to constitute one and the same instrument.

11.13 Severability. If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

APPENDIX A

ILLUSTRATION OF RELATIVE RETURN FACTOR AND RESULTING NUMBER OF VESTED UNITS

Percentage Point Difference of Company TSR Over/Under Benchmark Index Total Return	Relative Return Factor	Vested Units (Per 1,000 Target Units)
25 and Over	150%	1,500
20	140%	1,400
15	130%	1,300
10	120%	1,200
9	118%	1,180
8	116%	1,160
7	114%	1,140
6	112%	1,120
5	110%	1,010
4	108%	1,080
3	106%	1,060
2	104%	1,040
1	102%	1,020
0	100%	1,000
-1	98%	980
-2	96%	960
-3	94%	940
-4	92%	920
-5	90%	900
-6	88%	880
-7	86%	860
-8	84%	840
-9	82%	820
-10	80%	800
-15	70%	700
-20	60%	600
-25	50%	500
-25 and less	0%	0

APPENDIX A (CONTINUED)

ILLUSTRATIONS OF CALCULATION OF VESTED UNITS PER 1,000 TARGET UNITS

Company Total Shareholder Return Exceeds Benchmark Index Total Return

Assumptions:		
Target Number of Units		1,000
TCBK:		
Average Per Share Closing Price (beginning)		$25.00
Average Per Share Closing Price (ending)		$30.00
KBW Regional Banking Index:		
Average Closing Index Value (beginning)		$80.00
Average Closing Index Value (ending)		$90.00
Computations:		
Company Total Shareholder Return	((30.00 / 25.00) - 1) x 100	20.0%
Benchmark Index Total Return	((90.00 / 80.00) - 1) x 100	12.5%
Relative Return Factor	100 + (2.0 x (20.0 – 12.5))	115.0%
Vested Units	1,000 x 115.0%	1,150

APPENDIX A (CONTINUED)

ILLUSTRATIONS OF CALCULATION OF VESTED UNITS PER 1,000 TARGET UNITS

Company Total Shareholder Return Is Less Than Benchmark Index Total Return

Assumptions:		
Target Number of Units		1,000
TCBK:		
Average Per Share Closing Price (beginning)		\$25.00
Average Per Share Closing Price (ending)		\$30.00
KBW Regional Banking Index:		
Average Closing Index Value (beginning)		\$80.00
Average Closing Index Value (ending)		\$100.00
Computations:		
Company Total Shareholder Return	((30.00 / 25.00) - 1) x 100	20.0%
Benchmark Index Total Return	((100.00 / 80.00) - 1) x 100	25.0%
Relative Return Factor	100 + (2.0 x (20.0 – 25.0))	90.0%
Vested Units	1,000 x 90.0%	900

Appendix B to Performance Award Agreement

Termination of Employment

Except as explicitly set forth under "Section 3 - Vesting" of the Award Agreement and this Appendix B, any unvested PSU outstanding under this Award will be cancelled effective on the termination of your Continuous Service for any reason.

Subject to these terms and conditions (including, but not limited to, "Sections 4.5 – Right to Set Off" and "Section 11.1 - Clawback" in the Award Agreement, and the Sections "Your Obligations" and "Additional Conditions Precedent" in this Appendix B), however, a portion of your PSUs will be eligible to continue vesting as if you were still employed by the Company or an Affiliate through the Vesting Date if the following circumstances apply to you:

Retirement/Full Career Eligibility

Your PSUs under this Award may be eligible for continued vesting upon your qualified retirement if the Chief Executive Officer (or, if you are the Company's Chief Executive Officer, the Committee or its nominee) determines, in their sole discretion, that:

- you voluntarily terminated your Continuous Service with the Company and/or an Affiliate, and
- you had completed at least eleven (11) years of Continuous Service with the Company and/or an Affiliate immediately preceding your termination date, and
- your age on your date of termination equaled or exceeded sixty-five (65) and
- you provided at least nine (9) months advance written notice to the Company of your intention to voluntarily terminate your employment under this provision, during which notice period you provided such services as requested by the Company and/or an Affiliate in a cooperative and professional manner and you did not perform any services for any other employer, and
- continued vesting shall be appropriate, which determination shall be made prior to you termination and will be based on your performance and conduct (before and after providing notice), and
- you satisfied the Release/Confirmation Requirements set forth below.

After receipt of such advance written notice, the Company and/or an Affiliate may choose to have you continue to provide services during such nine (9) month period as a condition to continued vesting or may, in its sole discretion, elect to shorten the length of the nine (9) month period to a date no earlier than the date you would otherwise meet the age and service requirements.

Portion of Your PSUs Subject to Continued Vesting Following Retirement

If you meet the requirements of this Appendix B, the number of PSUs under this Award that will be eligible to continue vesting following the termination of your Continuous Service, if any, will be a percentage of the PSUs that would have vested if your Continuous Service had continued through the Vesting Date (as determined in accordance with the Award Agreement and

Appendix A) based on your years of Continuous Service preceding your Termination of Continuous Service, as follows:

- 0% if you have at least 10 or less years of Continuous Service,
- 20% if you have at least 11 but less than 12 years of Continuous Service,
- 40% if you have at least 12 but less than 13 years of Continuous Service,
- 60% if you have at least 13 but less than 14 years of Continuous Service,
- 80% if you have at least 14 but less than 15 years of Continuous Service, or
- 100% if you have 15 or more years of Continuous Service.

There is no pro rata credit for partial years of Continuous Service.

The portion of your Award that is subject to continued vesting upon your qualifying retirement is referred to as the "CV Award." Any portion of your Award that does not continue to vest hereunder will, upon the date of your Termination of Continuous Service, be immediately cancelled and forfeited as of such date without any payment or other consideration therefor.

So, for example, if you have 12.5 years of Continuous Service immediately preceding your Termination of Continuous Service and the Committee determines that, based on the degree of achievement of the Performance Measures and the terms of Appendix A, the number of vested PSUs under your Award would be 110 PSUs, then you would be entitled to 44 PSUs (i.e., 40% of 110 PSUs), subject to potential adjustment described in this Appendix B.

Release/Confirmation

To qualify for continued vesting after your Termination of Continuous Service as described in this Appendix B:

- you must timely execute and deliver a release of claims in favor of the Company and its Affiliates, having such form and terms as the Company shall specify within 30 days of the termination of your Continuous Service,
- prior to the termination of your Continuous Service, you must confirm with management that you meet the eligibility criteria (including providing at least nine (9) months advance written notification), advise that you are seeking to be treated as an individual eligible for "Retirement/Full Career Eligibility", and receive written consent to such continued vesting, and
- in all cases, complied with all other terms of the Award Agreement. (See section captioned "Your Obligations".)

Your Obligations

In consideration of the grant of this CV Award, you agree to comply with and be bound by the obligations set forth below next to the subsections captioned "--Confidentiality & Non-Solicitation", "--False Statements", "--Cooperation", "--Compliance with Award Agreement" and "--Notice Period."

- **Confidentiality & Non-Solicitation**

You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, directly or indirectly use or disclose to anyone any Confidential Information (as defined herein) related to the Company and/or an Affiliate's business or its customers except as explicitly permitted by the TriCo Bancshares Code of Ethics and Business Conduct Policy (as amended or replaced from time to time, the "Code of Conduct") and applicable policies or law or legal process. "Confidential Information" includes but is not limited to: (i) information received by the Company and/or an Affiliate from third parties under confidential conditions; (ii) intellectual property and trade secrets, technical, product, business, financial, or development information from the Company and/or an Affiliate, the use or disclosure of which reasonably might be construed to be contrary to the interest of the Company and/or an Affiliate; or (iii) other proprietary information or data, including, but not limited to, customer lists and information. In addition, following your termination of employment, you will not, without prior written authorization, access the Company and/or an Affiliate's private and internal information through telephonic, intranet or internet means.

