



TRICO BANCSHARES 2001 ANNUAL REPORT

building community







In 1975 with \$1 million in capital, a group of business people, farmers and professionals chartered Tri Counties Bank in Chico, California. Six years later TriCo Bancshares, a holding company, was formed with the Bank as its sole subsidiary. At year end 2001, the Company had capital exceeding \$86 million.

The Bank has grown from the original branch in Chico to thirty traditional branches, and seven in-store branches in eighteen Northern California counties from the San Joaquin Valley to the Oregon border. In 2001, the Bank completed plans to open four new branches during 2002.

Throughout the years of expansion, Tri Counties Bank has remained committed to customer-oriented retail banking by developing banking products and utilizing current technology to meet customer needs and desires. During this evolution of product and technology, Tri Counties Bank has maintained its most outstanding feature: old-fashioned, personal customer service. Customers are always welcome in our branches and are greeted by a courteous, friendly and professional staff.

The Bank provides customer convenience through traditional and in-store branches with extended hours. Also, customers can perform most common banking functions through the 24-hour telephone banking system, as well as via the Internet. Personalized service is available seven days a week from customer service representatives in the

TRICO BANCSHARES

NASDAQ SYMBOL: TCBK
www.tcbk.com

Bank's Telephone Banking Center. Retail banking services include home equity loans and lines of credit tailored to match customer needs, installment loans, checking accounts with added value, the Check Card, which allows the customer to access checking account funds at ATMs and worldwide wherever Visa is accepted, a variety of savings options, mutual funds and annuity products through Raymond James Financial Services, Inc., and Visa and MasterCard credit cards.

The Bank's business customers are primarily small to medium-sized enterprises and agribusinesses within the Bank's service area. Business customers can rely on a personal business banker who acts as a guide to financial services and expeditor of business loans. Business banking services include loans, lines of credit and small business loans, merchant card services, which allow the customer's business to accept credit, debit and ATM card payments, electronic banking products, which enable customers to

initiate a wide variety of banking functions from a personal computer or touch-tone phone, business checking services, business savings and investments, equipment leasing and business retirement products.

Tri Counties Bank relies substantially on local promotional activity, personal contacts by its officers, directors, and employees, extended hours, personalized service and its reputation in the communities it serves to compete with other financial institutions.

FIVE YEAR SELECTED FINANCIAL DATA

(in thousands, except share data)

	2001	2000	1999	1998	1997
STATEMENT OF OPERATIONS DATA:¹					
Interest income	\$ 73,372	\$ 76,653	\$ 68,589	\$ 65,138	\$ 59,877
Interest expense	23,486	28,543	24,370	25,296	23,935
Net interest income	49,886	48,110	44,219	39,842	35,942
Provision for loan losses	4,400	5,000	3,550	4,200	3,000
Net interest income after provision for loan losses	45,486	43,110	40,669	35,642	32,942
Noninterest income	15,061	14,645	12,101	12,869	9,566
Noninterest expense	40,804	37,895	34,833	34,692	32,932
Income before income taxes	19,743	19,860	17,937	13,819	9,576
Provision for income taxes	7,324	7,237	6,534	5,049	3,707
Net income	\$ 12,419	\$ 12,623	\$ 11,403	\$ 8,770	\$ 5,869
SHARE DATA:²					
Diluted earnings per share	\$ 1.72	\$ 1.72	\$ 1.56	\$ 1.21	\$ 0.81
Cash dividend paid per share	0.80	0.79	0.70	0.49	0.43
Common shareholders' equity at year end	12.42	11.87	10.22	10.22	9.31
BALANCE SHEET DATA at year end:					
Total loans, gross	\$ 658,732	\$640,391	\$587,979	\$532,433	\$448,967
Total assets	1,005,447	972,071	924,796	904,599	826,165
Total deposits	880,393	837,832	794,110	769,173	724,094
Total shareholders' equity	86,933	85,233	73,123	72,029	65,124
SELECTED FINANCIAL RATIOS:					
Return on average assets	1.27 %	1.35 %	1.26 %	1.03 %	0.75 %
Return on average common shareholders' equity	14.19 %	16.03 %	15.59 %	12.80 %	9.34 %
Leverage ratio	8.17 %	8.41 %	7.78 %	7.29 %	7.01 %
Total risk-based capital ratio	11.68 %	12.22 %	11.77 %	11.83 %	11.90 %
Net interest margin ³	5.73 %	5.73 %	5.49 %	5.28 %	5.16 %
Allowance for loan losses to total loans outstanding at end of year	1.98 %	1.82 %	1.88 %	1.54 %	1.44 %

¹ Tax-exempt securities are presented on an actual yield basis.

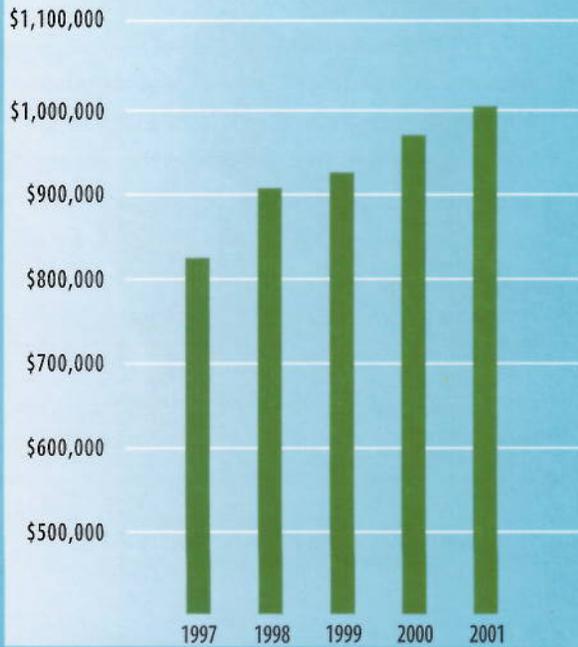
² Retroactively adjusted to reflect 3-for-2 stock split effected in 1998.

³ Calculated on a tax equivalent basis.



TOTAL ASSETS

IN THOUSANDS



NET INCOME

IN THOUSANDS



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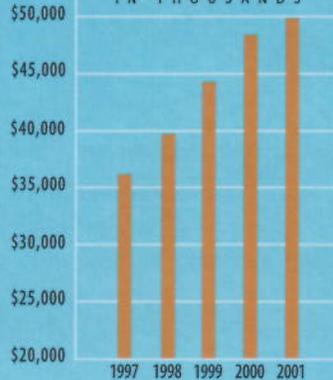
TOTAL DEPOSITS

IN THOUSANDS



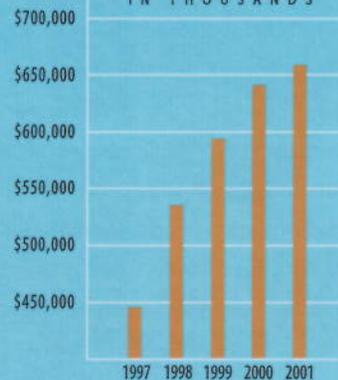
NET INTEREST INCOME

IN THOUSANDS

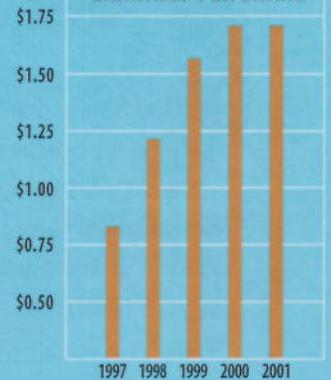


TOTAL LOANS

IN THOUSANDS



DILUTED EARNINGS PER SHARE





A million dollars to a billion dollars in just 26 years! Tri Counties Bank commenced operations in 1975 with \$1 million in capital. TriCo Bancshares, now the parent Company, ended 2001 with assets totaling over \$1 billion for the first time at \$1,005,447,000. Total shareholders' equity increased to \$86,933,000 and market capital was over \$130,000,000 at year end.

