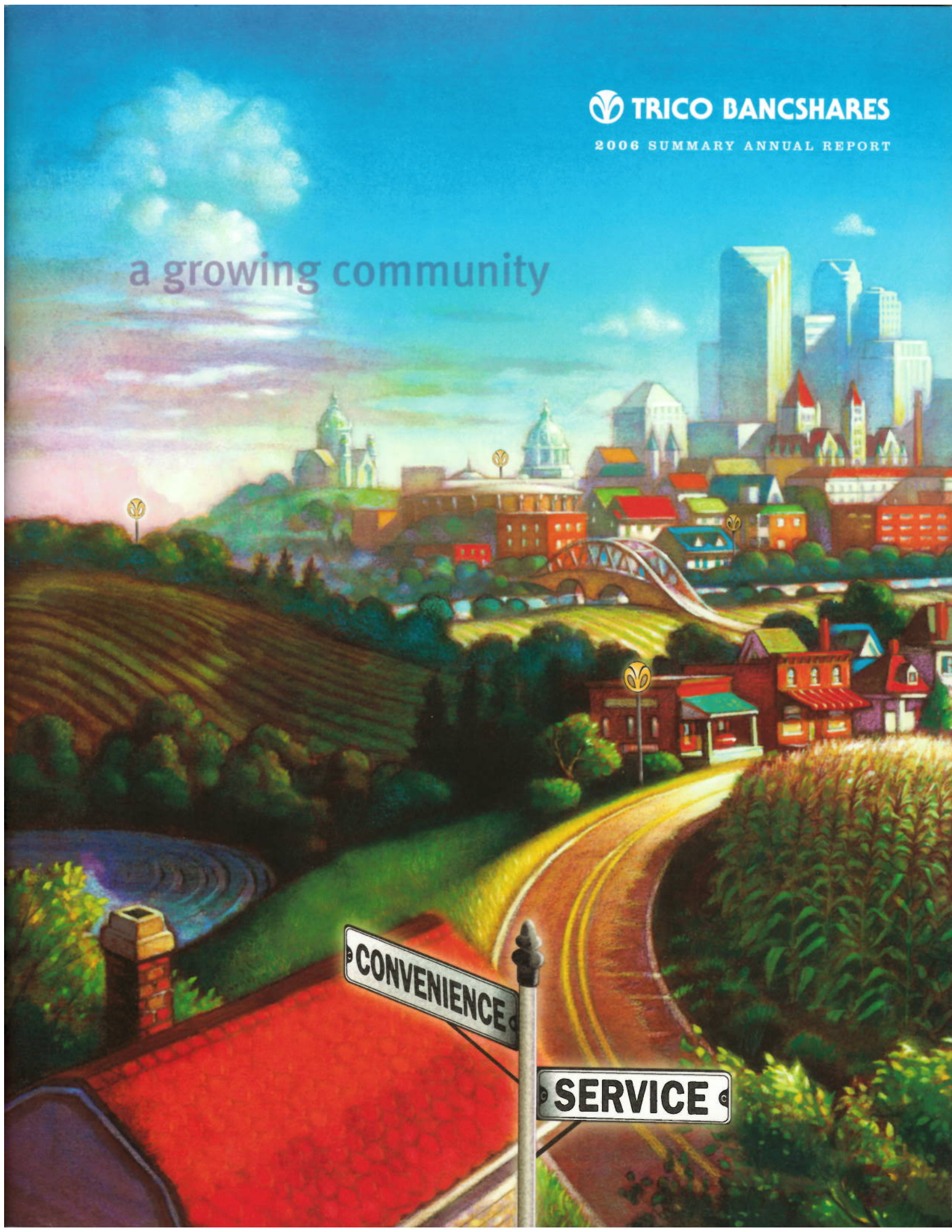





**TRICO BANCSHARES**

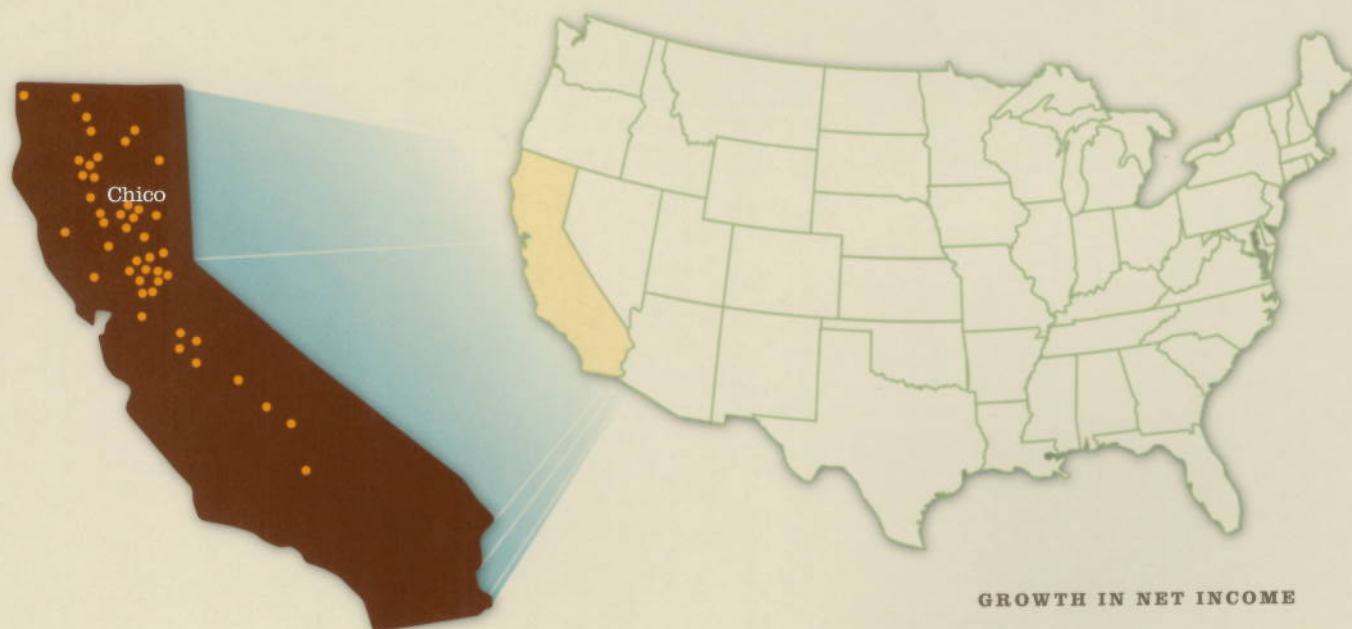
2006 SUMMARY ANNUAL REPORT

a growing community

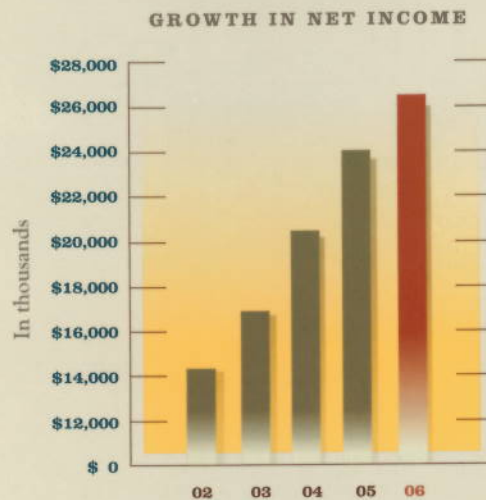




In 1975 with \$1 million in capital, the founders of Tri Counties Bank committed themselves to creating a new community bank that would better serve the unique needs of local people. They accomplished what they set out to do. Thirty-one years later, the TriCo values established by our founders, trust, respect, integrity, communication, and opportunity, have built one of California's premier community banks. We provide a full range of financial products to consumer and commercial customers at 54 locations throughout California's growing Central Valley. The Bank uses a variety of delivery platforms including traditional and supermarket branches that are open 7 days-a-week until as late as 8 p.m., a network of 62 ATMs, newly enhanced online banking and a 24-hour Telephone Banking Center.



- One of California's largest regional community banks
- Total assets grew to \$1.92 billion at year-end 2006
- 13.4% increase in earnings from 2005
- NASDAQ Symbol: TCBK, NASDAQ Global Select Company
- 54 locations – 6 new openings in 2006
- Over 700 employees





Market Place In-Store Banking Team, Yuba City, California.  
Top performing branch in 2006.

Chico Mall Banking Team.



“Anyone can be a banker if you know anything about computers or math... but to make it a career? You have to love people. And you have to love to be a part of their life, because there is nothing more intense than being part of someone’s financial life.”

- Julie Jones, vice president, branch manager and 30 year employee

Our customers enjoy the convenience of banking where they shop, 7 days a week.



Tri Counties Bank is committed to providing learning opportunities for every Bank employee to expand their knowledge, enhance their skills, and optimize their performance.



## To Our Shareholders

I am proud to announce that TriCo Bancshares reported another year of record earnings for 2006. The Bank continues to edge closer to the \$2 billion in assets mark. Diluted earnings per share increased from \$1.45 for the year ended 2005 to \$1.64 at year-end 2006. Total loans of the Company increased \$125 million to \$1.510 billion at year-end and total deposits increased \$102 million to \$1.599 billion at December 31, 2006.