If you are required by law or requested to provide information to any private party, including the news media, related to your or anyone else's employment with the Company and/or an Affiliate, you will, in advance of providing any response (to the extent lawfully permitted), and within five days of receiving any such legal demand or request, provide written notice to the Company and/or an Affiliate. Additionally, you agree to cooperate with the Company and/or an Affiliate in connection with the request for such information to the extent lawfully permitted.

- **False Statements**

  You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, make any untrue statements, such that they are made with knowledge of their falsity or with reckless disregard for their truth or falsity, about the Company and/or an Affiliate, its employees, officers, directors or shareholders as a group in verbal, written, electronic or any other form.

- **Cooperation**

  You will cooperate with any Company and/or Affiliate investigation, inquiry, or litigation, and provide full and accurate information to the Company and/or an Affiliate and its counsel with respect to any matter that relates to issues or events about which you may have knowledge or information, subject to reimbursement for actual, appropriate and reasonable out-of-pocket expenses incurred by you.

- **Compliance with Award Agreement**

  You will provide the Company and/or an Affiliate with any information reasonably requested to determine compliance with the Award Agreement, and you authorize the Company and/or an Affiliate to disclose the terms of the Award Agreement to any third party who might be affected thereby, including your prospective employer.

Additional Conditions Precedent

- **<u>Detrimental Conduct, Risk Related and Other Cancellation/Recapture</u>**

  In addition to the cancellation provisions described under Sections “4.5 - Right to Set Off” and “11.1 - Clawback” in the Award Agreement, up to 100% of continued vesting of your PSUs under this CV Award is further subject to the condition that neither the Company nor an Affiliate in its sole discretion determines that:

  - Any of the following detrimental and risk-related conduct has occurred:
    - you engaged in conduct detrimental to the Company and/or an Affiliate insofar as it causes material financial or reputational harm to the Company and/or an Affiliate or its business activities, or
    - this CV Award was based on materially inaccurate performance metrics, whether or not you were responsible for the inaccuracy, or
    - this CV Award was based on a material misrepresentation by you, or
    - you improperly or with gross negligence failed to identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company and/or an Affiliate or its business activities, or
    - your Continuous Service was terminated for Cause (as defined herein) or, in the case of a determination after the termination of your employment, that your Continuous Service could have been terminated for Cause, or
  - you have failed to comply with any of the advance notice/cooperation requirements or employment restrictions applicable to your termination of employment, or
  - you have failed to sign and return the release described under the section captioned “<u>Release/Confirmation</u>” by the specified deadline, or
  - you have violated any of the provisions as set forth above in the section captioned “<u>Your Obligations</u>”.

  The term “Cause,” has the meaning set forth in the Award Agreement, but for purposes of this <u>Appendix B</u> also includes your willful, continued and unreasonable failure to perform your duties or obligations under this <u>Appendix B</u>.

- **<u>Performance Assessment</u>**

  Up to 75% of your CV Award may be cancelled if the Chief Executive Officer of the Company determines in his or her sole discretion that cancellation of up to 75% of the CV Award is appropriate in light of either or both of the following factors:

  - Your performance in relation to the priorities for your position have been unsatisfactory for a sustained period of time, or
  - Your conduct is not consistent with the Company’s expectations as document in the Code of Conduct or the applicable ethics and conduct sections of the Company’s and/or Affiliate’s Employee Handbook.

Any determination above with respect to these performance provisions is subject to ratification by the Committee. In the case of an award to the Chief Executive Officer, all such determinations shall be made by the Committee and ratified by the Board.

- **<u>Company Performance</u>**

  If the Company's pre-tax provision income is negative for any of the four calendar quarters immediately preceding the date of the termination of your Continuous Service, then (1) only 25% of such portion of your CV Award shall be eligible for vesting on the Vesting Date and (2) the remaining 75% of such portion of your CV award shall be automatically canceled and forfeited.

- **<u>Recovery</u>**

  In addition, you may be required to pay the Company and/or an Affiliate up to an amount equal to the fair market value (determined as of the Vesting Date) of the gross number of shares of Common Stock previously distributed under this CV Award as follows:

  - Payment may be required with respect to any shares of Common Stock distributed within the three year period prior to a notice-of-recovery under this section, if the Company and/or an Affiliate in its sole discretion determines that:
    - you committed a fraudulent act, or engaged in knowing and willful misconduct related to your employment, or
    - you violated any of the provisions as set forth above in the section captioned "Your Obligations", or
    - you violated the restrictions and conditions set forth in this <u>Appendix B</u> following the termination of your employment.

Notice-of-recovery under this subsection is a written (including electronic) notice from the Company and/or an Affiliate to you either requiring payment under this subsection or stating that the Company is evaluating requiring payment under this subsection. Without limiting the foregoing, notice-of-recovery will be deemed provided if the Company makes a good faith attempt to provide written (including electronic) notice at your last known address maintained in the Company's and/or an Affiliate's employment records. For the avoidance of doubt, a notice-of-recovery that the Company is evaluating requiring payment under this subsection shall preserve the Company's rights to require payment as set forth above in all respects and the Company shall be under no obligation to complete its evaluation other than as the Company may determine in its sole discretion.

For purposes of this subsection, shares of Common Stock distributed under this CV Award include shares of Common Stock withheld for tax purposes. However, it is the Company's intention that you only be required to pay the amounts under this subsection with respect to shares of Common Stock that are or may be received by you following a determination of tax liability and that you will not be required to pay amounts with respect to shares of Common Stock representing irrevocable tax withholdings or tax payments previously made (whether by you or the Company and/or an Affiliate) that you will not be able to recover, recapture or reclaim (including as a tax credit, refund or other benefit). Accordingly, the Company will not require you to pay any amount that the Company or its nominee in his or her sole discretion determines is represented by such withholdings or tax payments.

Payment may be made in shares of Common Stock or in cash. You agree that any repayment will be a lawful recovery under the terms and conditions of your Award Agreement and is not to be construed in any manner as a penalty.

Nothing in the section in any way limits your obligations under "Section 11.1 - Clawback" in the Award Agreement.

- **Right to an Injunction**

  You acknowledge that a violation or attempted violation of any of the provisions set forth in "Your Obligations" set forth herein will cause immediate and irreparable damage to the Company and/or an Affiliate, and therefore agree that the Company and/or an Affiliate shall be entitled as a matter of right to an injunction, from any court of competent jurisdiction, restraining any violation or further violation of any of the provisions set forth in "Your Obligations"; such right to an injunction, however, shall be cumulative and in addition to whatever other remedies the Company and/or an Affiliate may have under law or equity.

- **Suspension of Vesting**

  To the extent provided under "Section 11.2 – Amendment" in the Award Agreement, the Company reserves the right to suspend vesting of the CV Award and/or distribution of shares of Common Stock under the CV Award, including, without limitation, during any period that the Company is evaluating whether the CV Award is subject to cancellation and/or recovery and/or whether the conditions for distributions of shares of Common Stock under the CV Award are satisfied. The Company is not responsible for any price fluctuations during any period of suspension and, if applicable, suspended units will be reinstated consistent with Plan administration procedures. See "Section 10 - Rights as a Shareholder" in the Award Agreement.