I am also pleased to report that 2001 earnings remained at near record levels. Earnings for 2001 were \$12,419,000, or \$1.72 per diluted share. Diluted earnings per share for 2000 were also \$1.72 on record earnings of \$12,623,000. We sustained earnings by maintaining our net interest margin despite 11 reductions in the prime-lending rate. Our return on average assets was 1.27% and our return on average equity was 14.19%.

As announced October 19, 2001, the Board of Directors approved a new plan to repurchase, as conditions warrant, up to 150,000 shares of the Company's stock on the open market or in privately negotiated transactions. This new purchase plan represented approximately 2.2% of the Company's 6,992,080 then outstanding common shares and is open-ended. During 2001, the Company repurchased 368,800 shares under various repurchase plans including 108,800 shares under this new plan.

Our top management team has been strengthened by the addition of Richard A. Miller as Senior Vice President and Director of Human Resources. Rick, formerly with Bank of America and World Savings, is now also in charge of the Training Department.

TriCo Bancshares plans to continue growing our business by offering a wide range of financial services while differentiating ourselves from the competition based on our level of customer sales and service. Our focus is on the financial success of our customers. We refer to Tri Counties Bank as "Your Life Improvement Bank," and we provide customers with expertise in non-deposit investment products, home equity, mortgage and small business lending.

Over \$1 billion in assets
Continued high earnings and dividends
Stock repurchase
Rick Miller joins Management Team
Four new branches scheduled for 2002

We expect to increase market share in our existing markets. Currently, we are number one in home equity lending in both Butte and Shasta counties. During 2002, we will enter new markets within the wide geographical area we currently serve. A full-service branch will open soon in Oroville. In-store branches are planned for new Raley's Supermarkets in Brentwood and northern Sacramento. An additional financial services facility is planned for northeast Fresno.

September 11, 2001, will forever remind us of our need to be a good citizen. Throughout 2001, Tri Counties Bank continued a long tradition of community involvement. Corporate sponsorships and donations were distributed among student academic scholarships, youth sports, volunteer firefighting companies, community festivals, the arts, service organizations and other worthy causes. We are particularly proud of community volunteerism by Tri Counties Bank employees. They continue to enrich the lives of their neighbors in many ways with their time, effort and expertise. Our employees help to unify and build healthy communities.

TriCo Bancshares and Tri Counties Bank exist for only one purpose: improving the financial success and well-being of our shareholders, customers, communities and employees. Thank you for your support of this mission.

Sincerely,

Richard P. Smith
President and Chief Executive Officer

Craig Carney
Senior Vice President,
Chief Credit Officer

Andrew Mastorakis
Executive Vice President,
Retail Banking

Richard O'Sullivan
Executive Vice President,
Wholesale Banking



Richard P. Smith
President and CEO

Rick Miller
Senior Vice President,
Director of Human Resources

Ray Rios
Vice President,
Manager Information Systems

Thomas Reddish
Vice President,
Chief Financial Officer

CHAIRMAN'S MESSAGE



As a member of your Board of Directors since 1989 and Vice Chairman since 1998, I was delighted to be elected Chairman at the March 2001 meeting. The Casey family has been a substantial stockholder in Tri Counties Bank since its inception. My father, Donald J. Casey, M.D., was a Founding Director and member of the Board for fifteen years. I joined the Board upon his retirement.

I established my own healthcare consulting business in 1986 after leaving my position as Northern California Regional Vice President of National Medical Enterprises, Inc., (currently Tenet Healthcare Corporation). During the past fifteen years, I have served as the acting chief executive officer of numerous hospitals that have needed assistance in regaining financial viability.

Since I became your Chairman, some important policy changes have been adopted by the Board. Firmly believing that top bank officers should also be owners and share stockholder concerns, we initiated the Company's 2001 Stock Option Plan, which was approved by the stockholders in 2001. We also initiated a rights agreement to protect stockholders from unfair takeover tactics.

BOARD OF DIRECTORS

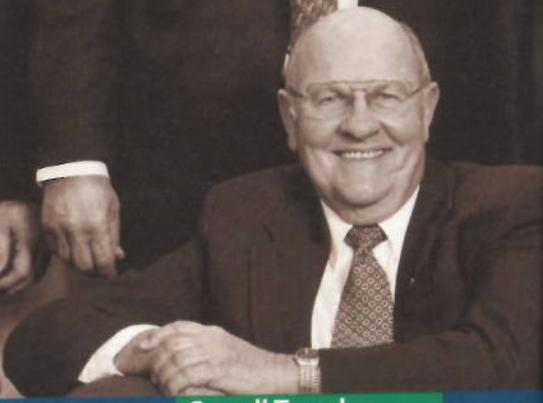
Richard P. Smith
President and
Chief Executive Officer,
TriCo Bancshares and
Tri Counties Bank,
Chico



Donald E. Murphy
Vice Chairman of the Board
Vice President and
General Manager,
J.H. McKnight Ranch,
Nelson



Robert H. Steveson
Vice Chairman of the Board
TriCo Bancshares and
Tri Counties Bank
Chico



Carroll Tareh
Retired Banking Executive,
Chico

As stockholders, we owe much to Alex Vereschagin, Board Chairman from 1984 to March 2001, and to Bob Steveson, President from 1975 to November 1999, for the transition to our present high quality management team. We now have a bank with over one billion dollars in assets. Our long-term direction continues to focus on serving our customers. We will continue to provide products and services which lead our customers on their path to financial success. In addition, we will look for growth in both existing and new markets within our growing market area.

I believe that our Management team will continue to bring fresh ideas, and that they have the ability to execute them, allowing our Company to meet and even exceed your expectations in the future.

Sincerely,



William J. Casey
Chairman of the Board

Craig S. Compton
President, AVAG, Inc.
Aerial Application
Business,
Richvale

Brian D. Leidig
President,
Parlay Investments, Inc.
Real Estate Investment
and Development
Company,
Redding

Alex A. Vereschagin, Jr.
Secretary-Treasurer,
Plaza Farms
and General Partner,
Vereschagin Co.,
Orland

William J. Casey
Chairman of the Board
Health Care Consultant,
Chico

Wendell J. Lundberg
Secretary of the Board
Owner,
Wehah Farms
Rice and Grain Operations,
Richvale

"YOUR LIFE IMPROVEMENT BANK"

RETAIL BANKING



Andrew Mastorakis
Executive Vice President
Retail Banking

In 2001, Tri Counties Bank Retail Banking made great strides on several fronts. Our branding efforts to position ourselves with the value proposition, "Your Life Improvement Bank," have taken hold both externally and internally. Through advertising and promotion, the customer has learned that Tri Counties Bank promises to guide them toward financial success.

The process can be described as a cycle: our customers define their financial goals, then we listen to their true needs, make recommendations using our products and services, and guide them to solutions they may not know they had available to them. As we help them improve their financial well-being, they trust us again in their financial decisions as they journey toward their financial success. Increased business from each customer is the measurement of delivering on our promise.

We have invested a lot in training to create a team of financial experts who embrace these expectations. Although the emphasis is on the front lines at the Call Center and branches, every employee acts as an advocate for the Bank and its services. Our incentive plans, measurement reports and recognition efforts work together to stimulate and support our employees' intense involvement in growing our business.

This culture has made a material improvement in the bottom line. Tri Counties Bank enjoyed a tremendous increase in core deposits, growing our household base by approximately 2,500 households, a rate that exceeded the growth in our market. This was coupled with our second year of approximately 30% annual growth in the con-

sumer loan portfolio. We closed 1,049 real estate loans during 2001, a record year for the Bank. We also became the #1 provider of home equity loans and lines of credit in our major markets, including Butte and Shasta counties. This is of special note because, typically, a consumer loan portfolio experiences greater paydowns and payoffs during a refinance boom, as experienced during 2001, because of debt consolidation. Sales per branch and FTE have improved as a result of our advancements in needs-based selling and our sales environment. This has resulted in a decreased reliance on price to compete and a superior net interest margin.

The Call Center has become a major sales channel and is well on the way to its three-year objective of providing 10% of the Bank's sales. Last year the Call Center accounted for substantial growth, and its sales are similar to one of the top traditional branches.