If there is a word that illustrates the year 2006 for Tri Counties Bank, it is "expansion." We continued our aggressive growth strategy in the thriving Central Valley of California, opening a total of six new branches and remodeling two existing branches. We finished the year with 54 branches in our network. With eleven locations in the greater Sacramento area, the density allows us to continue to build our brand and acquire more Northern California customers who value the convenience and service of Tri Counties Bank.

Our primary growth channel continues to be through grocery store branches. While grocery store locations cannot stand on their own without the support of a traditional branch system, they remain a vital and important part of our future success. We con-

tinue to have great confidence in in-store banking and in the coming year, we have plans to open three new grocery store branches through our grocery store partners.

The key to our achievements in retail banking, specifically in-store banking, is our ability to offer first class products and services delivered when and where our

*"If there is a word that illustrates the year 2006 for Tri Counties Bank, it is expansion."*

customers choose to do business. Our customers continue to appreciate and utilize the services and conveniences provided through our in-store banking delivery channel. Together, our in-store and traditional banking branches create our unique and successful community banking experience.

Tri Counties Bank business customers continued to find good reason to finance and grow their organizations with our commercial banking group. Now more than ever, businesses are also leveraging the power of our electronic banking tools to meet their needs. Our cash management solutions, for both small and larger businesses, have proved very convenient and efficient. We will continue to invest in ways to

improve our customers' abilities to bank when and where they want.

Our employees continue to find ways of delivering for our shareholders. That is often driven by the fact that our employees *are* shareholders of the company. They continue to find ways to grow our customer base and create efficiencies to help control our overhead costs. Their dedication truly sets us apart. We remain committed to drive financial results for our shareholders, our customers, our communities and our employees.

Thank you for your continued confidence and support.

Sincerely,



Richard P. Smith  
President and CEO



## Chairman's Message

In reviewing 2006, the highlight of the year has to be Thursday, September 21st. Members of the board and management rang the bell for the opening of the NASDAQ trading day in New York City on Times Square. This represents another milestone for the Company as TriCo Bancshares is one of the only companies with headquarters north of Sacramento to ever ring the opening bell.