Limitation on Restrictions and Conditions

Nothing in this Appendix B precludes you from reporting to the Company and/or an Affiliate's management or directors, the government, a regulator, a self-regulatory agency, your attorneys or a court, conduct you believe to be in violation of the law or concerns of any known or suspected Code of Conduct violation. It is also not intended to prevent you from responding truthfully to questions or requests from the government, a regulator or in a court of law.

TRICO BANCSHARES
PERFORMANCE AWARD GRANT NOTICE

TriCo Bancshares, a California corporation (the "***Company***"), pursuant to its 2019 Equity Incentive Plan (the "***Plan***"), hereby grants to the holder listed below (the "***Participant***" or ***"you"***), a Performance Award (the "***Award***"). Such award shall be comprised of Performance Share Units (the "***Units***" or ***"PSUs"***), each of which is a right to receive the value of one (1) share of Common Stock, on the terms and conditions set forth herein and in the Performance Award Agreement attached hereto (the "***Award Agreement***") and the Plan, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Award Agreement.

Participant:	**[insert name]**
Grant Date:	**March 1, 2024**
Target Number of Units:	____, subject to adjustment as provided by the Award Agreement.
Maximum Number of Units:	# which is 150% of the Target Number of Units, subject to adjustment as provided by the Award Agreement.
Performance Period:*	Three years beginning **March 1, 2024** and ending **March 1, 2027** subject to Sections 3, 7.1 and 7.2 of the Award Agreement. **For performance periods that fall on weekends and holidays, this date will be the next business/trading day following such date.*
Performance Measure:	The difference, measured in percentage points, for the Performance Period between the Company Total Shareholder Return and the Benchmark Index Total Return, both determined in accordance with Section 2.2 of the Award Agreement (or as otherwise provided in the Award Agreement).
Benchmark Index:	The KBW Regional Banking Index (Ticker Symbol ^KRX)
Relative Return Factor:	A percentage (rounded to the nearest 1/10th of 1% and not greater than 150% or less than 0%) equal to the sum of 100% plus the product of 2 multiplied by the difference (whether positive or negative) equal to (i) the Company Total Shareholder Return minus (ii) the Benchmark Index Total Return, as illustrated by Appendix A.

Vesting Date: The "Vesting Date" is the date upon which the Committee officially determines the degree of achievement of the Performance Measure in accordance with Section 2.2 of the Award Agreement (or as otherwise provided in the Award Agreement). The Vesting Date shall occur within 45 days following the final date of the Performance Period, except as otherwise provided by the Award Agreement.

Vested Units: Provided that there has been no Termination of Continuous Service of Participant prior to the Vesting Date (except as otherwise provided by the Award Agreement), the number of Vested Units, if any (not to exceed the Maximum Number of Units), shall equal the product of (i) the Target Number of Units and (ii) the Relative Return Factor (rounded down to the nearest whole share), as illustrated by Appendix A.

Settlement Date: For each Vested Unit, except as otherwise provided by the Award Agreement, a date occurring during the 28 day period following the Vesting Date, which date during such period shall be solely determined by the Company.

By signing below or by electronic acceptance or authentication in a form authorized by the Company, the Participant agrees to be bound by the terms and conditions of the Plan, the Award Agreement (including Appendixes A and B) and the Grant Notice. The Participant has reviewed and fully understands all provisions of the Plan, the Award Agreement, and the Grant Notice in their entirety and has had an opportunity to obtain the advice of counsel prior to executing below. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Award Agreement, the Grant Notice or relating to the Units.

TRICO BANCSHARES		**PARTICIPANT**	
By:	[signature]	By:	
Name:	Richard P. Smith	Print Name:	
Title:	President & CEO		
Address:	63 Constitution Drive Chico, CA 95973	Address:	____________________________

ATTACHMENTS: Performance Award Agreement. A copy of the TriCo Bancshares 2019 Equity Incentive Plan, as amended, and the prospectus for the Plan prepared in connection with the registration with the Securities and Exchange Commission of the shares of Common Stock issuable pursuant to the Award are available on the Human Resources section of the Company's intranet or upon request to Human Resources.

TRICO BANCSHARES
PERFORMANCE AWARD AGREEMENT

TriCo Bancshares (the "***Company***") has granted to the Participant named in the Performance Award Grant Notice (the *"**Grant Notice**"*), to which this Performance Award Agreement (including Appendixes A and B, this *"**Award Agreement**"*) is attached, an Award consisting of Performance Share Units (the "***Units***" or *"**PSUs**"*) subject to the terms and conditions set forth in the Grant Notice and this Award Agreement. This Award has been granted pursuant to the TriCo Bancshares 2019 Equity Incentive Plan (the *"**Plan**"*), as amended, the provisions of which are incorporated herein by reference. Participant agrees that any shares of Common Stock issued with respect to the Award are subject to the minimum holding requirements described in Section 10(f) of the Plan.

Unless otherwise defined herein or in the Grant Notice, capitalized terms shall have the meanings assigned under the Plan.

1. The Award.

The Company hereby awards to the Participant the Target Number of Units set forth in the Grant Notice, which, depending on the extent to which a Performance Goal (as described by Plan) is attained during the Performance Period, may result in the Participant earning as little as zero (0) Units or as many as the Maximum Number of Units. Subject to the terms of this Award Agreement and the Plan, each Unit, to the extent it is earned and becomes a Vested Unit, represents a right to receive on the Settlement Date one (1) share of Common Stock or, at the discretion of the Committee, the Fair Market Value thereof in cash. Unless and until a Unit has vested and becomes a Vested Unit as set forth in the Grant Notice, the Participant will have no right to settlement of such Units (including any rights with respect dividends payable with respect to the underlying shares of Common Stock). Prior to settlement of any earned and vested Units, such Units will represent an unfunded and unsecured obligation of the Company.

2. Performance Measurement.

2.1 Level of Performance Measure Attained. As soon as practicable following completion of the Performance Period, but in any event no later than the Vesting Date, the Committee shall certify in writing the level of attainment of the Performance Measure during the Performance Period, the resulting Relative Return Factor and the number of Units which have become Vested Units.

2.2 Components of Performance Measure. The components of Performance Measure shall be determined for the Performance Period in accordance with the following:

(a) "***Company Total Shareholder Return***" means the percentage point increase or decrease in (i) the Average Per Share Closing Price for the 30 trading day period ending on the last day of the Performance Period over (ii) the Average Per Share Closing Price for the 30 trading day period ending on the first day of the Performance Period.

(b) "***Average Per Share Closing Price***" means the average of the daily closing prices per share of Common Stock as reported on the Nasdaq Stock Market (or such other market on which shares of Common Stock are traded) for all trading days falling within an applicable 30 trading day period described in (a) above. The Average Per Share Closing Price shall be adjusted in each case to reflect an assumed reinvestment, as of the of applicable ex-dividend date, of all cash dividends and other cash distributions (excluding cash distributions resulting from share repurchases or redemptions by the Company) paid to shareholders during the 30 trading day period ending on the first day of the Performance Period and during the Performance Period.

(c) "***Benchmark Index Total Return***" means the percentage point increase or decrease in (i) the Average Closing Index Value for the 30 trading day period ending on the last day of the Performance Period over (ii) the Average Closing Index Value for the 30 trading day period ending on the first day of the Performance Period.

(d) "***Average Closing Index Value***" means the average of the daily closing index values of the Benchmark Index for all trading days falling within an applicable 30 trading day period described in (c) above.

3. Vesting.

3.1 Normal Vesting. Except as otherwise provided by this Award Agreement, Units shall vest and become Vested Units as provided in the Grant Notice.