In-store Banking in supermarkets continues to be important to Tri Counties Bank's growth strategy. In 2001 the seven In-store branches accounted for nearly 50% of the total household growth and exceeded the deposit and loan growth rate of the Bank. Entry into new markets in 2002 will be largely driven by two new full-service In-store branches, giving Tri Counties Bank access to over 40,000 prospective customers.

We are very proud of the great strides made by our enthusiastic, high-caliber employees. Our demonstrated ability to grow our customer base and expand our range of services paves the way for our aggressive growth plan of four new branches in 2002.



left:

J. Kay Armstrong

Call Center Manager

Cindy Bennington-Foor

Vice President,
Regional Manager, Southern Branches

Monica Canchola

Vice President, Operations Administration

Andrew Mastorakis

Executive Vice President, Retail Banking

Karen Fields

Vice President,
Regional Manager, In-store Branches

Guy Watson

Vice President,
Regional Manager, Northern Branches

right:

Rick Hagstrom

Vice President, Manager, Real Estate Department



TRICO BANCSHARES 2011 ANNUAL REPORT



Richard O'Sullivan
Executive Vice President
Wholesale Banking

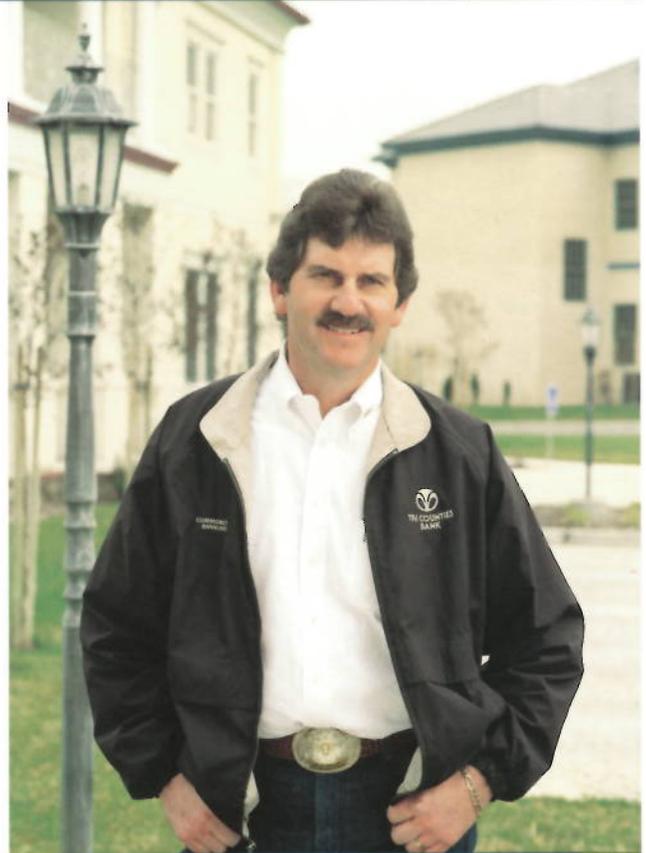
Quality Relationships

The focus of Commercial Banking is on acquiring and retaining quality relationships with customers whose financial service needs are larger and more complex. These customers require individualized service from a number of specialists for loans, deposits, investments and insurance. These specialists deliver product through a direct calling program that identifies the prospects, assesses their needs and recommends suitable products and services.

Quality is the key factor in growing a profitable credit portfolio. The Bank has always taken stock in the fact that the loan portfolio exhibited high quality standards. Given the uncertain state of the economy in the year 2001 and continuing difficulties in the agricultural sector specifically, credit quality continues to be emphasized.

Commercial Banking Products

Tri Counties Bank offers a full array of borrowing and cash management products. Loan products are delivered through Relationship Managers and include working capital lines of credit, asset-based financing, equipment term loans and leases, crop loans, agricultural ground development financing, real estate construction and permanent loans, planned development financing and other custom-tailored products. Cash Management services are provided by Corporate Client Officers and include business deposit accounts, online banking, internal and external sweep accounts, and controlled disbursement. Investment Representatives provide non-deposit investment products, retirement and financial planning, as well as insurance through Raymond James Financial Services. All of these specialists support the development and maintenance of the customer relationship together with the Manager of the branch where deposit and loan accounts are domiciled.



Redding
Nolan Hawkins, Vice President, Commercial Lending



Chico
Dave Raven, Vice President, Commercial Lending **George Barstow**, Senior Vice President

Customer Identification

Targeted customers generally have borrowing needs of over \$500,000 up to \$5,000,000. They may also have large cash deposit balances requiring higher return and/or sophisticated cash management capability. These customers are generally businesses with sales over \$2,000,000 or high net worth individuals who borrow larger sums to finance investments that are usually real estate oriented.

In addition to targeting relationship-oriented customers, Relationship Managers look for borrowers who see their bank as a part of their team, look for quality over price, are community and/or regional business leaders, and most importantly, have a track record of success and stability.

Business types targeted include agriculture, manufacturing and assembling, wholesalers, distributors, retailers, basic service industries and providers, construction and standing real estate, and developers and builders.

Delivery Systems

The Commercial Banking Group operates from five regional hubs located in Chico, Redding, Yuba City, Sacramento and Bakersfield. Each hub is staffed locally with Relationship Managers and Credit Analysts who are chartered with business development and ongoing relationship management. Loan documentation is drawn at the Chico Headquarters. Relationship Managers are responsible for developing leads, determining customer needs, developing an appropriate credit file, fully analyzing, underwriting and structuring credit, monitoring the credit going forward and account setup and management.

The Tri Counties Bank Difference

In addition to having strong regional representation, Senior Management is dedicated to business development and relationship building. Major borrowers and prospects in each marketplace are routinely called on and recognized by Senior Management. This dedication to customer calling distinguishes Tri Counties Bank from others in the marketplace.

Management believes that community involvement, local knowledge, underwriting, and account management are key components of the commercial banking strategy. This strategy provides better service for key commercial customers, better understanding of borrower needs and credit issues, better response time and credit structures, better underwriting and credit quality, and better referral and business development.



Bakersfield
Greg Gill, Vice President, Commercial Lending



Yuba City
Bob Elmore, Vice President, Commercial Lending

community sharing and working for unity

TRICO BANCSHARES ANNUAL MEETING



Community volunteers like Hal Gibbs, here with Tri Counties Bank President and CEO Rick Smith, are essential for successful fund-raisers. Enloe Foundation's Annual Playhouse Project benefits local children by supporting two very important programs, The Enloe Children's Health Center and Recreation & Dreams for Children with Cancer (R.A.D.).

those in need



Modesto Branch Manager Carla Bradley serves on the board of Habitat for Humanity in Modesto. Carla discovered Habitat for Humanity when her brother Shawn, disabled by arthritis at a young age, was able to buy a home for his family through Habitat for Humanity in North Carolina.



George Matthews from STAR 96.7 FM in Chico and Park Plaza Branch Manager Mark Edwards collect "Pennies from Heaven" for the Esplanade House's Children's Fund. The Esplanade House is the only family homeless shelter north of Sacramento. It empowers homeless families to help themselves through training and counseling services while providing daycare for the children who live there.