We were privileged to have four directors attend the opening of NASDAQ, representing a cross section of the Board. Founding member, Don Murphy, attended, as well as Carroll Taresh, accompanied by his wife Nancy. Carroll worked for the Company as an executive for 20 years and after retiring joined the Board in 1998. Mike Koehnen, one of our newest directors and myself were also in attendance. Our management team was well represented by Rick Smith, CEO, and his wife Becki; Tom Reddish, CFO; Richard O'Sullivan and Andrew Mastorakis, executive vice presidents; and Nicole Johansson, marketing manager, who arranged the event.

TriCo Bancshares has been on NASDAQ since April 19, 1993, and has since achieved the status of NASDAQ Global Select, which was estab-



lished in 2006. Only a select group of companies have been picked to join NASDAQ Global Select and it is a mark of achievement and distinction for qualified companies, representing a commitment to providing investors with superior market quality.

Corporate Governance continues to be in the public eye. As chairman of the Board, I am proud to see that TriCo Bancshares' corporate governance quotient (CGQ), as ranked by the institutional shareholders service, is again extremely high. CGQ uses a comprehensive set of objectives and consistently applies criteria for each of the companies rated. The data base features corporate governance ratings on more than 8,000 companies world-wide and includes other underlying data points for up to 63 corporate governance variables catego-

rized in four areas of focus: 1) board of directors, 2) audit, 3) anti-takeover provisions, and 4) executive and director compensation. TriCo Bancshares rated better than 87.5% of the Russell 3,000 and better than 90.9% of the Banking Sector.

2006 represented another record year of growth in size and earnings for the Company. Our continued growth is attributed to our employees, our customers, our shareholders and the communities we serve.

Sincerely,

William J. Casey  
Chairman of the Board

## Five Year Selected Financial Data

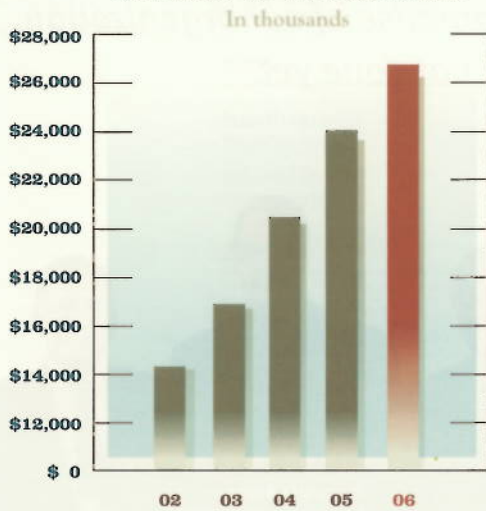
(in thousands, except share data)

|  | 2006        | 2005        | 2004        | 2003      | 2002      |
|--|-------------|-------------|-------------|-----------|-----------|
| <b>Statement of Operations Data:</b>                   |             |             |             |           |           |
| Interest income  | \$120,323   | \$98,756    | \$84,932    | \$73,969  | \$64,696  |
| Interest expense                                       | 34,445      | 20,529      | 13,363      | 13,089    | 12,914    |
| Net interest income                                    | 85,878      | 78,227      | 71,569      | 60,880    | 51,782    |
| Provision for loan losses                              | 1,289       | 2,169       | 2,901       | 1,058     | 2,755     |
| Noninterest income                                     | 26,255      | 24,890      | 24,794      | 22,909    | 19,180    |
| Noninterest expense                                    | 66,726      | 62,110      | 60,828      | 55,719    | 46,016    |
| Income before income taxes                             | 44,118      | 38,838      | 32,634      | 27,012    | 22,191    |
| Provision for income taxes                             | 17,288      | 15,167      | 12,452      | 10,124    | 8,122     |
| Net income   | \$26,830    | \$23,671    | \$20,182    | \$16,888  | \$14,069  |
| <b>Share Data:</b>                                     |             |             |             |           |           |
| Earnings per share <sup>2</sup> :                      |             |             |             |           |           |
| Basic  | \$1.70      | \$1.51      | \$1.29      | \$1.11    | \$1.00    |
| Diluted  | 1.64        | 1.45        | 1.24        | 1.07      | 0.98      |
| Per share <sup>2</sup> :                               |             |             |             |           |           |
| Dividends paid   | \$0.48      | \$0.45      | \$0.43      | \$0.40    | \$0.40    |
| Book value at December 31                              | 10.69       | 9.52        | 8.79        | 8.16      | 7.01      |
| Tangible book value at December 31                     | 9.60        | 8.25        | 7.45        | 6.79      | 6.72      |
| Average common shares outstanding <sup>2</sup>         | 15,812      | 15,708      | 15,660      | 15,282    | 14,038    |
| Average diluted common shares outstanding <sup>2</sup> | 16,383      | 16,331      | 16,270      | 15,757    | 14,386    |
| Shares outstanding at December 31                      | 15,857      | 15,708      | 15,723      | 15,668    | 14,122    |
| <b>Balance Sheet Data at December 31:</b>              |             |             |             |           |           |
| Loans, net   | \$1,492,965 | \$1,368,809 | \$1,158,442 | \$969,570 | \$673,836 |
| Total assets   | 1,919,966   | 1,841,275   | 1,627,506   | 1,469,638 | 1,145,265 |
| Total deposits   | 1,599,149   | 1,496,797   | 1,348,833   | 1,236,823 | 1,005,237 |
| Debt financing and notes payable                       | 39,911      | 31,390      | 28,152      | 22,887    | 22,924    |
| Junior subordinated debt                               | 41,238      | 41,238      | 41,238      | 20,619    | -         |
| Shareholders' equity                                   | 169,436     | 149,493     | 138,132     | 127,960   | 99,014    |
| <b>Financial Ratios:</b>                               |             |             |             |           |           |
| For the year:  |             |             |             |           |           |
| Return on assets                                       | 1.44%       | 1.38%       | 1.33%       | 1.27%     | 1.35%     |
| Return on equity                                       | 16.61%      | 16.30%      | 15.20%      | 14.24%    | 15.03%    |
| Net interest margin <sup>1</sup>                       | 5.14%       | 5.14%       | 5.32%       | 5.23%     | 5.61%     |
| Net loan losses to average loans                       | 0.04%       | 0.04%       | 0.12%       | 0.34%     | 0.22%     |
| Efficiency ratio <sup>1</sup>                          | 58.99%      | 59.64%      | 62.46%      | 65.62%    | 63.73%    |
| Average equity to average assets                       | 8.68%       | 8.49%       | 8.72%       | 8.91%     | 9.00%     |
| At December 31:  |             |             |             |           |           |
| Equity to assets                                       | 8.82%       | 8.12%       | 8.50%       | 8.71%     | 8.65%     |
| Total capital to risk-adjusted assets                  | 11.44%      | 10.79%      | 11.86%      | 11.56%    | 11.97%    |
| Allowance for loan losses to loans                     | 1.12%       | 1.17%       | 1.24%       | 1.31%     | 1.99%     |