3.2 Vesting Upon a Change in Control. In the event of a Change in Control, vesting shall be determined in accordance with Section 7.1.

3.3 Vesting Upon Involuntary Termination Following a Change in Control. In the event that upon or within twelve (12) months following the consummation of a Change in Control, the Participant experiences a Termination of Continuous Service due to Involuntary Termination, then vesting shall be determined in accordance with Section 7.2.

3.4 Vesting Upon Death/Disability. If you die or become Permanently Disabled (as defined below) while you are eligible to vest in PSUs under this Award, the PSUs will immediately vest pro rata in a similar fashion as set forth in Section 7 and, if you die, will be distributed in shares of Common Stock (after applicable tax withholding, if any) to your designated beneficiary on file with the Company's stock administration department or Human Resources, or if no beneficiary has been designated or survives you or if beneficiary designation is not recognized by local legislation, then to your estate (in the case of death) or to you (in the case of Permanent Disability). Any shares of Common Stock will be distributed no later than the end of the calendar year immediately following the calendar year which contains your date of death or Permanent Disability; however, with respect to shares of Common Stock issued due to death, our administrative practice is to register such shares of Common Stock in the name of your beneficiary or estate within 60 days of the Company's receipt of any required documentation.

(a) "**Permanently Disabled**" means your "permanent disability" as such term is defined in the long-term disability insurance provided by the Company, or if such insurance is not provided by Company, the term shall mean that you have been deemed by a medical care provider to indefinitely be unable to perform the essential functions your position with the Company or without reasonable accommodation, such event satisfies the requirements of you becoming "disabled" under Code Section 409 and you have satisfied the Release/ Certification Requirements set forth below.

(b) **Release/Certification**. You shall meet the Release/Certification requirements, if: (i) within 55 days following your Termination of Continuous Service because you are Permanently Disabled, you execute and deliver a general release of claims in favor of the Company, having such form and terms as the Company shall specify, and such release becomes irrevocable, and (ii) in all cases, you have complied with all other terms of the Award Agreement.

3.5 Continued Vesting on Retirement / Full Career Eligibility. In the event and for so long as you meet the Retirement/Full Career Eligibility Requirements described in Appendix B hereto at the time of your Termination of Continuous Service then, subject to the terms and conditions set forth in this Award Agreement (including, but not limited to, "Section 4.5 – Right to Set Off" and Section 11.1 – Clawback" in this Award Agreement and the sections entitled "Your Obligations" and "Additional Conditions Precedent" in Appendix B to this Award Agreement) you will be eligible to continue to vest (as you otherwise would vest had you remain employed by the Company and/or an Affiliate through the Vesting Date) with respect to this Award following your Termination of Continuous Service due to your qualifying Retirement/ Full Career Eligibility.

3.6 No Vesting on Termination of Continuous Service. In the event of the Participant's Termination of Continuous Service for any reason prior to the Vesting Date, with or without Cause, other than as described in Sections 3.2, 3.3, 3.4, or 3.5, or as determined by the Company under Section 11 of the Plan, and to the extent any Units otherwise remain unvested upon the Participant's Termination of Continuous Service, the Participant shall forfeit and the Company shall automatically reacquire all Units which are not, as of the time of such termination, Vested Units, and the Participant shall not be entitled to any payment with respect to the shares of Common Stock or other consideration therefor

3.7 Definitions. The following terms shall have the meanings set forth below:

(a) "**Involuntary Termination**" means that a Participant experiences a Termination of Continuous Service by the Company without Cause or by the Participant for "Good Reason".

(b) Termination of Continuous Service for "**Cause**" means Termination of Continuous Service of the Participant by reason of any of the following:

(i) A termination "for cause", as such term may be defined in any written employment or consulting agreement (or similar agreement) entered into by and between the Company and the Participant;

(ii) A material breach of the Participant's written employment or consulting agreement (or similar agreement) entered into by and between the Company and the Participant;

(iii) A material violation of any written policies or procedures of Company;

(iv) A breach of duty of loyalty to the Company;

(v) The Participant engages in any activity that brings disrepute or discredit on Company;

(vi) The Participant commits any act which is unlawful or materially detrimental to the business and affairs of Company;

(vii) The Participant commits any act of fraud, theft or embezzlement or other abuse of the property, information or funds of Company; or

(viii) The Participant is convicted of any felony or a crime involving deceit, moral turpitude or fraud.

(c) The Participant's Termination of Continuous Service for "**Good Reason**" means Participant experiences any of the following (without Participant's consent):

(i) a material diminution in the Participant's base compensation;

(ii) a material diminution in the Participant's authority, duties, or responsibilities;

(iii) a material change (of at least 50 miles) in geographic location at which the Participant must perform the services; or

(iv) any other action or inaction that constitutes a material breach of the terms of an applicable employment or consulting agreement (or similar agreement).

If Participant wishes to resign for Good Reason, (A) the Participant must provide the Company with a written notice describing the event which is giving rise to such right, which notice must be delivered to the Company no later than 60 days following the first occurrence of such event; (B) the Company must fail to cure such condition within 30 days of receipt of such notice and (C) Participant must resign within 30 days of the expiration of such cure period.

Except as otherwise set forth in this Section 3 or as determined by the Committee under the terms of Section 11 of the Plan, in the event of a Change in Control, no acceleration of vesting shall occur with respect to the Units granted in this Award.

4. Settlement of the Award.

4.1 Issuance of Shares of Common Stock or Cash Equivalent. Subject to the provisions of Section 4.3 and Section 5 below, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) share of Common Stock. Shares of Common Stock issued in settlement of Vested Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 4.3 or provided for in Section 10(f) of the Plan. At the discretion of the Committee, payment with respect to all or any portion of the Vested Units may be made in a lump sum cash payment in an amount equal to the Fair Market Value, determined as of the Settlement Date, of the shares of Common Stock or other securities or property otherwise issuable in settlement of such Vested Units.

4.2 Beneficial Ownership of Shares; Certificate Registration. The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the Participant with a Company-designated brokerage firm or, at the Company's discretion, any other broker with which the Participant has an account relationship of which the Company has notice any or all shares of Common Stock acquired by the Participant pursuant to the settlement of the Award. Except as provided by the preceding sentence, a certificate for the shares of Common Stock as to which the Award is settled shall be registered in the name of the Participant, or, if applicable, in the names of the Participant's heirs.

4.3 Restrictions on Grant of the Award and Issuance of Shares. The grant of the Award and issuance of shares of Common Stock upon settlement of the Award shall be subject to compliance with all applicable requirements of U.S. federal or state law with respect to such securities. No shares of Common Stock may be issued hereunder if the issuance of such shares of Common Stock would constitute a violation of any applicable U.S. federal or state securities laws or other laws or regulations or the requirements of any stock exchange or market system upon which the shares of Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any shares of Common Stock subject to the Award shall relieve the Company of any liability in respect of the failure to issue such shares of Common Stock as to which such requisite authority shall not have been obtained. As a condition to the settlement of the Award, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Further, regardless of whether the transfer or issuance of the shares of Common Stock to be issued pursuant to the Units has been registered under the Securities Act or has been registered or qualified under the securities laws of any State, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the shares of Common Stock (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any State, or any other law.

4.4 Fractional Shares. The Company shall not be required to issue fractional shares of Common Stock upon the settlement of the Award.