High School Sober Grad Night • Tosca-Schoolship Community Assn
 Gustine Unlimited Scholarship Trust Organization • Gustine Future Farm
 of America Ag Booster • Soroptomists • SCOC Store Fund • Mercy Hospice
 Leadership Redding • Crescent City Assistance Fund • West Valley High G
 Basketball • YMCA Building Fund • Redding Swim Team • Chambore • KIX
 Shingletown Library Building Fund • Citizens Patrol • Westside Food Pant
 • Bishop Quinn Sports Sign • Fall River High Boosters • Fall River High Sch
 Building Fund • Downtown Benefit Assoc. Park n Shine • Chico Chamber
 Commerce • American Heart Assoc. • Junior Golf • Redding Drag Assoc
 Kids Off the Street Program • Foothill High Scoreboard • State F
 Committee • Inter-Mountain Fair Days • Shasta Wild Life Rescue • Haw
 Humane Society • American Cancer "Tee Up" • Redding Aquatics "Plun
 Project" • Shasta Lake City Skate Board Park • Cascade Theater • Shasta F
 Live Stock Sales • Durham High School Scholarship • Willows High Scho
 Scholarship • Twin Oaks Convalescent Hospital Recreation Fund • Orlan
 High School Scholarship • Oroville High School Scholarship • Paradise Hi
 School Scholarship • Modesto Habitat for Humanity • Chico Area Scho
 Scholarships • Peg Taylor Adult Day Care • Chico Christian Elementa
 School Scholarship • Notre Dame Elementary School Scholarship • Orovi
 Rescue Mission • Champion Christian Elementary School Scholarship • Kin
 Christian Elementary School Scholarship • Boys & Girls Club Camp Journ
 • Independent Living Services of Northern California • Girl Scout Jambore
 Chico Mall Kids Club • PV Grad Nite 2001 • Big Brothers and Big Sister
 Durham Unified Intermediate School Destination ImagiNation Team
 Emma Wilson Environmental Camp • Chico High School Music Dept. • Jes
 Center • Chico Valley Scorchers Youth Cheer • Chico Community Balle
 Catholic Ladies Relief Society • Nevada Union High School Scholarship
 Touchstone • Chico Museum • Richvale Foundation • Commu
 Foundation of Richvale • Chico Friends of the Library • CDF Firefight
 Butte Chapter • Butte Community College Football Holiday Bowl • FC
 Winds Indian Education, Inc. • PEO Foundation • Salvation Army • Nation
 Guard Benefit • 9-11 Disaster Relief Fund • Passages Adult Resource Cente
 American Cancer Society • Yuba-Sutter Mercy Guild • Live Oak High Sch
 Scholarship • Marysville High School Scholarship • Wheatland High Sch
 Scholarship • Fremont/Rideout Health Foundation • Lindhurst High Sch
 Scholarship • Sutter High School Scholarship • California Women for A
 Alzheimers Assoc. • Yuba City High School Scholarship • Casa De Esperanz
 Bear River High School Scholarship • The North Valley 4-H After Sch
 Program • Chief Tenaya Benefit • Cottonwood Parade Rodeo • Reddi
 American Cancer Society Relay for Life • Shasta Community Services Unit
 Way • Redding Chamber of Commerce • Yreka Rodeo • Habitat for Human
 Grass Valley • Durham High School Sober Grad Night • Paradise Office
 Education • Red Bluff Team Penning • Orland Business Impleme
 Association • Middletown Merchant Association Christmas Trees for t
 Needy Program • Orland High School Safe and Sober Graduation Center
 of Foreign Wars • Chico Rice Baseball • Middletown Rotary • Toys for Tot
 California Dried Plum Festival • Orland High School Land of Troy N^ospap
 • Enloe Children's Health Center • Recreation and Dreams (RAD) • Westsi
 Stingers • MDA • Chico High School Cats Wrestling Booster Club • Chi
 Hurricanes AAU Basketball • Chico High School Boys Volleyball • Willo
 Intermediate School • Risen King Community Church Xmas Baskets
 Homeless • Yuba Sutter Chamber of Commerce Business Showcas
 Paradise Irrigation District-Kids Fishing Day • Gold Nugget Museum • Go
 News Rescue Mission • Chico Westside Little League • The Chemikil Peop
 • Chowchilla District Chamber of Commerce • Bethel Christian School
 Butchie's Pool Benefit for the Handicapped • Music in the Mountains • Gr
 Valley • Muscular Dystrophy Assoc. • Second Baptist Church • Siskiyou U
 Stock Sales • Middletown High School Scholarship • Cornerstone Christ
 School • Chico Jaguars Cheerleading • United Way • Tehama Live Stock Sa
 • Esplanade House • Biggs High School Scholarship • Covelo High Sch
 Scholarship • Make A Wish Foundation • Butte College Scholarship • Grid
 High School Scholarship • Paradise Chamber of Commerce • Foothill Hi
 School Academic Awards • Fairchild Medical Center Foundation Childre
 Christmas Festival • Chico High Grad Night • National Child Safety Counc
 Yuba College Baseball • Marysville Lions Club • Glenn County Sheriff's Po
 • Central Valley High School • Orland Girls Softball League • Willows Lit
 League • Capay Volunteer Fire Dept. • CSUC Rugby Team • Handi-Ride
 Paradise High School Athletic Dept. • National Turkey Foundation • Pl
 School Carnival • Shasta County YMCA • Schools for Excellence • Ch
 Rugby Club • Middletown Merchant Assoc. • CDS Shasta Chapter • Americ
 Cancer Society- North State Unit • PV Sports Booster • Special Olymp
 Northern California, Inc. • Pheasants Forever • Bethel Christian School • Ch
 Meals on Wheels • Every Fifteen Minutes Drug and Alcohol Awarene
 Program • Fall River Chamber of Commerce • Secret Witness of Sha
 County Inc. • Shasta Family YMCA • Chico Tennis Assoc. • Gustine You
 Baseball and Softball • CCCCC • Willows Christian Church • Marysville Lit
 Club • Burney Lions Club • Faith Christian High School Scholarship • E
 Nicholas High School Scholarship • Punjabi American Heritage Societ
 Patterson-Westley Chamber of Commerce • Wilson Middle School • Grea
 Yosemite Council, Boy Scouts of America • Glenn City Office of Educat
 Local Child Care Planning Council • CSUC Students in Free Enterprise • C
 Bend Fire Dept. • Cruzn' Classic Car Show • Sounds of the Valley Chor
 Covelo Future Farmers of America • Round Valley Community Rodeo •
 Banos May Day Fair • Glenn Co 4H/Future Farmers of America Replacem
 Heifer Program • Our Lady of Miracles Parents Club Spring Festival • Cit
 Susanville Rodeo • Students in Free Enterprise • Chico Area Recreat
 District • Orland Little League • Classic Truck Show • Redding Du
 "Auction" • Butte City Fire Dept. • Orland Volunteer Fire Dept. • R.M.
 Intermountain Division • Wild West County Fest • 2001 Glenn County Fa
 Mule Deer Foundation • West Valley High School • Alta Mesa Scho
 Enterprise High School Scholarship • Nevada County Fair • Secret Witen
 Shasta County Inc. • North Valley Christian School • E.N.A.C.T. 13
 Gustine Freedom Run • Chico Elks Lodge • Silver Dollar Fair Junior Livest
 Auction • Paradise Rotary Club • Yuba County and Sutter Counties Sher

community improving the quality of unity

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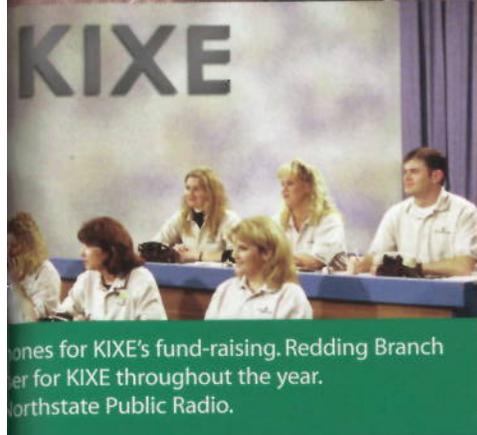


Tri Counties Bank Real Estate Loan Specialist Jerry Wimmer is Executive Director of the Tri Counties Bank Holiday Bowl at Butte College. In 1999, Jerry received the Outstanding Alumni Award and in 2002 was inducted into the Butte College Athletic Hall of Fame.