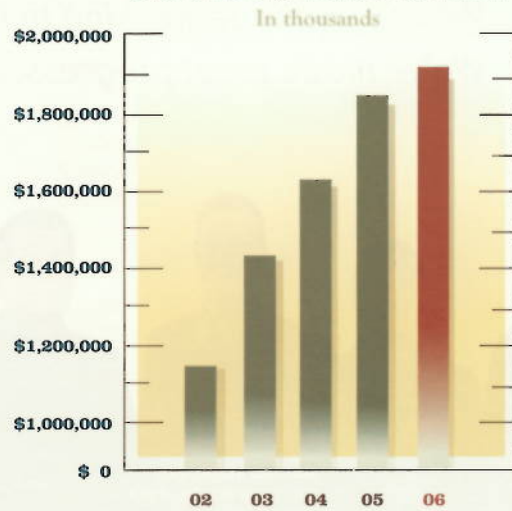
<sup>1</sup> Fully taxable equivalent

<sup>2</sup> Per-share figures retroactively adjusted to reflect 2-for-1 stock split in the form of a stock dividend effective April 30, 2004

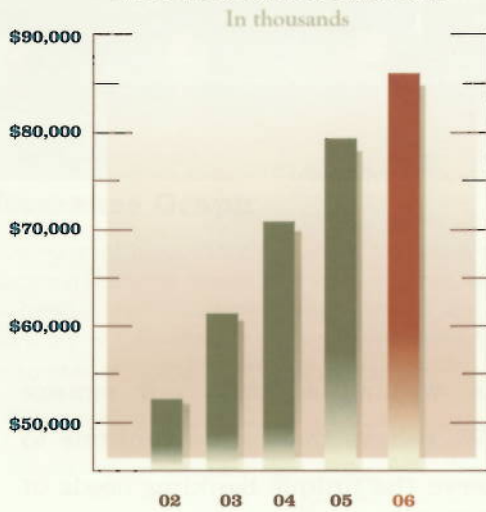
**GROWTH IN NET INCOME**



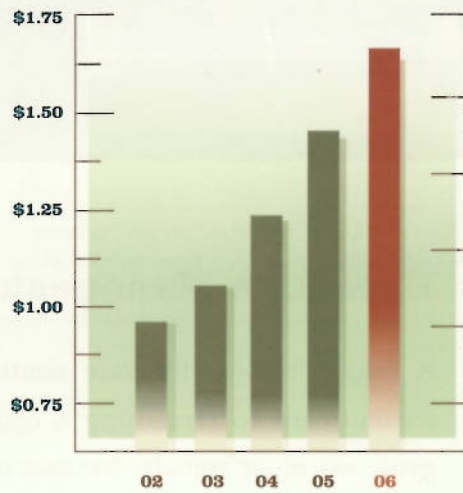
**GROWTH IN TOTAL ASSETS**



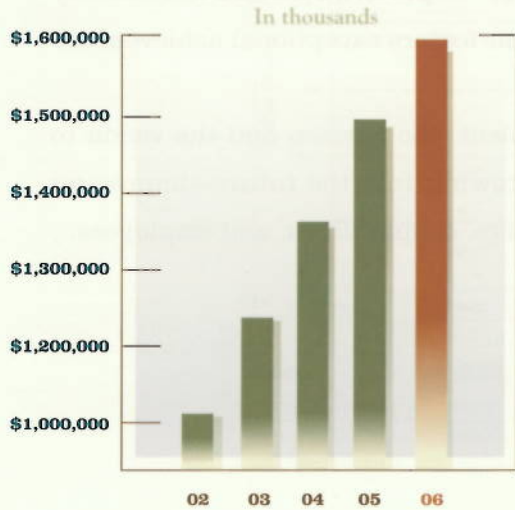
**NET INTEREST INCOME**



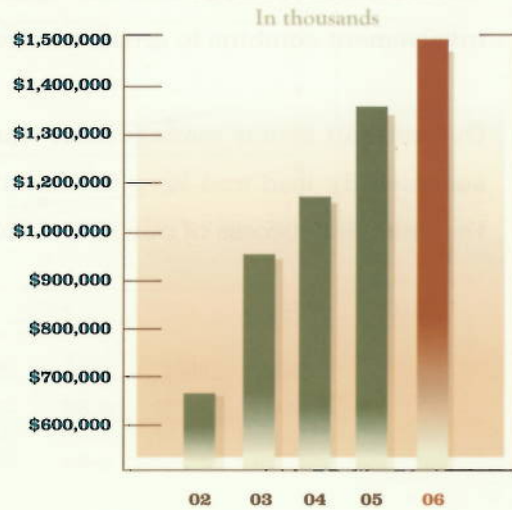
**DILUTED EARNINGS PER SHARE<sup>2</sup>**



