



TRICO BANCSHARES

PRESS RELEASE
For Immediate Release

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TRICO BANCSHARES ANNOUNCES ANNUAL AND QUARTERLY EARNINGS FOR THE PERIODS ENDED DECEMBER 31, 2007

CHICO, Calif. – (January 30, 2008) – TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced annual earnings of \$25,693,000 for the year ended December 31, 2007. This represents a 4.2% decrease when compared with earnings of \$26,830,000 for the year ended December 31, 2006. Diluted earnings per share for the year ended December 31, 2007 decreased 4.3% to \$1.57 from \$1.64 for the year ended December 31, 2006. Total assets of the Company increased \$61 million (3.2%) to \$1.981 billion at December 31, 2007 versus \$1.920 billion at December 31, 2006. Total loans of the Company increased \$42 million (2.8%) to \$1.552 billion at December 31, 2007 versus \$1.510 billion at December 31, 2006. Total deposits of the Company decreased \$54 million (3.4%) to \$1.545 billion at December 31, 2007 versus \$1.599 billion at December 31, 2006.

Net income for the quarter ended December 31, 2007 decreased 17.6% to \$5,701,000 from \$6,918,000 in the quarter ended December 31, 2006. Diluted earnings per share decreased 16.7% to \$0.35 in the quarter ended December 31, 2007 from \$0.42 in the quarter ended December 31, 2006.

The decrease in earnings for the quarter ended December 31, 2007 over the year-ago quarter was due to a \$414,000 (1.9%) decrease in net interest income to \$21,310,000, a \$1,350,000 increase in provision for loan losses from \$0 in the year-ago quarter, and a \$749,000 (4.4%) increase in noninterest expense to \$17,751,000, which were partially offset by a \$487,000 (7.3%) increase in noninterest income to \$7,114,000 from the year-ago quarter.

The \$414,000 decrease in net interest income was due to a 28 basis point decrease in fully tax-equivalent net interest margin to 4.85% during the quarter ended December 31, 2007 versus 5.13% during the quarter ended December 31, 2006, which was partially offset by a \$65 million (3.8%) increase in average balance of interest-earning assets when compared to the year-ago quarter. The fully tax-equivalent net interest margin was 5.12% during the quarter ended September 30, 2007. The decrease in fully tax-equivalent net interest margin to 4.85% during the quarter ended December 31, 2007 was due to many factors including a 100 basis point decrease in the prime lending rate between August 31, 2007 and December 31, 2007 which directly impacted the interest earned on the Company's variable rate loans tied to the prime lending rate, a lag in the downward repricing of interest-bearing liabilities compared to interest-earning assets, a change in the mix of interest-bearing liabilities towards a higher percentage of certificates of deposit and other borrowings, and credit and liquidity troubles at some of our competitors which caused them to offer exceptionally high deposit rates which in turn kept deposit rates for the entire industry elevated more than they possibly otherwise would be.

The provision for loan loss was \$1,350,000 and \$0 during the quarters ended December 31, 2007 and December 31, 2006, respectively. Net loan charge-offs were \$1,158,000 during the quarter ended December 31, 2007 compared to \$79,000 during the quarter ended December 31, 2006. The

\$1,158,000 of net loan charge-offs during the quarter ended December 31, 2007 were comprised of \$556,000 of indirect auto loans, \$436,000 of home equity lines of credit and loans, \$84,000 of small business loans, and \$82,000 of other loans. Nonperforming loans, net of government agency guarantees, were \$7,511,000 at December 31, 2007 compared to \$4,512,000 at December 31, 2006. The Company's allowance for losses, which consists of the allowance for loan losses and the reserve for unfunded commitments, was \$19,421,000 or 1.25% of total loans outstanding and 259% of nonperforming loans at December 31, 2007 compared to \$18,763,000 or 1.24% of total loans outstanding and 416% of nonperforming loans at December 31, 2006.

The \$749,000 (4.4%) increase in noninterest expense during the quarter ended December 31, 2007 compared to the year-ago quarter was due to a \$325,000 (3.5%) increase in salaries and benefits expense to \$9,730,000 and a \$602,000 (8.3%) increase in other noninterest expenses to \$7,849,000. The increase in salaries and benefits expense was due to increases in base salaries and benefits expenses that were partially offset by a decrease in incentive compensation expense. The increase in other noninterest expense was primarily due to increased occupancy, equipment, and marketing expense that were partially offset by reduced intangible amortization.