Members of the Redding Branch cover the Manager Cher Matthews is an active fundraiser. Tri Counties Bank also sponsors KCHO/KFP

- Patterson High School Scholarship • Bakersfield Teen Challenge • Gustine High School Sober Grad Night • Chambore • CDF Firefighters, Butte Chapter • Gustine Future Farmers of America • Library Building Fund • Citizens Patrol • Westside Food Pantry • Bishop Quinn Sports Sign • Fall River High School Boosters • Fall River High School Building Fund • American Heart Assoc. • Junior Golf • "Tee Up" • Redding Aquatics "Plunge Project" • Shasta Lake City Skate Board Park • Cascade Theater • Shasta Fair Live Stock Sales • Durham High School Scholarship • Modesto Habitat for Humanity • Columbus • Hamilton City Citizens in Action / Levee Festival • Peg Taylor Adult Day Care • Tehama County Cattlewomen • Chico Christian Elementary School Scholarship • Notre Dame Elementary • Jamboree • Chico Mall Kids Club • PV Grad Nite 2001 • Durham Unified Intermediate School Destination ImagiNation Team • Emma Wilson Environmental Camp • Chico High School Music Dept. • of Richvale • Chico Friends of the Library • Butte College Football • Four Winds Indian Education, Inc. • City of Susanville Rodeo • Salvation Army • National Guard Benefit • 9-11 Disaster Relief • DeEsperanza • Chief Tenaya Benefit • Cottonwood Parade Rodeo • Redding American Cancer Society Relay for Life • Shasta Community Service • United Way • Redding Chamber of Commerce • House • Veterans of Foreign Wars • Chico Rice Baseball • Middletown Rotary • Toys for Tots • California Dried Plum Festival • Orland High School Land of Troy Newspaper • Westside Stingers • M • Gold Nugget Museum • Good News Rescue Mission • Chico Westside Little League • The Chemical People • Chowchilla District Chamber of Commerce • Music in the Mountains-Grass Valley • Butte College Scholarship • Gridley High School Scholarship • Paradise Chamber of Commerce • Foothill High School Academic Awards • Chico High Grad Night • National Child Safety Council • Rugby Team • Paradise High School Athletic Dept. • National Turkey Foundation • Plaza School Carnival • Shasta County YMCA • Schools for Excellence • Chico Rugby Club • Middletown Men's • Youth Baseball and Softball • CCCCC • Willows Christian Church • Marysville Lions Club • Faith Christian High School Scholarship • East Nicholas High School Scholarship • Punjabi American • Free Enterprise • Ord Bend Fire Dept. • Cruzn' Classic Car Show • Sounds of the Valley Chorus • Covelo Future Farmers of America • Round Valley Community Rodeo • Los Banos May Day Fair • G • District • Orland Little League • Classic Truck Show • Redding Ducks "Auction" • Butte City Fire Dept. • Orland Volunteer Fire Dept. • R.M.E.F. Intermountain Division • Wild West County Fest • 20 • Chico Elks Lodge • Silver Dollar Fair Junior Livestock Auction • Gustine Future Farmers of America • Orland Area Chamber of Commerce • Gustine High School Athletic Boosters • Book Fam • High School Boys Basketball • Biggs High Booster Club • Sheriff Sunshine Fund • CSUC-The Maestro Foundation • Gold Country Le Tip • Hamilton City Future Farmers of America • Shasta Blue • Episcopal Church • Ducks Unlimited, Inc. • Vision Resource Center • Yuba College Athletic Dept. • Foothill High School PTA • Downtown Chico Business Assoc. • Marsh Junior High • Orland Busi



Employees for KIXE's fund-raising. Redding Branch Manager for KIXE throughout the year. Northstate Public Radio.



Tracy Louie, Yreka Branch Manager, presents a prize to the Siskiyou Silver Dollar Fair Rodeo champion. Local fairs, festivals, parades and rodeos are supported by Tri Counties Bank's employees with donations and involvement.

- Foster • KIXE • Mercy Hospice • Soroptomists • Leadership Redding • Crescent City Assistance Fund • West Valley High Girls Basketball • YMCA Building Fund • Redding Swim Team • Shingletown
- Redding Drag Assoc.'s Kids Off the Street Program • Foothill High Scoreboard • State Fair Committee • Inter-Mountain Fair Days • Shasta Wild Life Rescue • Haven Humane Society • American Cancer
- Chico Area Schools Scholarships • Paradise Rotary Club • Yuba County and Sutter Counties Sheriffs Posse Rodeo • City of Flags • Glenn County Sheriffs Posse's Rodeo Funday • Knights of
- School Scholarship • Oroville Rescue Mission • Kings Christian Elementary School Scholarship • Boys & Girls Club Camp Journey • Independent Living Services of Northern California • Girl Scout
- Center • Chico Valley Scorchers Youth Cheer • Chico Community Ballet • Nevada Union High School Scholarship • Touchstone • Chico Museum • Richvale Foundation • Community Foundation
- Yuba-Sutter Mercy Guild • Burney Lions Club • Live Oak High School Scholarship • California Women for Ag • Alzheimers Assoc. • Nevada County Fair • Yuba City High School Scholarship • Casa
- Habitat for Humanity Grass Valley • United Way • Wilson Middle School • Handl-Riders • Siskiyou Silver Dollar Fair • Red Bluff Team Penning • Orland Business Improvement Association • Esplanade
- Chico High School Cats Wrestling Booster Club • Chico Hurricanes AAU Basketball • Chico High School Boys Volleyball • Paradise Irrigation District-Kids Fishing Day • Big Brothers and Big Sisters
- Muscular Dystrophy Assoc. • Second Baptist Church • Siskiyou Live Stock Sales • Recreation and Dreams (RAD) • Tehama Live Stock Sales • Biggs High School Scholarship • Make A Wish Foundation
- Yuba College Baseball • Marysville Lions Club • Glenn County Sheriff's Posse • Central Valley High School • Orland Girls Softball League • Willows Little League • Capay Volunteer Fire Dept. • CSUC
- Assoc. • CDS Shasta Chapter • PV Sports Booster • Special Olympics Northern California, Inc. • Pheasants Forever • Bethel Christian School • Shasta Family YMCA • Chico Tennis Assoc. • Gustine
- Sage Society • Patterson-Westley Chamber of Commerce • Greater Yosemite Council, Boy Scouts of America • Glenn City Office of Education Local Child Care Planning Council • CSUC Students In
- Co 4H/Future Farmers of America Replacement Heifer Program • Our Lady of Miracles Parents Club Spring Festival • City of Susanville Rodeo • Students In Free Enterprise • Chico Area Recreation
- Glenn County Fair • Mule Deer Foundation • Enterprise High School Scholarship • Secret Witness of Shasta County Inc. • North Valley Christian School • E.N.A.C.T. • D.E.S.C. • Gustine Freedom Run
- Farm • Durham Area Swim Assoc. • Landmark Missionary Baptist Church • The Acting Company • Builders Industry Association • Galaxy Elite Allstar Cheerleaders • Chico Shriners Club • Paradise
- Society • Northern Valley Catholic Social Service • Parent Education Network • Chico Concours d'Elegance • Chico Police Officers' Assoc. • Lassen Co. Fair Junior Livestock Auction Sale • Holy Trinity
- Improvement Assoc. • Chowchilla Rotary Club • Girl Scouts Of Sierra Cascade • Foothills Community Access TV • Mendocino County Junior Awards • Palo Cedro Volunteer Fire Dept. • Palo Cedro

community building tomorrow



unity

TRICO BANCSHARES 2001 ANNUAL REPORT



Hilltop branch manager Cher Matthews donates her time and expertise by giving business seminars and workshops. These are designed to strengthen the leadership and management skills of local community business leaders.