4.5 Right to Set Off. Although the Company expects to settle this award in share(s) of Common Stock as of the applicable vesting date, as set forth in your Award Agreement, the Company may, to the maximum extent permitted by applicable law (including Section 409A of the Code to the extent it is applicable to you), retain for itself funds or the shares of Common Stock resulting from any vesting of this award to satisfy any obligation or debt that you owe to the Company and/or an Affiliate. Notwithstanding any bank account agreement with the Company and/or an Affiliate to the contrary, the Company will not recoup or recover any amount owed from any funds or unrestricted securities held in your name and maintained at the Company and/or Affiliate pursuant to such bank account agreement to satisfy any obligation or debt owed by you under this award without your consent.

5. <u>Tax Withholding and Advice</u>.

5.1 In General. Subject to Section 5.2, at the time the Grant Notice is executed, or at any time thereafter as requested by the Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the U.S. federal, state, and local taxes required by law to be withheld with respect to any taxable event arising as a result of the Participant's participation in the Plan (referred to herein as "***Tax-Related Items***").

5.2 Withholding of Taxes. The Company or any Affiliate, as appropriate, shall have the authority and the right to deduct or withhold, or require the Participant to remit an amount sufficient to satisfy applicable Tax-Related Items or to take such other action as may be reasonably necessary to satisfy such Tax-Related Items. In this regard, the Participant authorizes the Company and any Affiliate, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Participant's wages or other cash compensation paid to the Participant; or

(b) withholding from proceeds of the sale of shares of Common Stock acquired upon vesting and settlement of the PSUs, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or

(c) withholding in shares of Common Stock to be issued upon vesting and settlement of the PSUs; or

(d) direct payment from the Participant.

The Company does not have any duty or obligation to minimize the Participant's liability for Tax-Related Items arising from the Award, and, will not be liable to the Participant for any Tax-Related Items arising in connection with the Award. Finally, the Participant shall pay any amount of Tax-Related Items that the Company or any Affiliate may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock that may be issued in connection with the settlement of the PSUs if the Participant fails to comply with his or her Tax-Related Items obligations.

5.3 Tax Advice. The Participant represents, warrants and acknowledges that the Company has made no warranties or representations to the Participant with respect to the income tax consequences of the transactions contemplated by this Award Agreement, and the Participant is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences. THE PARTICIPANT UNDERSTANDS THAT THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE PARTICIPANT SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE UNITS. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

6. Authorization to Release Necessary Personal Information.

The Participant hereby authorizes and directs the Participant's service recipient to collect, use and transfer in electronic or other form, any personal information (the "***Data***"), the nature and amount of the Participant's compensation and the fact and conditions of the Participant's participation in the Plan (including, but not limited to, the Participant's name, home address, telephone number, date of birth, social security number, salary, job title, number of shares of Common Stock held and the details of all Units or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding) for the purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Data may be transferred to the Company or any Affiliate, or to any third parties assisting in the implementation, administration and management of the Plan, including any requisite transfer to a brokerage firm or other third party assisting with administration of the Award or with whom shares of Common Stock acquired upon settlement of this Award or cash from the sale of such shares of Common Stock may be deposited. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the

Company or any Affiliate, or to any third parties is necessary for Participant's participation in the Plan. The Participant may at any time withdraw the consents herein, by contacting the Company's stock administration department in writing. The Participant further acknowledges that withdrawal of consent may affect the Participant's ability to realize benefits from the Award, and the Participant's ability to participate in the Plan.

7. **Change in Control.**

In the event of a Change in Control, this Section 7 shall determine the treatment of the Units which have not otherwise become Vested Units.

7.1 Effect of Change in Control on Award. In the event of a Change in Control which occurs more than 12 months following the Grant Date, the Performance Period shall end on the day immediately preceding the Change in Control (the "***Adjusted Performance Period***"). The number and vesting of Units shall be determined for the Adjusted Performance Period in accordance with the following:

(a) **Vested Units.** In the Committee's determination of the number of Vested Units for the Adjusted Performance Period, the following modifications shall be made to the components of the Relative Return Factor:

(i) The Company Total Shareholder Return shall be determined as provided by Section 2.2, except that the Average Per Share Closing Price for the thirty (30) trading day period ending on the last day of the Adjusted Performance Period shall be replaced with the price per share of Common Stock to be paid to the holder thereof in accordance with the definitive agreement governing the transaction constituting the Change in Control (or, in the absence of such agreement, the closing price per share of Common Stock as reported on the Nasdaq Stock Market for the last trading day of the Adjusted Performance Period), adjusted to reflect an assumed reinvestment, as of the applicable ex-dividend date, of all cash dividends and other cash distributions (excluding cash distributions resulting from share repurchases or redemptions by the Company) paid to shareholders during the Adjusted Performance Period, as illustrated in Section 2.2.

(ii) The Benchmark Index Total Return shall be determined as provided by Section 2.2, except that for the purposes of clause (a) thereof, the Average Closing Index Value shall be determined for the 30 trading day period ending on the last day of the Adjusted Performance Period.

(b) **Vested Units.** As of the last day of the Adjusted Performance Period and provided that the Participant has not Termination of Continuous Service prior to such date, a portion of the Units determined in accordance with Section 7.1(a) shall become Vested Units (the "***Accelerated Units***"), with such portion determined by multiplying the total number of Units by a fraction, the numerator of which equals the number of days contained in the Adjusted Performance Period and the denominator of which equals the number of days contained in the original Performance Period determined without regard to this Section. The Accelerated

Units shall be settled in accordance Section 4 immediately prior to the consummation of the Change in Control.

7.2 Involuntary Termination Upon or Following Change in Control. If Section 7.1 does not apply, in the event that upon or within twelve (12) months following the consummation of the Change in Control (but no earlier than the twelve month anniversary of the Grant Date), the Participant experiences an Involuntary Termination, the Units determined in accordance with Section 7.1(a) (as if Section 7.1 applied) shall be deemed Vested Units effective as of the date of the Participant's Involuntary Termination and shall be settled in accordance with Section 4, treating the date of the Participant's Termination of Continuous Service as the Vesting Date, provided that payment for each Vested Unit shall be made in the amount and in the form of the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Common Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock).

7.3 Internal Revenue Code Section 280G. Notwithstanding any provision of this Award Agreement to the contrary, in the event that it would be more likely than not that all or a portion of any benefit payment under this Award Agreement, alone or together with any other compensation or benefit payable to Participant, will be a non-deductible expense to the Company by reason of Code Section 280G, the Company shall reduce, but not less than zero, the benefits payable under this Award Agreement or the Plan as necessary to avoid the application of Section 280G.

8. <u>Adjustments for Changes in Capital Structure</u>.

The number of Units awarded pursuant to this Award Agreement is subject to adjustment as provided in Section 11(a) of the Plan and otherwise is subject to Section 11(c) of the Plan, to the extent such section does not contradict Section 7 of this Award Agreement. Upon the occurrence of an event described in Plan Section 11(a), any and all new, substituted or additional securities or other property to which a holder of a share of Common Stock issuable in settlement of the Award would be entitled shall be immediately subject to the Award Agreement and included within the meaning of the terms "shares of Common Stock" for all purposes of the Award. The Participant shall be notified of such adjustments and such adjustments shall be binding upon the Company and the Participant.

9. <u>No Entitlement or Claims for Compensation</u>.

9.1 The Participant's rights, if any, in respect of or in connection with the Units are derived solely from the discretionary decision of the Company to permit the Participant to participate in the Plan and to benefit from a discretionary Award. By accepting the Units, the Participant expressly acknowledges that there is no obligation on the part of the Company to continue the Plan and/or grant any additional Units or other Awards to the Participant. The Units are not intended to be compensation of a continuing or recurring nature, or part of the Participant's normal or expected compensation, and in no way represents any portion of the

Participant's salary, compensation, or other remuneration for purposes of pension benefits, severance, redundancy, resignation or any other purpose.