The \$487,000 (7.3%) increase in noninterest income was primarily due to a \$606,000 (12.3%) increase in service charges and fees to \$5,546,000 during the quarter ended December 31, 2007 from the quarter ended December 31, 2006. Other noninterest income decreased \$119,000 (7.1%) to \$1,568,000 due mainly to a \$314,000 (58%) decrease in income from cash value of life insurance to \$230,000, and a \$111,000 (31.8%) decrease in gain on sale of loans to \$238,000, that were partially offset by a \$281,000 (67.4%) increase in commission on sale of nondeposit investment products to \$698,000.

As of December 31, 2007, the Company had not repurchased any shares of its common stock under its stock repurchase plan adopted on August 21, 2007, which left 500,000 shares available for repurchase under the plan.

Richard Smith, President and Chief Executive Officer commented, "Earnings for the fourth quarter of 2007 proved to be very challenging for the banking industry as well as our bank. The difference is that our lower earnings in the fourth quarter are based more upon lower asset yields as a result of a lower prime rate and liabilities that could not re-price quickly due to industry liquidity challenges. Our earnings results were only minimally affected by loan losses as our loan portfolio has held up well during this slowing economic cycle."

In addition to the historical information contained herein, this press release contains certain forward-looking statements. The reader of this press release should understand that all such forward-looking statements are subject to various uncertainties and risks that could affect their outcome. The Company's actual results could differ materially from those suggested by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, variances in the actual versus projected growth in assets, return on assets, loan losses, expenses, rates charged on loans and earned on securities investments, rates paid on deposits, competition effects, fee and other noninterest income earned as well as other factors. This entire press release should be read to put such forward-looking statements in context and to gain a more complete understanding of the uncertainties and risks involved in the Company's business.

TriCo Bancshares and Tri Counties Bank are headquartered in Chico, California. Tri Counties Bank has a 32-year history in the banking industry. Tri Counties Bank operates 32 traditional branch locations and 25 in-store branch locations in 23 California counties. Tri Counties Bank offers financial services and provides a diversified line of products and services to consumers and

businesses, which include demand, savings and time deposits, consumer finance, online banking, mortgage lending, and commercial banking throughout its market area. It operates a network of 64 ATMs and a 24-hour, seven days a week telephone customer service center. Brokerage services are provided at the Bank's offices by the Bank's association with Raymond James Financial, Inc. For further information please visit the Tri Counties Bank web-site at <http://www.tricountiesbank.com>.

TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA

(Unaudited. Dollars in thousands, except share data)

	Three months ended				
	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006
Statement of Income Data					
Interest income	\$32,179	\$32,442	\$31,986	\$30,661	\$31,545
Interest expense	10,869	10,602	9,895	9,216	9,821
Net interest income	21,310	21,840	22,091	21,445	21,724
Provision for loan losses	1,350	700	500	482	-
Noninterest income:					
Service charges and fees	5,546	5,218	5,375	5,061	4,940
Other income	1,568	1,629	1,654	1,539	1,687
Total noninterest income	7,114	6,847	7,029	6,600	6,627
Noninterest expense:					
Base salaries net of deferred loan origination costs	6,504	6,142	5,940	5,995	5,885
Incentive compensation expense	873	452	1,281	1,203	1,408
Employee benefits and other compensation expense	2,353	2,381	2,398	2,544	2,112
Total salaries and benefits expense	9,730	8,975	9,619	9,742	9,405
Intangible amortization	122	122	122	123	350
Provision for losses - unfunded commitments	50	-	74	117	-
Other expense	7,849	7,655	7,628	6,978	7,247
Total noninterest expense	17,751	16,752	17,443	16,960	17,002
Income before taxes	9,323	11,235	11,177	10,603	11,349
Net income	\$5,701	\$6,793	\$6,755	\$6,444	\$6,918
Share Data					
Basic earnings per share	\$0.36	\$0.43	\$0.42	\$0.41	\$0.44
Diluted earnings per share	0.35	0.42	0.41	0.39	0.42
Book value per common share	11.87	11.50	11.22	10.96	10.69
Tangible book value per common share	\$10.82	\$10.44	\$10.16	\$9.89	\$9.60
Shares outstanding	15,911,550	15,891,300	15,917,291	15,910,291	15,857,207
Weighted average shares	15,908,151	15,889,061	15,916,313	15,878,929	15,857,166
Weighted average diluted shares	16,265,571	16,310,631	16,463,389	16,415,845	16,396,320
Credit Quality					
Non-performing loans, net of government agency guarantees	\$7,511	\$7,507	\$13,360	\$5,991	\$4,512
Other real estate owned	187	187	187	187	-
Loans charged-off	1,425	843	751	739	498
Loans recovered	\$267	\$283	\$355	\$238	\$419
Allowance for losses to total loans ⁽¹⁾	1.25%	1.25%	1.26%	1.26%	1.24%
Allowance for losses to NPLs ⁽¹⁾	259%	255%	143%	315%	416%
Allowance for losses to NPAs ⁽¹⁾	252%	249%	141%	305%	416%
Selected Financial Ratios					
Return on average total assets	1.17%	1.44%	1.44%	1.38%	1.46%
Return on average equity	12.08%	14.92%	15.11%	14.79%	16.23%
Average yield on loans	7.64%	7.93%	7.93%	7.63%	7.81%
Average yield on interest-earning assets	7.29%	7.58%	7.58%	7.30%	7.43%
Average rate on interest-bearing liabilities	3.16%	3.18%	3.02%	2.85%	2.97%
Net interest margin (fully tax-equivalent)	4.85%	5.12%	5.25%	5.12%	5.13%
Total risk based capital ratio	11.9%	11.7%	11.8%	11.8%	11.4%
Tier 1 Capital ratio	10.9%	10.7%	10.8%	10.8%	10.4%