• Patterson High School Scholarship • Bakersfield Teen Challenge • Gustine High School Sober Grad Night • Tosca-Scholarship Community Assoc. • Gustine Unlimited Scholarship Trust Organization • Gustine Future Farmers of America Ag Booster • Soroptomists • SCOC Store Fund • Mercy Hospice • The North Valley 4-H After-school Program • Crescent City Assistance Fund • West Valley High Girls Basketball • Orland High School Scholarship • YMCA Building Fund • Redding Swim Team • Chambore • KIXE • Kings Christian Elementary School Scholarship • Shingletown Library Building Fund • Citizens Patrol • Westside Food Pantry • Bishop Quinn Sports Sign • Fall River High Boosters • Fall River High School Building Fund • Downtown Benefit Assoc. Park n Shine • Chico Chamber of Commerce • American Heart Assoc. • Junior Golf • Redding Drag Assoc.'s Kids Off the Street Program • Notre Dame Elementary School Scholarship • Foothill High Scoreboard • Inter-Mountain Fair Days • Shasta Wild Life Rescue • Haven Humane Society • American Cancer "Tee Up" • Redding Aquatics "Plunge Project" • Shasta Lake City Skate Board Park • Cascade Theater • Shasta Fair Live Stock Sales • Durham High School Scholarship • Willows High School Scholarship • Twin Oaks Convalescent Hospital Recreation Fund • Oroville High School Scholarship • Paradise High School Scholarship • Modesto Habitat for Humanity • Chico Area Schools Scholarships • Peg Taylor Adult Day Care • Chico Christian Elementary School Scholarship • Oroville Rescue Mission • Champion Christian Elementary School Scholarship • Boys & Girls Club Camp Journey • Independent Living Services of Northern California • Girl Scout Jamboree • Chico Mall Kids Club • PV Grad Nite 2001 • Big Brothers and Big Sisters • Durham Unified Intermediate School Destination ImagiNation Team • Emma Wilson Environmental Camp • Chico High School Music Dept. • Jesus Center • Leadership Redding • Chico Valley Scorchers Youth Cheer • Chico Community Ballet • Catholic Ladies Relief Society • Nevada Union High School Scholarship • Touchstone • Wilson Middle School • Greater Yosemite Council, Boy Scouts of America • Chico Museum • Richvale Foundation • Community Foundation of Richvale • Live Oak High School Scholarship • Chico Friends of the Library • Faith Christian High School Scholarship • East Nicholas High School Scholarship • CDF Firefighters, Butte Chapter • Butte Community College Football Holiday Bowl • Four Winds Indian Education, Inc. • PEO Foundation • Salvation Army • National Guard Benefit • Patterson-Westley Chamber of Commerce • 9-11 Disaster Relief Fund • Passages Adult Resource Center • American Cancer Society • Yuba-Sutter Mercy Guild • Burney Lions Club • Marysville High School Scholarship • Wheatland High School Scholarship • Fremont/Rideout Health Foundation • Lindhurst High School Scholarship • Sutter High School Scholarship • California Women for Ag • Alzheimers Assoc. • Yuba City High School Scholarship • Casa DeEsperanza • State Fair Committee • MDA • Bear River High School Scholarship • Chief Tenaya Benefit • Cottonwood Parade Rodeo • Redding American Cancer Society Relay for Life • Shasta Community Service • United Way • Redding Chamber of Commerce • Habitat for Humanity Grass Valley • Durham High School Sober Grad Night • Paradise Office of Education • Red Bluff Team Penning • Orland Business Improvement Association • Esplanade House • Middletown Merchant Association Christmas Trees for the Needy Program • Orland High School Safe and Sober Graduation • Veterans of Foreign Wars • Chico Rice Baseball • Middletown Rotary • Toys for Tots • California Dried Plum Festival • Orland High School Land of Troy Newspaper • Westside Stingers • Chico High School Cats Wrestling Booster Club • Chico Hurricanes AAU Basketball • Chico High School Boys Volleyball • Willows Intermediate School • Risen King Community Church Xmas Baskets for Homeless • Yuba Sutter Chamber of Commerce Business Showcase • Paradise Irrigation District-Kids Fishing Day • Gold Nugget Museum • Good News Rescue Mission • Chico Westside Little League • The Chemical People • Chowchilla District Chamber of Commerce • Bethel Christian School • Butchie's Pool Benefit for the Handicapped • Music in the Mountains-Grass Valley • Muscular Dystrophy Assoc. • Second Baptist Church • Siskiyou Live Stock Sales • Middletown High School Scholarship • Cornerstone Christian School • Chico Jaguars Cheerleading • Enloe Children's Health Center • Recreation and Dreams (RAD) • Butte College Scholarship • United Way • Tehama Live Stock Sales • Biggs High School Scholarship • Covelo High School Scholarship • Make A Wish Foundation • Gridley High School Scholarship • Paradise Chamber of Commerce • Foothill High School Academic Awards • Fairchild Medical Center Foundation Children's Christmas Festival • Chico High Grad Night • National Child Safety Council • Yuba College Baseball • Marysville Lions Club • Glenn County Sheriff's Posse • Central Valley High School • Orland Girls Softball League • Willows Little League • Capay Volunteer Fire Dept. • CSUC Students in Free Enterprise • CSUC Rugby Team • Handi-Riders • Paradise High School Athletic Dept. • National Turkey Foundation • Plaza School Carnival • Shasta County YMCA • Schools for Excellence • Chico Rugby Club • Middletown Merchant Assoc. • CDS Shasta Chapter • American Cancer Society- North State Unit • PV Sports Booster • Special Olympics Northern California, Inc. • Pheasants Forever • Bethel Christian School • Chico Meals on Wheels • Every Fifteen Minutes Drug and Alcohol Awareness Program • Fall River Chamber of Commerce • Secret Witness of Shasta County Inc. • Shasta Family YMCA • Chico Tennis Assoc. • Gustine Youth Baseball and Softball • CCCC • Willow Christian Church • Marysville Lions Club



Tri Counties Bank Call Center Assistant Manager Nicole Bosanek participated in 4-H as a child. Today, Nicole returns the gift as Chief Financial Officer for the North Valley 4-H After-School Child Care Program. She also mentors young 4-H members raising livestock.



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of TriCo Bancshares and Subsidiary:

We have audited the accompanying consolidated balance sheets of TriCo Bancshares (a California corporation) and Subsidiary as of December 31, 2001 and 2000, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TriCo Bancshares and Subsidiary as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

San Francisco, California
January 18, 2002

**Market Information**

The Common Stock of the Company trades on the NASDAQ National Market under the symbol "TCBK." The shares were first listed in the NASDAQ Stock Market in April 1993.

The following table summarizes the Common Stock high and low trading prices and volume of shares traded by quarter as reported by NASDAQ.

Quarter Ended: ¹	Prices of the Company's Common Stock		Approximate Trading Volume (in shares)
	High	Low	
March 31, 2000	\$ 19.25	\$ 14.75	563,400
June 30, 2000	17.00	15.44	446,100
September 30, 2000	17.50	15.69	620,900
December 31, 2000	17.00	14.75	232,700
March 31, 2001	16.63	14.88	707,000
June 30, 2001	17.33	14.81	667,900
September 30, 2001	19.80	16.75	530,000
December 31, 2001	19.74	17.93	874,200

¹Quarterly trading activity has been compiled from NASDAQ trading reports.

Holders

As of February 12, 2002, there were approximately 1,754 holders of record of the Company's Common Stock.

Dividends

The Company has paid quarterly dividends since March 1990. On February 12, 2002, the Company declared a quarterly cash dividend of \$0.20 per share payable on March 29, 2002, to holders of record at the close of business on March 8, 2002. The Company paid quarterly dividends of \$0.20 per share in each quarter of 2001 as well as the second, third and fourth quarters of 2000, and \$0.19 per share in the first quarter of 2000.

The holders of Common Stock of the Company are entitled to receive cash dividends when and as declared by the Board of Directors, out of funds legally available therefore, subject to the restrictions set forth in the California General Corporation Law (the "Corporation Law"). The Corporation Law provides that a corporation may make a distribution to its shareholders if the corporation's retained earnings equal at least the amount of the proposed distribution.

The Company, as sole shareholder of the Bank, is entitled to receive dividends when and as declared by the Bank's Board of Directors, out of funds legally available therefore, subject to the powers of the FDIC and the restrictions set forth in the California Financial Code (the "Financial Code"). The Financial Code provides that a bank may not make any distributions in excess of the lesser of: (i) the bank's retained earnings, or (ii) the bank's net income for the last three fiscal years, less the amount of any distributions made by the bank to its shareholders during such period. However, a bank may, with the prior approval of the California Superintendent of Banks (the "Superintendent"), make a distribution to its shareholders of up to the greater of (A) the bank's retained earnings, (B) the bank's net income for its last fiscal year, or (C) the bank's net income for its current fiscal year. If the Superintendent determines that the shareholders' equity of a bank is inadequate or that a distribution by the bank to its shareholders would be unsafe or unsound, the Superintendent may order a bank to refrain from making a proposed distribution. The FDIC may also order a bank to refrain from making a proposed distribution when, in its opinion, the payment of such would be an unsafe or unsound practice. The Bank paid dividends totaling \$12,187,000 to the Company in 2001. As of December 31, 2001, and subject to the limitations and restrictions under applicable law, the Bank had funds available for dividends in the amount of \$13,327,000.