9.2 Neither the Plan nor the Units shall be deemed to give the Participant a right to remain an Employee, Director or Consultant of the Company or any Affiliate. The Company reserves the right to terminate the employment or service of the Participant at any time, with or without cause, and for any reason, subject to applicable laws, the Company's Articles of Incorporation and Bylaws and the Participant's written employment or consulting agreement (or similar agreement) (if any), and the Participant shall be deemed irrevocably to have waived any claim to damages or specific performance for breach of contract or dismissal, compensation for loss of office, tort or otherwise with respect to the Plan, this Award, Units or any other outstanding Award that is forfeited and/or is terminated by its terms or to any future Award.

10. Rights as a Shareholder.

The Participant shall have no rights as a shareholder with respect to any shares of Common Stock which may be issued in settlement of this Award until the date of the issuance of such share of Common Stock under this Award Agreement (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, dividend equivalents, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 8.

11. Miscellaneous Provisions.

11.1 Clawback. In consideration of the grant of this Award, you agree that this Award is subject to any clawback under Section 15 of the Plan and the Company's Compensation Clawback Policy (or any successor policy, the "***Policy***") adopted by the Board and in effect from time to time, as permitted by law. For the avoidance of doubt, nothing in these terms and conditions in any way limits the rights of the Company and/or an Affiliate under the Policy.

11.2 Amendment. The Committee may amend this Award Agreement at any time; provided, however, that no such amendment may adversely affect the Participant's rights under this Award Agreement without the consent of the Participant, except to the extent such amendment is necessary to comply with applicable law, including, but not limited to, Code Section 409A. No amendment or addition to this Award Agreement shall be effective unless in writing and signed by the parties to this Award Agreement.

11.3 Nontransferability of the Award. Prior to the issuance of shares of Common Stock on the applicable Settlement Date, no right or interest of the Participant in the Award nor any shares of Common Stock issuable on settlement of the Award shall be in any manner pledged, encumbered, or hypothecated to or in favor of any party other than the

Company or shall become subject to any lien, obligation, or liability of such Participant to any other party other than the Company. Except as otherwise provided by the Committee, no Award shall be assigned, transferred or otherwise disposed of other than by will or the laws of descent and distribution. All rights with respect to the Award shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

11.4 Further Instruments. The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Award Agreement.

11.5 Binding Effect. This Award Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

11.6 Notices. Any notice required to be given or delivered to the Company under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address maintained for the Participant in the Company's records or at the address of the local office of the Company or Affiliate at which the Participant works.

11.7 Construction of Award Agreement. The Grant Notice, this Award Agreement, and the Units evidenced hereby (i) are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan, the provisions of which are hereby made a part of Participant's Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan, and (ii) constitute the entire agreement between the Participant and the Company on the subject matter hereof and supersede all proposals, written or oral, and all other communications between the parties related to the subject matter. In the event of any conflict between the provisions of Participant's Award and those of the Plan, the provisions of the Plan shall control. The headings of the Sections in this Award Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

11.8 Governing Law. The interpretation, performance and enforcement of this Award Agreement shall be governed by the laws of the State of California, U.S.A. without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

11.9 Section 409A.

(a) **Compliance with Code Section 409A.** It is intended that the Performance Share Units granted hereunder be exempt from or comply with the requirements of Code Section 409A, so that none of the Units, or the resulting shares of Common Stock or compensation, if any, shall be subject to the additional tax imposed by Section 409A. The vesting and settlement of such Units are intended to qualify for the "short-term deferral" exemption from Code Section 409A. Each installment of Units that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2). As such, each eligible Vested Unit shall be settled, per the terms of the Plan, the Grant Notice and this Award Agreement, within the short-term deferral period, as defined in Code Section 409A, the applicable Treasury Regulations and related guidance issued thereunder. Notwithstanding any other provision of the Plan, this Award Agreement, the Grant Notice or the Plan:

(i) The Plan, this Award Agreement and the Grant Notice shall be interpreted in accordance with, and incorporate the terms and conditions required by, Code Section 409A and any Department of Treasury regulations and other applicable guidance issued thereunder (including any regulations or guidance that may be issued after the date hereof), and any ambiguities herein shall be interpreted to so comply.

(ii) The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Award Agreement to ensure that the Units qualify for exemption from, comply with or otherwise avoid the imposition of any additional tax or income recognition under Code Section 409A; *provided*, *however*, that the Company makes no representations that the Units will be exempt from Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to the Units.

(b) **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, no amount payable pursuant to this Award Agreement on account of the Participant's Termination of Continuous Service which constitutes a "deferral of compensation" within the meaning of Code Section 409A shall be paid unless and until the Participant has incurred a "separation from service" within the meaning of Code Section 409A. Furthermore, to the extent that the Participant is a "Specified Employee" within the meaning of Code Section 409A as of the date of the Participant's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service that would result in the imposition of additional tax under Code Section 409A if issued to Participant on or within the six (6) month period following Participant's separation from service shall be paid to the Participant before the date (the ***"Delayed Payment Date"***) which is the first day of the seventh month after the date of the Participant's separation from service or, if earlier, ten (10) days following the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

11.10 Restrictions on Contracts and Payments for Insured Depository Institutions in Troubled Status. The parties acknowledge and agree that while the restrictions contained in the Federal Deposit Insurance Act, Section 18(k) [12 U.S.C. §1828(k)], relating to contracts for and payment of executive compensation and benefits by insured depository institutions in "troubled" condition, do not currently apply to the Company or the Participant, such provisions could apply in the future. In the event that any such restrictions or any contractual arrangement with or required by a regulatory authority require the Company to seek or demand repayment or return of any payments made to the Participant under this Award Agreement and the Plan for any reason, the Participant agrees to repay to the Company the aggregate amount of such payments no later than thirty (30) days following the Participant's receipt of a written notice from the Company indicating that payments received by the Participant under this Award Agreement and the Plan are subject to recapture or clawback.

11.11 Administration. The Committee shall have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee or the Board in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Award Agreement or the Units.

11.12 Counterparts. The Grant Notice may be executed in counterparts, including execution by facsimile, pdf or other electronic transmission, which, when taken together, will be deemed to constitute one and the same instrument.

11.13 Severability. If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

APPENDIX A

ILLUSTRATION OF RELATIVE RETURN FACTOR AND RESULTING NUMBER OF VESTED UNITS

Percentage Point Difference of Company TSR Over/Under Benchmark Index Total Return	Relative Return Factor	Vested Units (Per 1,000 Target Units)
25 and Over	150%	1,500
20	140%	1,400
15	130%	1,300
10	120%	1,200
9	118%	1,180
8	116%	1,160
7	114%	1,140
6	112%	1,120
5	110%	1,010
4	108%	1,080
3	106%	1,060
2	104%	1,040
1	102%	1,020
0	100%	1,000
-1	98%	980
-2	96%	960
-3	94%	940
-4	92%	920
-5	90%	900
-6	88%	880
-7	86%	860
-8	84%	840
-9	82%	820
-10	80%	800
-15	70%	700
-20	60%	600
-25	50%	500
-25 and less	0%	0

APPENDIX A (CONTINUED)