**TOTAL DEPOSITS**



**TOTAL NET LOANS**



*We will continue working to fulfill the promise of our organization.  
We've made great progress. And we're not done yet.*



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

**Thomas Reddish**  
Executive Vice President  
Chief Financial Officer

**Andrew Mastorakis**  
Executive Vice President  
Retail Banking

**Rick Smith**  
President and  
Chief Executive Officer

**Rick Miller**  
Senior Vice President  
Director of Human  
Resources

**Richard O' Sullivan**  
Executive Vice President  
Wholesale Banking

**Ray Rios**  
Senior Vice President  
Manager Information  
Systems

**Rick Hagstrom**  
Executive Vice President  
Risk Management

## Executive Management Team

A major reason for our continued success is, without a doubt, our sincere commitment to remaining a community bank. We believe that as we continue to grow we must remain focused on our goal to serve the unique banking needs of local communities while utilizing our resources as a regional financial institution. Our culture of local decision making, employee empowerment and community involvement combine to create an environment that fosters exceptional achievement.

Our veteran senior management team has the talent, the passion and the vision to successfully lead and keep Tri Counties Bank growing into the future—improving the financial success of our shareholders, customers, communities, and employees.



## Common Stock Market Prices and Dividends

The Company's common stock is traded on the NASDAQ Global Select Market System ("NASDAQ") under the symbol "TCBK." The following table shows the high and the low closing sale prices of the common stock for each quarter in the past two years, as reported by NASDAQ<sup>1</sup>:

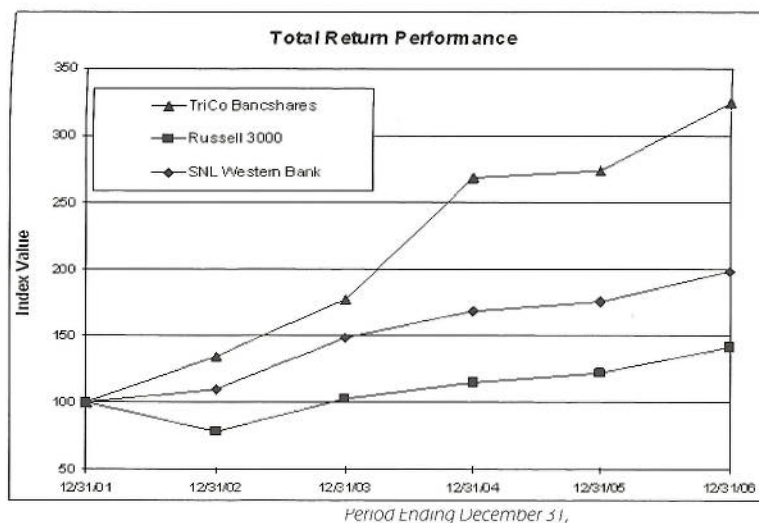
| 2006:          | High    | Low     |
|----------------|---------|---------|
| Fourth quarter | \$27.90 | \$24.61 |
| Third quarter  | \$27.38 | \$23.05 |
| Second quarter | \$28.32 | \$24.95 |
| First quarter  | \$28.32 | \$22.39 |
| 2005:          |         |         |
| Fourth quarter | \$24.49 | \$21.00 |
| Third quarter  | \$25.07 | \$20.84 |
| Second quarter | \$22.34 | \$19.07 |
| First quarter  | \$23.40 | \$19.35 |

As of March 5, 2007, there were approximately 1,716 shareholders of record of the Company's common stock. On March 5, 2007, the closing sales price was \$23.56.

The Company has paid cash dividends on its common stock in every quarter since March 1990, and it is currently the intention of the Board of Directors of the Company to continue payment of cash dividends on a quarterly basis. There is no assurance, however, that any dividends will be paid, since they are dependent upon earnings, financial condition and capital requirements of the Company and the Bank. As of December 31, 2006, \$52,476,000 was available for payment of dividends by the Company to its shareholders, under applicable laws and regulations. The Company paid cash dividends of \$0.12 per common share in each of the quarters ended December 31, 2006, September 30, 2006, June 30, 2006, March 31, 2006, and December 31, 2005, and \$0.11 per common share in each of the quarters ended September 30, 2005, June 30, 2005, and March 31, 2005.

## Performance Graph

The following graph presents the cumulative total yearly shareholder return from investing \$100 on December 31, 2001, in each of TriCo Common Stock, The Russell 3000 Index and the SNL Western Bank Index. The SNL Western Bank Index compiled by SNL Financial includes banks located in California, Oregon, Washington, Montana, Hawaii and Alaska with market capitalization similar to TriCo's. The amounts shown assume that any dividends were reinvested. The performance graph represents past performance and should not be considered to be an indication of future performance.