The Federal Reserve Act limits the loans and advances that the Bank may make to its affiliates. For purposes of such Act, the Company is an affiliate of the Bank. The Bank may not make any loans, extensions of credit or advances to the Company if the aggregate amount of such loans, extensions of credit, advances and any repurchase agreements and investments exceeds 10% of the capital stock and surplus of the Bank. Any such permitted loan or advance by the Bank must be secured by collateral of a type and value set forth in the Federal Reserve Act.



CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

Assets	December 31,	
	2001	2000
Cash and due from banks	\$ 59,264	\$ 58,190
Federal funds sold	18,700	—
Cash and cash equivalents	77,964	58,190
Investment securities	224,590	229,110
Loans:		
Commercial	130,054	148,135
Consumer	155,046	120,247
Real estate mortgages	326,897	334,010
Real estate construction	46,735	37,999
	658,732	640,391
Less: Allowance for loan losses	13,058	11,670
Net loans	645,674	628,721
Premises and equipment, net	16,457	16,772
Cash value of life insurance	14,602	13,753
Other real estate owned	71	1,441
Accrued interest receivable	5,522	6,935
Deferred income taxes	9,334	8,418
Intangible assets	5,070	5,464
Other assets	6,163	3,267
Total assets	\$ 1,005,447	\$ 972,071
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing demand	\$190,386	\$ 168,542
Interest-bearing demand	165,542	150,749
Savings	247,399	214,158
Time certificates, \$100,000 and over	70,302	93,342
Other time certificates	206,764	211,041
Total deposits	880,393	837,832
Federal funds purchased	—	500
Accrued interest payable	3,488	5,245
Other liabilities	11,677	9,278
Long-term debt and other borrowings	22,956	33,983
Total liabilities	918,514	886,838
Commitments and contingencies (Note H)		
Shareholders' equity:		
Common stock, no par value: Authorized 20,000,000 shares; issued and outstanding 7,000,980 and 7,181,226 shares, respectively	49,679	50,428
Retained earnings	37,909	35,129
Accumulated other comprehensive income (loss)	(655)	(324)
Total shareholders' equity	86,933	85,233
Total liabilities and shareholders' equity	\$ 1,005,447	\$ 972,071

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME



(in thousands, except earnings per share)

	Years Ended December 31,		
	2001	2000	1999
Interest income:			
Interest and fees on loans	\$ 60,104	\$ 62,161	\$ 53,395
Interest on investment securities—taxable	9,543	11,704	12,500
Interest on investment securities—tax exempt	2,219	2,250	2,229
Interest on federal funds sold	1,506	538	465
Total interest income	73,372	76,653	68,589
Interest expense:			
Interest on interest-bearing demand deposits	1,487	2,360	2,287
Interest on savings	4,759	6,837	6,811
Interest on time certificates of deposit	10,871	11,325	8,970
Interest on time certificates of deposit, \$100,000 and over	4,390	4,481	3,209
Interest on short-term borrowing	7	623	386
Interest on long-term debt	1,972	2,917	2,707
Total interest expense	23,486	28,543	24,370
Net interest income	49,886	48,110	44,219
Provision for loan losses	4,400	5,000	3,550
Net interest income after provision for loan losses	45,486	43,110	40,669
Noninterest income:			
Service charges and fees	8,095	7,484	7,127
Gain on sale of investments	36	—	24
Gain on sale of insurance company stock	1,756	—	—
Gain on receipt of insurance company stock	—	1,510	—
Other income	5,174	5,651	4,974
Total noninterest income	15,061	14,645	12,101
Noninterest expenses:			
Salaries and related expenses	21,396	19,912	17,837
Other, net	19,408	17,983	16,996
Total noninterest expenses	40,804	37,895	34,833
Income before income taxes	19,743	19,860	17,937
Income taxes	7,324	7,237	6,534
Net income	\$12,419	\$12,623	\$11,403
Basic earnings per common share	\$ 1.76	\$ 1.76	\$ 1.60
Diluted earnings per common share	\$ 1.72	\$ 1.72	\$ 1.56

See Notes to Consolidated Financial Statements



CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years ended December 31, 2001, 2000 and 1999 (in thousands, except share amounts)

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Comprehensive Income
	Number of Shares	Amount				
Balance, December 31, 1998	7,050,900	\$48,838	\$22,257	\$ 934	\$72,029	
Exercise of Common Stock options	106,440	1,074			1,074	
Repurchase of Common Stock	(5,101)	(35)	(51)		(86)	
Common Stock cash dividends			(4,996)		(4,996)	
Stock option amortization		166			166	
Comprehensive income:						
Net income			11,403		11,403	\$11,403
Other comprehensive income, net of tax:						
Change in unrealized (loss) on securities, net of tax and reclassification adjustments (Note A):						(6,467)
Other comprehensive loss				(6,467)	(6,467)	(6,467)
Comprehensive income						\$4,936
Balance, December 31, 1999	7,152,329	50,043	28,613	(5,533)	73,123	
Exercise of Common Stock options	78,625	665			665	
Repurchase of Common Stock	(49,728)	(349)	(427)		(776)	
Common Stock cash dividends			(5,680)		(5,680)	
Stock option amortization		69			69	
Comprehensive income:						
Net income			12,623		12,623	\$12,623
Other comprehensive income, net of tax:						
Change in unrealized gain on securities, net of tax and reclassification adjustments (Note A):						5,209
Other comprehensive income				5,209	5,209	5,209
Comprehensive income						\$17,832
Balance, December 31, 2000	7,181,226	50,428	35,129	(324)	85,233	
Exercise of Common Stock options	192,530	1,872			1,872	
Repurchase of Common Stock	(372,776)	(2,621)	(3,997)		(6,618)	
Common Stock cash dividends			(5,642)		(5,642)	
Comprehensive income:						
Net income			12,419		12,419	\$12,419
Other comprehensive income, net of tax:						
Change in unrealized gain on securities, net of tax and reclassification adjustments (Note A):						441
Change in minimum pension liability, net of tax (Note A)						(772)
Other comprehensive income:				(331)	(331)	(331)
Comprehensive income						\$12,088
Balance, December 31, 2001	7,000,980	\$49,679	\$37,909	(\$655)	\$86,933	

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS



(in thousands)

December 31,	Years ended		
	2001	2000	1999
Operating activities:			
Net income	\$12,419	\$ 12,623	\$ 11,403
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	4,400	5,000	3,550
Provision for losses on other real estate owned	18	25	10
Depreciation and amortization	2,708	2,641	2,615
Amortization of intangible assets	911	965	1,135
(Accretion) amortization of investment security (discounts) premiums, net	398	217	538
Deferred income taxes	(660)	(650)	(410)
Investment security gains, net	(36)	—	(24)
Gain on receipt of insurance company stock	—	(1,510)	—
Gain on sale of insurance company stock	(1,756)	—	—
Gain on sale of loans	(918)	(525)	(800)
Gain on sale of other real estate owned, net	(80)	(83)	(178)
Amortization of stock options	—	69	166
Change in assets and liabilities:			
Decrease (increase) in interest receivable	1,413	(859)	(255)
Increase (decrease) in interest payable	(1,757)	1,052	330
Increase in other assets and liabilities	(2,756)	(127)	(2,481)
Net cash provided by operating activities	14,304	18,838	15,599
Investing activities:			
Proceeds from maturities of securities available-for-sale	85,619	39,663	64,496
Proceeds from sales of securities available-for-sale	14,119	—	14,137
Purchases of securities available-for-sale	(93,125)	(27,567)	(41,372)
Net increase in loans	(20,760)	(57,805)	(56,138)
Purchases of premises and equipment	(1,951)	(2,998)	(2,058)
Proceeds from sale of other real estate owned	1,757	928	1,268
Proceeds from sale of premises and equipment	32	40	44
Net cash used by investing activities	(14,309)	(47,739)	(19,623)
Financing activities:			
Net increase in deposits	42,561	43,722	24,937
Net increase (decrease) in federal funds purchased	(500)	500	(14,000)
Borrowings under long-term debt agreements	—	35,000	21,000
Payments of principal on long-term debt agreements	(11,027)	(46,522)	(13,419)
Repurchase of Common Stock	(6,618)	(776)	(86)
Cash dividends — Common	(5,642)	(5,680)	(4,996)
Issuance of Common Stock	1,005	411	541
Net cash provided by financing activities	19,779	26,655	13,977
Increase (decrease) in cash and cash equivalents	19,774	(2,246)	9,953
Cash and cash equivalents at beginning of year	58,190	60,436	50,483
Cash and cash equivalents at end of year	\$77,964	\$ 58,190	\$ 60,436
Supplemental information:			
Cash paid for taxes	\$ 9,089	\$ 7,573	\$ 7,240
Cash paid for interest expense	\$ 25,243	\$ 27,491	\$ 24,040
Non-cash assets acquired through foreclosure	\$ 325	\$ 1,551	\$ 673