ILLUSTRATIONS OF CALCULATION OF VESTED UNITS PER 1,000 TARGET UNITS

Company Total Shareholder Return Exceeds Benchmark Index Total Return

Assumptions:		
Target Number of Units		1,000
TCBK:		
Average Per Share Closing Price (beginning)		$25.00
Average Per Share Closing Price (ending)		$30.00
KBW Regional Banking Index:		
Average Closing Index Value (beginning)		$80.00
Average Closing Index Value (ending)		$90.00
Computations:		
Company Total Shareholder Return	((30.00 / 25.00) - 1) x 100	20.0%
Benchmark Index Total Return	((90.00 / 80.00) - 1) x 100	12.5%
Relative Return Factor	100 + (2.0 x (20.0 – 12.5))	115.0%
Vested Units	1,000 x 115.0%	1,150

APPENDIX A (CONTINUED)

ILLUSTRATIONS OF CALCULATION OF VESTED UNITS PER 1,000 TARGET UNITS

Company Total Shareholder Return Is Less Than Benchmark Index Total Return

Assumptions:		
Target Number of Units		1,000
TCBK:		
Average Per Share Closing Price (beginning)		$25.00
Average Per Share Closing Price (ending)		$30.00
KBW Regional Banking Index:		
Average Closing Index Value (beginning)		$80.00
Average Closing Index Value (ending)		$100.00
Computations:		
Company Total Shareholder Return	((30.00 / 25.00) - 1) x 100	20.0%
Benchmark Index Total Return	((100.00 / 80.00) - 1) x 100	25.0%
Relative Return Factor	100 + (2.0 x (20.0 – 25.0))	90.0%
Vested Units	1,000 x 90.0%	900

Appendix B to Performance Award Agreement

Termination of Employment

Except as explicitly set forth under "Section 3 - Vesting" of the Award Agreement and this Appendix B, any unvested PSU outstanding under this Award will be cancelled effective on the termination of your Continuous Service for any reason.

Subject to these terms and conditions (including, but not limited to, "Sections 4.5 – Right to Set Off" and "Section 11.1 - Clawback" in the Award Agreement, and the Sections "Your Obligations" and "Additional Conditions Precedent" in this Appendix B), however, a portion of your PSUs will be eligible to continue vesting as if you were still employed by the Company or an Affiliate through the Vesting Date if the following circumstances apply to you:

Retirement/Full Career Eligibility

Your PSUs under this Award may be eligible for continued vesting upon your qualified retirement if the Chief Executive Officer (or, if you are the Company's Chief Executive Officer, the Committee or its nominee) determines, in their sole discretion, that:

- you voluntarily terminated your Continuous Service with the Company and/or an Affiliate, and
- you had completed at least six (6) years of Continuous Service with the Company and/or an Affiliate immediately preceding your termination date, and
- your age on your date of termination equaled or exceeded sixty-two (62) and
- you provided at least nine (9) months advance written notice to the Company of your intention to voluntarily terminate your employment under this provision, during which notice period you provided such services as requested by the Company and/or an Affiliate in a cooperative and professional manner and you did not perform any services for any other employer, and
- continued vesting shall be appropriate, which determination shall be made prior to you termination and will be based on your performance and conduct (before and after providing notice), and
- you satisfied the Release/Confirmation Requirements set forth below.

After receipt of such advance written notice, the Company and/or an Affiliate may choose to have you continue to provide services during such nine (9) month period as a condition to continued vesting or may, in its sole discretion, elect to shorten the length of the nine (9) month period to a date no earlier than the date you would otherwise meet the age and service requirements.

Portion of Your PSUs Subject to Continued Vesting Following Retirement

If you meet the requirements of this Appendix B, the number of PSUs under this Award that will be eligible to continue vesting following the termination of your Continuous Service, if any, will be a percentage of the PSUs that would have vested if your Continuous Service had continued through the Vesting Date (as determined in accordance with the Award Agreement and

Appendix A) based on your years of Continuous Service preceding your Termination of Continuous Service, as follows:

- 0% if you have at least 5 or less years of Continuous Service,
- 20% if you have at least 6 but less than 7 years of Continuous Service,
- 40% if you have at least 7 but less than 8 years of Continuous Service,
- 60% if you have at least 8 but less than 9 years of Continuous Service,
- 80% if you have at least 9 but less than 10 years of Continuous Service, or
- 100% if you have 10 or more years of Continuous Service.

There is no pro rata credit for partial years of Continuous Service.

The portion of your Award that is subject to continued vesting upon your qualifying retirement is referred to as the "CV Award." Any portion of your Award that does not continue to vest hereunder will, upon the date of your Termination of Continuous Service, be immediately cancelled and forfeited as of such date without any payment or other consideration therefor.

So, for example, if you have 7.5 years of Continuous Service immediately preceding your Termination of Continuous Service and the Committee determines that, based on the degree of achievement of the Performance Measures and the terms of Appendix A, the number of vested PSUs under your Award would be 110 PSUs, then you would be entitled to 44 PSUs (i.e., 40% of 110 PSUs), subject to potential adjustment described in this Appendix B.

Release/Confirmation

To qualify for continued vesting after your Termination of Continuous Service as described in this Appendix B:

- you must timely execute and deliver a release of claims in favor of the Company and its Affiliates, having such form and terms as the Company shall specify within 30 days of the termination of your Continuous Service,
- prior to the termination of your Continuous Service, you must confirm with management that you meet the eligibility criteria (including providing at least nine (9) months advance written notification), advise that you are seeking to be treated as an individual eligible for "Retirement/Full Career Eligibility", and receive written consent to such continued vesting, and
- in all cases, complied with all other terms of the Award Agreement. (See section captioned "Your Obligations".)

Your Obligations

In consideration of the grant of this CV Award, you agree to comply with and be bound by the obligations set forth below next to the subsections captioned "--Confidentiality & Non-Solicitation", "--False Statements", "--Cooperation", "--Compliance with Award Agreement" and "--Notice Period."

- **Confidentiality & Non-Solicitation**

You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, directly or indirectly use or disclose to anyone any Confidential Information (as defined herein) related to the Company and/or an Affiliate's business or its customers except as explicitly permitted by the TriCo Bancshares Code of Ethics and Business Conduct Policy (as amended or replaced from time to time, the "Code of Conduct") and applicable policies or law or legal process. "Confidential Information" includes but is not limited to: (i) information received by the Company and/or an Affiliate from third parties under confidential conditions; (ii) intellectual property and trade secrets, technical, product, business, financial, or development information from the Company and/or an Affiliate, the use or disclosure of which reasonably might be construed to be contrary to the interest of the Company and/or an Affiliate; or (iii) other proprietary information or data, including, but not limited to, customer lists and information. In addition, following your termination of employment, you will not, without prior written authorization, access the Company and/or an Affiliate's private and internal information through telephonic, intranet or internet means.

If you are required by law or requested to provide information to any private party, including the news media, related to your or anyone else's employment with the Company and/or an Affiliate, you will, in advance of providing any response (to the extent lawfully permitted), and within five days of receiving any such legal demand or request, provide written notice to the Company and/or an Affiliate. Additionally, you agree to cooperate with the Company and/or an Affiliate in connection with the request for such information to the extent lawfully permitted.

- **False Statements**

  You will not, either during your Continuous Service with the Company and/or an Affiliate or thereafter, make any untrue statements, such that they are made with knowledge of their falsity or with reckless disregard for their truth or falsity, about the Company and/or an Affiliate, its employees, officers, directors or shareholders as a group in verbal, written, electronic or any other form.

- **Cooperation**

  You will cooperate with any Company and/or Affiliate investigation, inquiry, or litigation, and provide full and accurate information to the Company and/or an Affiliate and its counsel with respect to any matter that relates to issues or events about which you may have knowledge or information, subject to reimbursement for actual, appropriate and reasonable out-of-pocket expenses incurred by you.