Source: SNL Financial LC,  
Charlottesville, VA  
© 2007

| Index            | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   |
|------------------|--------|--------|--------|--------|--------|--------|
| TriCo Bancshares | 100.00 | 134.01 | 176.94 | 268.24 | 273.57 | 324.12 |
| Russell 3000     | 100.00 | 78.46  | 102.83 | 115.11 | 122.16 | 141.35 |
| SNL Western Bank | 100.00 | 109.41 | 148.21 | 168.43 | 175.36 | 197.86 |

## Opening Opportunities: TriCo Rings the NASDAQ Opening Bell



In attendance for the event were (left to right):

Nicole Johansson, marketing manager; Mike Koehnen, board member; Tom Reddish, EVP and CFO; Lynn Poole, daughter of Don Murphy; Richard O'Sullivan, EVP of Wholesale Banking; Rick Smith's wife, Becki Smith; Don Murphy, a founding board member; President and CEO Rick Smith; Andrew Mastorakis, EVP of Retail Banking; Jeff Singer, RVP NASDAQ; Chairman of the Board of Directors William J. Casey; and board member Carroll Taresh along with wife Nancy.

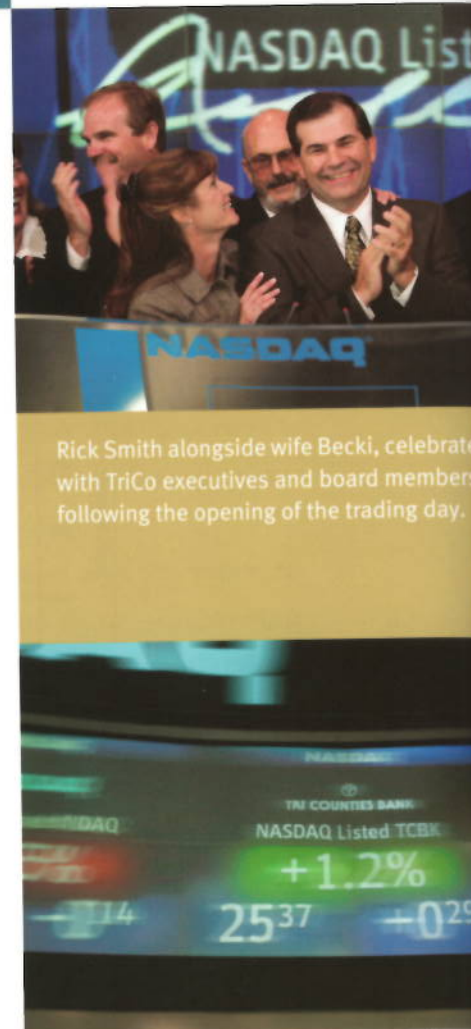
*"We have really come a long way since our humble beginnings operating from a portable trailer with \$1,000,000 of original capital."*

- Rick Smith  
President & CEO



Thursday, September 21st, 2006, marked a special milestone for TriCo Bancshares as members of the Board and Management rang the opening bell for the beginning of the trading day in the NASDAQ Marketsite studios on New York City's Times Square.

TriCo Bancshares has been trading on NASDAQ since April 19, 1993, and has since achieved the status of NASDAQ Global Select. The NASDAQ Global Select was established on July 1, 2006. Very few companies have been picked to join the NASDAQ Global Select and it is a proud mark of achievement and distinction for qualified companies. The TCBK listing on NASDAQ Global Select represents a commitment to providing our investors with superior market quality.



## Board of Directors

**Alex A. Vereschagin, Jr.**  
Secretary of the Board  
Member since 1975  
Secretary-Treasurer,  
Plaza Farms & General Partner,  
Vereschagin Co., Orland

**Carroll R. Tareh**  
Member since 1998  
Executive Officer  
Tri Counties Bank, Chico  
Retired 1996

**Steve G. Nettleton**  
Member since 2003  
Former President, Chico Heat Baseball Club,  
LLC, Member of Board of Trustees of Enloe  
Medical Center and of CSU, Chico Advisory  
Board, Chico

**Michael W. Koehnen**  
Member since 2002  
Owner, CF Koehnen & Sons  
Orchard & Apiary Operations,  
Ordbend

**Donald J. Amaral**  
Chairman of Audit Committee  
Member since 2003  
Retired Healthcare Industry  
CEO, Whittell High School  
Baseball Coach  
Glenbrook, Nevada



**Donald E. Murphy**  
Vice Chairman of the Board  
Member since 1975  
Vice President & General Manager  
J.H. McKnight Ranch, Nelson

**John S.A. Hasbrook**  
Member since 2002  
President Hasbrook-Fetter Farms,  
Inc., SunWest Wild Rice Co., Inc.,  
Winters

**William J. Casey**  
Chairman of the Board  
Member since 1989  
Healthcare Consultant, Chico

**Richard P. Smith**  
Member since 1999  
President & CEO TriCo Bancshares  
and Tri Counties Bank, Chico

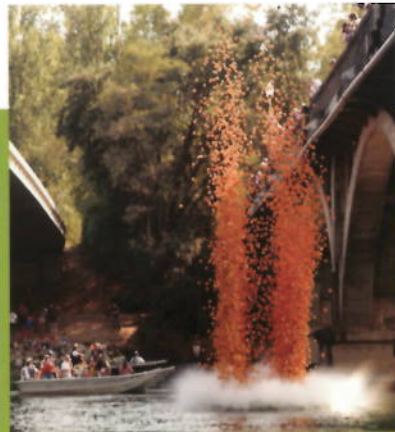
**Craig S. Compton**  
Member since 1989  
President, AVAG, Inc. Aerial  
Application Business, Richvale

## TriCo Bancshares

In 1975, a group of business people, farmers and professionals recognized the need for an independent community bank in Chico, California. The focus would be on small entrepreneurial and agricultural businesses, using retail banking as a source of stable core deposits. With \$1 million in capital, Tri Counties Bank was founded with a modest vision of a three-branch bank.