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

TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA

(Unaudited. Dollars in thousands)

	Three months ended				
	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006
Balance Sheet Data					
Cash and due from banks	\$88,798	\$70,791	\$93,636	\$75,263	\$102,220
Federal funds sold	-	488	1,715	-	794
Securities, available-for-sale	232,427	239,242	175,891	188,478	198,361
Federal Home Loan Bank Stock	8,766	8,652	8,543	8,442	8,320
Loans					
Commercial loans	164,815	165,559	159,822	142,083	153,105
Consumer loans	535,819	542,875	526,575	516,550	525,513
Real estate mortgage loans	716,013	697,670	687,744	687,088	679,661
Real estate construction loans	135,319	128,972	133,487	149,893	151,600
Total loans, gross	1,551,966	1,535,076	1,507,628	1,495,614	1,509,879
Allowance for loan losses	(17,331)	(17,139)	(16,999)	(16,895)	(16,914)
Premises and equipment	20,492	20,804	20,891	20,924	21,830
Cash value of life insurance	44,981	44,751	44,346	43,941	43,536
Goodwill	15,519	15,519	15,519	15,519	15,519
Intangible assets	1,176	1,298	1,421	1,543	1,666
Other assets	33,827	34,041	34,436	33,492	34,755
Total assets	1,980,621	1,953,523	1,887,027	1,866,321	1,919,966
Deposits					
Noninterest-bearing demand deposits	378,680	345,467	366,321	364,401	420,025
Interest-bearing demand deposits	216,952	214,726	226,591	235,497	230,671
Savings deposits	383,226	386,866	387,422	381,069	374,605
Time certificates	566,365	585,083	530,545	555,882	573,848
Total deposits	1,545,223	1,532,142	1,510,879	1,536,849	1,599,149
Federal funds purchased	56,000	66,000	80,500	38,000	38,000
Reserve for unfunded commitments	2,090	2,040	2,040	1,966	1,849
Other liabilities	31,066	29,382	28,878	32,524	30,383
Other borrowings	116,126	99,996	44,892	41,347	39,911
Junior subordinated debt	41,238	41,238	41,238	41,238	41,238
Total liabilities	1,791,743	1,770,798	1,708,427	1,691,924	1,750,530
Total shareholders' equity	188,878	182,725	178,600	174,397	169,436
Accumulated other					
comprehensive loss	(1,552)	(3,628)	(4,779)	(3,988)	(4,521)
Average loans	1,530,729	1,517,419	1,506,913	1,490,055	1,498,040
Average interest-earning assets	1,776,770	1,721,547	1,698,620	1,692,574	1,711,743
Average total assets	1,949,096	1,891,992	1,871,260	1,865,448	1,890,765
Average deposits	1,545,369	1,499,793	1,500,733	1,534,473	1,550,979
Average total equity	\$188,753	\$182,080	\$178,836	\$174,262	\$170,518