- **Compliance with Award Agreement**

  You will provide the Company and/or an Affiliate with any information reasonably requested to determine compliance with the Award Agreement, and you authorize the Company and/or an Affiliate to disclose the terms of the Award Agreement to any third party who might be affected thereby, including your prospective employer.

Additional Conditions Precedent

- **<u>Detrimental Conduct, Risk Related and Other Cancellation/Recapture</u>**

  In addition to the cancellation provisions described under Sections "4.5 - Right to Set Off" and "11.1 - Clawback" in the Award Agreement, up to 100% of continued vesting of your PSUs under this CV Award is further subject to the condition that neither the Company nor an Affiliate in its sole discretion determines that:

  - Any of the following detrimental and risk-related conduct has occurred:
    - you engaged in conduct detrimental to the Company and/or an Affiliate insofar as it causes material financial or reputational harm to the Company and/or an Affiliate or its business activities, or
    - this CV Award was based on materially inaccurate performance metrics, whether or not you were responsible for the inaccuracy, or
    - this CV Award was based on a material misrepresentation by you, or
    - you improperly or with gross negligence failed to identify, raise or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Company and/or an Affiliate or its business activities, or
    - your Continuous Service was terminated for Cause (as defined herein) or, in the case of a determination after the termination of your employment, that your Continuous Service could have been terminated for Cause, or
  - you have failed to comply with any of the advance notice/cooperation requirements or employment restrictions applicable to your termination of employment, or
  - you have failed to sign and return the release described under the section captioned "<u>Release/Confirmation</u>" by the specified deadline, or
  - you have violated any of the provisions as set forth above in the section captioned "<u>Your Obligations</u>".

  The term "Cause," has the meaning set forth in the Award Agreement, but for purposes of this <u>Appendix B</u> also includes your willful, continued and unreasonable failure to perform your duties or obligations under this <u>Appendix B</u>.

- **<u>Performance Assessment</u>**

  Up to 75% of your CV Award may be cancelled if the Chief Executive Officer of the Company determines in his or her sole discretion that cancellation of up to 75% of the CV Award is appropriate in light of either or both of the following factors:

  - Your performance in relation to the priorities for your position have been unsatisfactory for a sustained period of time, or
  - Your conduct is not consistent with the Company's expectations as document in the Code of Conduct or the applicable ethics and conduct sections of the Company's and/or Affiliate's Employee Handbook.

Any determination above with respect to these performance provisions is subject to ratification by the Committee. In the case of an award to the Chief Executive Officer, all such determinations shall be made by the Committee and ratified by the Board.

- **<u>Company Performance</u>**

If the Company's pre-tax provision income is negative for any of the four calendar quarters immediately preceding the date of the termination of your Continuous Service, then (1) only 25% of such portion of your CV Award shall be eligible for vesting on the Vesting Date and (2) the remaining 75% of such portion of your CV award shall be automatically canceled and forfeited.

- **<u>Recovery</u>**

In addition, you may be required to pay the Company and/or an Affiliate up to an amount equal to the fair market value (determined as of the Vesting Date) of the gross number of shares of Common Stock previously distributed under this CV Award as follows:

- o Payment may be required with respect to any shares of Common Stock distributed within the three year period prior to a notice-of-recovery under this section, if the Company and/or an Affiliate in its sole discretion determines that:
    - you committed a fraudulent act, or engaged in knowing and willful misconduct related to your employment, or
    - you violated any of the provisions as set forth above in the section captioned "Your Obligations", or
    - you violated the restrictions and conditions set forth in this <u>Appendix B</u> following the termination of your employment.

Notice-of-recovery under this subsection is a written (including electronic) notice from the Company and/or an Affiliate to you either requiring payment under this subsection or stating that the Company is evaluating requiring payment under this subsection. Without limiting the foregoing, notice-of-recovery will be deemed provided if the Company makes a good faith attempt to provide written (including electronic) notice at your last known address maintained in the Company's and/or an Affiliate's employment records. For the avoidance of doubt, a notice-of-recovery that the Company is evaluating requiring payment under this subsection shall preserve the Company's rights to require payment as set forth above in all respects and the Company shall be under no obligation to complete its evaluation other than as the Company may determine in its sole discretion.

For purposes of this subsection, shares of Common Stock distributed under this CV Award include shares of Common Stock withheld for tax purposes. However, it is the Company's intention that you only be required to pay the amounts under this subsection with respect to shares of Common Stock that are or may be received by you following a determination of tax liability and that you will not be required to pay amounts with respect to shares of Common Stock representing irrevocable tax withholdings or tax payments previously made (whether by you or the Company and/or an Affiliate) that you will not be able to recover, recapture or reclaim (including as a tax credit, refund or other benefit). Accordingly, the Company will not require you to pay any amount that the Company or its nominee in his or her sole discretion determines is represented by such withholdings or tax payments.

Payment may be made in shares of Common Stock or in cash. You agree that any repayment will be a lawful recovery under the terms and conditions of your Award Agreement and is not to be construed in any manner as a penalty.

Nothing in the section in any way limits your obligations under "Section 11.1 - Clawback" in the Award Agreement.

- **Right to an Injunction**

  You acknowledge that a violation or attempted violation of any of the provisions set forth in "Your Obligations" set forth herein will cause immediate and irreparable damage to the Company and/or an Affiliate, and therefore agree that the Company and/or an Affiliate shall be entitled as a matter of right to an injunction, from any court of competent jurisdiction, restraining any violation or further violation of any of the provisions set forth in "Your Obligations"; such right to an injunction, however, shall be cumulative and in addition to whatever other remedies the Company and/or an Affiliate may have under law or equity.

- **Suspension of Vesting**

  To the extent provided under "Section 11.2 – Amendment" in the Award Agreement, the Company reserves the right to suspend vesting of the CV Award and/or distribution of shares of Common Stock under the CV Award, including, without limitation, during any period that the Company is evaluating whether the CV Award is subject to cancellation and/or recovery and/or whether the conditions for distributions of shares of Common Stock under the CV Award are satisfied. The Company is not responsible for any price fluctuations during any period of suspension and, if applicable, suspended units will be reinstated consistent with Plan administration procedures. See "Section 10 - Rights as a Shareholder" in the Award Agreement.

Limitation on Restrictions and Conditions

Nothing in this Appendix B precludes you from reporting to the Company and/or an Affiliate's management or directors, the government, a regulator, a self-regulatory agency, your attorneys or a court, conduct you believe to be in violation of the law or concerns of any known or suspected Code of Conduct violation. It is also not intended to prevent you from responding truthfully to questions or requests from the government, a regulator or in a court of law.

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification of CEO

I, Richard P. Smith, certify that;

1. I have reviewed this report on Form 10-Q of TriCo Bancshares;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ Richard P. Smith

Richard P. Smith
President and Chief Executive Officer

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification of CFO

I, Peter G. Wiese, certify that;

1. I have reviewed this report on Form 10-Q of TriCo Bancshares;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ Peter G. Wiese

Peter G. Wiese

Executive Vice President and Chief Financial Officer

Exhibit 32.1

Section 1350 Certification of CEO

In connection with the Quarterly Report of TriCo Bancshares (the “Company”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard P. Smith, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard P. Smith

Richard P. Smith

President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to TriCo Bancshares and will be retained by TriCo Bancshares and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Section 1350 Certification of CFO

In connection with the Quarterly Report of TriCo Bancshares (the “Company”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Peter G. Wiese, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

/s/ Peter G. Wiese

Peter G. Wiese
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to TriCo Bancshares and will be retained by TriCo Bancshares and furnished to the Securities and Exchange Commission or its staff upon request.