In 1981, TriCo Bancshares was formed as a holding company with the Bank as its subsidiary. The Company then formed two subsidiary business trusts to issue trust preferred securities: TriCo Capital Trust I and II. Tri Counties Bank, TriCo Capital Trust I, and TriCo Capital Trust II are currently the only subsidiaries of TriCo Bancshares. At year-end 2006, the company had capital exceeding \$169 million.

In the past 15 years the Redding Rotary Ducky Derby Race has returned over \$1,550,396 to local communities for youth development programs and drug and alcohol-free activities. Tri Counties Bank is proud to be a sponsor of this annual event.



# Community Connections

Tri Counties Bank proudly contributes to programs, organizations, events and activities that enhance the quality of life in

the communities we serve. More than simply writing checks to support health care, education, the arts and community improvement, we also give an even more valuable resource—the active involvement of our bankers who donate their time to causes which they are passionate about. It's part of our philosophy. It's the spirit of making lasting connections with our communities.



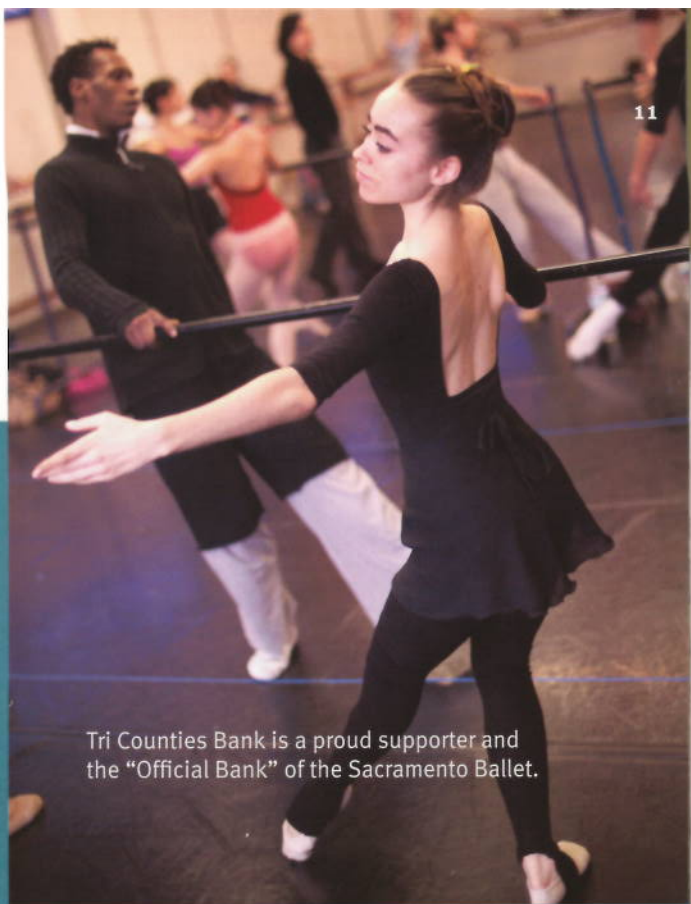
Andrew Mastorakis, EVP of Retail Banking, alongside customer Chris Marx, owner Modern Building, and the Tri Counties Bank sponsored Chico Corsa Cycling Club at the start of the Paskenta Century race.



Tri Counties Bank employees partnered with the Butte County After School Program to help children in need as part of the "Coats for Kids Program."



Proud sponsor of the 2006 Dolphin Dash. Folsom, California



Tri Counties Bank is a proud supporter and the "Official Bank" of the Sacramento Ballet.



Tri Counties Bank employees fill boxes of food for the 2006 Salvation Army "Share Your Christmas" food drive in Redding. In coordination with KRCR-TV, this year's drive brought in record amounts of food for Northern California families in need.

*"At its heart, a business is really a collection of people you have who represent your product or service. Our people do that in an amazing way."*

– Rick Smith  
President and CEO

From left to right: Tri Counties Bank Relationship Manager Mark Edwards, along with donor Greg Webb, partner/owner Webb Homes; Chico High School Principal, Melvin Clay, Jr.; donor and local developer, Tony Symmes, and Tri Counties Bank Credit Administration Supervisor Bill Ide for the dedication of the newly resurfaced Chico High School track.



Tri Counties Bank stepped in to help send the 5th grade class at McManus School on an annual outdoor education trip to Monterey.



## Welcome to Tri Counties Bank Country!



### 2006 Branch Openings:

Market Place ISB  
Yuba City Wal-Mart Supercenter

Empire Ranch ISB  
Folsom Raley's

Arena Blvd ISB  
Natomas Bel Air

Anderson ISB  
Wal-Mart Supercenter

Antelope ISB  
Wal-Mart Supercenter

Elk Grove ISB  
Raley's



### 2007 Expansion Opportunities

American Canyon, inside Wal-Mart Supercenter

West Sacramento, inside Wal-Mart Supercenter

Modesto, inside Raley's



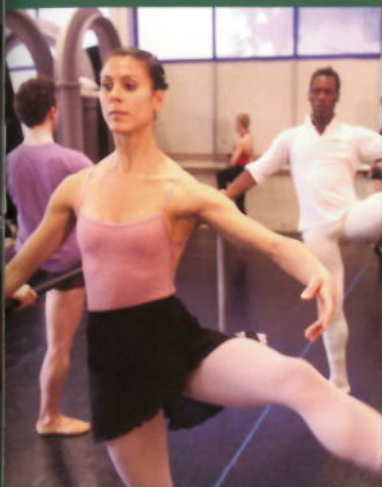
S & S Produce



Woof & Poof

“The best banking institutions always seem to have the best customers. It’s certainly true in our case.”