See Notes to Consolidated Financial Statements

TriCo Bancshares—Executive Officers

Richard P. Smith **President &
Chief Executive Officer**

Thomas J. Reddish **Vice President &
Chief Financial Officer**

Wendell J. Lundberg **Secretary**

Tri Counties Bank—Executive Officers

Richard P. Smith **President &
Chief Executive Officer**

Richard O'Sullivan **Executive Vice President
Sales & Service**

Andrew P. Mastorakis **Executive Vice President
Retail Banking**

Craig Carney **Senior Vice President
Chief Credit Officer**

Thomas J. Reddish **Vice President &
Chief Financial Officer**

TriCo Bancshares Headquarters

63 Constitution Drive
Chico, California 95973
Telephone (530) 898-0300

Notice of Annual Meeting

Tuesday May 14, 2002, at 6:00 P.M.
63 Constitution Drive
Chico, California 95973

Shareholder Relations

Suzanne Youngs
63 Constitution Drive
Chico, California 95973
(530) 898-0300

Transfer Agent

Mellon Investor Services
Overpeck Centre
85 Challenger Road
Ridgefield Park, NJ 07660

Internet Address: www.mellon-investor.com

Stock Listing

NASDAQ Stock Exchange
Symbol: "TCBK"

The Company will provide to any interested party, without charge, a copy of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission, including the financial statements and schedules thereto. The report may be obtained by written request to: **Corporate Secretary, TriCo Bancshares, 63 Constitution Drive, Chico, CA 95973.**

Tri Counties Bank Traditional Branch Locations

Pillsbury Branch
2171 Pillsbury Road
P.O. Box 1130
Chico, CA 95927
(530) 898-0470

Park Plaza Branch
780 Mangrove Ave.
P.O. Box 2207
Chico, CA 95927
(530) 898-0400

Durham Branch
9411 Midway
P.O. Box 190
Durham, CA 95938
(530) 898-0430

Orland Branch
100 East Walker Street
P.O. Box 188
Orland, CA 95963
(530) 865-5524

Willows Branch
210 North Tehama Street
P.O. Box 1158
Willows, CA 95988
(530) 934-2191

Chico Mall Branch
1950 E. 20th St.-Suite 725
Chico, CA 95928
(530) 898-0370

Cottonwood Branch
3349 Main Street
P.O. Box 410
Cottonwood, CA 96022
(530) 347-3751

Palo Cedro Branch
9125 Deschutes Road
P.O. Box 144
Palo Cedro, CA 96073
(530) 547-4494

Burney Branch
37093 Main Street
Burney, CA 96013
(530) 335-2215

Fall River Mills Branch
43308 State Highway 299E
P.O. Box 758
Fall River Mills, CA 96028
(530) 336-6291

Redding Branch
1845 California Street
Redding, CA 96001
(530) 245-5930

Bieber Branch
Bridge & Market Streets
P.O. Box 217
Bieber, CA 96009
(530) 294-5211

Yreka Branch
165 S. Broadway
P.O. Box 98
Yreka, CA 96097
(530) 842-2761

Yuba City Branch
1441 Colusa Avenue
Yuba City, CA 95993
(530) 671-5563

Hilltop Branch
1250 Hilltop Drive
P.O. Box 494549
Redding, CA 96049
(530) 223-3307

Marysville Branch
729 E Street
Marysville, CA 95901
(530) 749-1639

Chowchilla Branch
305 Trinity Avenue
Chowchilla, CA 93610
(559) 665-4868

Covelo Branch
76405 Covelo Road
P.O. Box 278
Covelo, CA 95428
(707) 983-6142

Crescent City Branch
936 Third Street
Crescent City, CA 95531
(707) 464-4145

Gustine Branch
319 Fifth Street
Gustine, CA 95322
(209) 854-3761

Middletown Branch
21097 Calistoga Street
Middletown, CA 95461
(707) 987-3196

Mt. Shasta Branch
204 Chestnut Street
Mt. Shasta, CA 96067
(530) 926-2653

Patterson Branch
17 Plaza
Patterson, CA 95363
(209) 892-4098

Susanville Branch
1605 Main Street
Susanville, CA 96130
(530) 257-4151

Weed Branch
303 Main Street
Weed, CA 96094
(530) 938-4401

Paradise Branch
6848 "Q" Skyway
Paradise, CA 95969
(530) 872-2992

Sacramento Branch
1760 Challenge Way
Suite 100
Sacramento, CA 95815
(916) 648-9370

Bakersfield Branch
5201 California Avenue
Suite 102
Bakersfield, CA 93309
(661) 325-9321

Modesto Branch
3320 Tully Road,
Modesto, CA 95350
(209) 548-4030

Visalia Branch
2914 W. Main Street,
Visalia, CA 93291
(559) 741-2940

Tri Counties Bank In-store Branch Locations

At Raley's
700 Onstott Road
Yuba City, CA 95991
(530) 751-8415

At Raley's
727 South Main Street
Red Bluff, CA 96080
(530) 529-7080

At Raley's
201 Lake Boulevard
Redding, CA 96003
(530) 245-4650

At Raley's
110 Hartnell Avenue
Redding, CA 96002
(530) 224-3430

At Albertsons
146 W. East Avenue
Chico, CA 95973
(530) 898-0380

At Albertsons
12054 Nevada City Hwy
Grass Valley, CA 95949
(530) 477-9740

Beale Air Force Base
17601-25th Street
Bldg 256
BAFB, CA 95902
(530) 788-7851

Tri Counties Bank Administration Office

63 Constitution Drive
Chico, CA 95973
(530) 898-0300
Fax: (530) 898-0310

Coming in 2002

Oroville
1180 Oro Dam Boulevard
Oroville, CA 95965

At Raley's, Brentwood
2400 Sand Creek Road
Brentwood, CA 94513-5361

Fresno
N. Marks Ave & Herndon Ave.
Fresno, CA 93711

At Raley's, North Sacramento
4650 Natomas Boulevard
Sacramento, CA 95835



SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-K

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

For the fiscal year
ended December 31, 2001

Commission File Number 0-10661

TriCo Bancshares

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

94-2792841
(I.R.S. Employer
Identification No.)

63 Constitution Drive, Chico, California
(Address of principal executive offices)

95973
(Zip Code)

Registrant's telephone number, including area code: (530) 898-0300
Securities registered pursuant to Section 12(b) of the Act: None.
Securities registered pursuant to Section 12(g) of the Act:

Common Stock, without par value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports
of the Securities Exchange Act of 1934 during the preceding 12 months
registrant was required to file such reports), and (2) for the past 90
days.





TRICO BANCSHARES

63 Constitution Drive
Chico, California 95973
(530) 898-0300
Fax: (530) 898-0310
www.tcbk.com