- Rick Smith  
President and CEO



The Sacramento Ballet

U.S. Night Vision Technologies





The S&S storefront is a local landmark in the Chico community.

Chico Downtown Branch Manager Brian Endamano, with S&S Vitamin Specialist Donald Payne.

## Home Grown Success

Roy and Evelyn Stewart opened S&S Produce in 1968. Their son, Rich Stewart, and daughter, Joyce Rogers, carry on the family legacy today selling locally grown, organic and natural foods, as well as fresh seafood, natural beef, and free-range poultry at an old-fashioned butcher shop.

According to Rich Stewart, S&S Produce prides itself on carrying the local brands. The store is a trustworthy source for information and the shoppers and employees know each other by name.

*"I have tremendous confidence in our relationship with Tri Counties Bank. They are truly our business partner."*

- Rich Stewart, S&S Produce

"We are fortunate to have such great support from the local community," said Stewart, "many of our customers have been shopping here for 25 years or more."

The Stewart family has been banking with Tri Counties Bank for years.

"I have tremendous confidence in our relationship with Tri Counties Bank. They are truly our business partner," said Stewart. "They are the local bank and we have a great relationship with our bankers."







**Organic**  
A BETTER WAY TO GROW

SHIRTS  
\$9.99

EVERY HEALTHY MEAL  
STARTS WITH THE GROUND

Organic PRODUCE  
& NATURALISM

Organic  
FOODS THAT ARE GROWN  
& PROCESSED USING  
NATURAL METHODS & MATERIALS  
WITH A LOW IMPACT TO THE  
ENVIRONMENT!

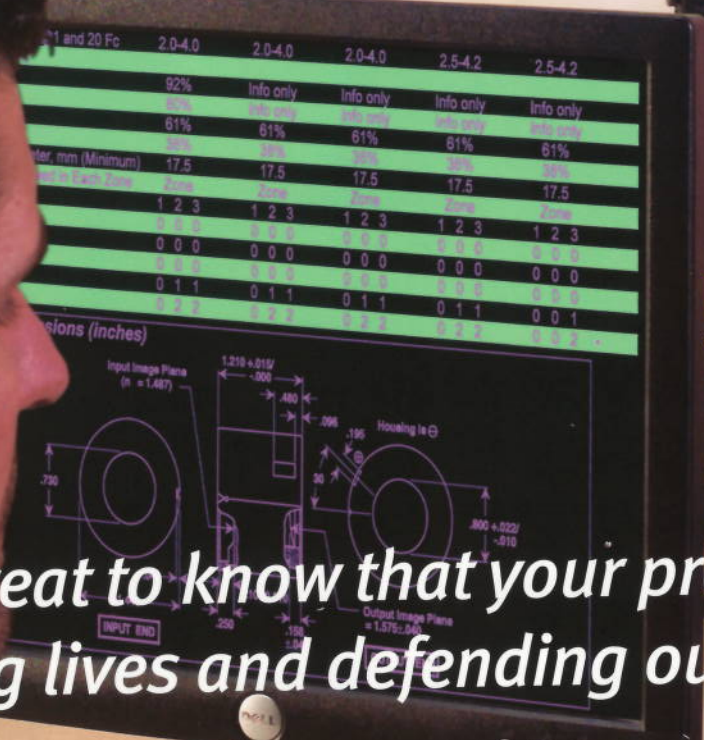
**TOFU**  
It's not just for dinner.

ASPARAGUS \$2.49 lb  
WHITE CORN 99¢ EA  
FENNEL \$1.49 EA  
WATERCRESS \$1.99 EA  
WEEKLY SPECIAL BROCCOLI \$1.49 EA  
PARSLEY \$1.49 EA  
ITALIAN PARSLEY \$1.49 EA  
FRESH PRODUCE ARTICHOKES \$1.99 EA  
BROCCOLI CROWNS \$2.59 lb  
BUNCH CARROTS \$1.79



Left to right: Donald Payne, Joyce Rogers, Rich Stewart, Dick Triplett and Lowell Donaldson





*It's great to know that your products are saving lives and defending our country.*

Chris Byrd  
 Founder/Owner U.S. Night Vision Technologies



## The Power of Vision

Founded by Chris Byrd, U.S. Night Vision Technologies manufactures highly specialized equipment such as goggles, monoculars, weapon sights and night vision devices primarily supplied to military, law enforcement and security agencies around the world.

Originally from the Sacramento area, Byrd realized the lower cost of living and cost of doing business in the growing Roseville



John Barbieri and Chris Byrd, owners of U.S. Night Vision Corporation.



*“This is a great company with a lot of potential. U.S. Night Vision fits very well into the growth strategies of Tri Counties Bank”*

- Don Fuller, vice president and relationship manager Tri Counties Bank

area would be beneficial for his company. He made the decision to relocate his family and company. U.S. Night Vision has been thriving ever since.

This highly specialized equipment enables personnel on the ground or in the air to essentially “own the night” by providing them with enhanced situational awareness. Enhanced Night Vision Goggles (ENVG) incorporate image intensification and thermal sensors into a combined image or overlay imagery.

“We have a product that helps our soldiers in combat, as well as our local police and law enforcement in fighting crime,” said Byrd. “It’s great to know that your products are saving lives and defending our country.”

Chris Byrd and his partner, John Barbieri, chose Tri Counties Bank to meet their unique financial needs. Their Banker, Don Fuller, comments, “This is a great company with a lot of potential. U.S. Night Vision fits very well into the growth strategies of Tri Counties Bank and we have a lot to offer our new customers to help them achieve their goals.”





*“Running the business keeps me busy, but I can always count on a personal phone call from the bank checking in on me.”*

- Jackie Headley, owner of Woof & Poof Manufacturing



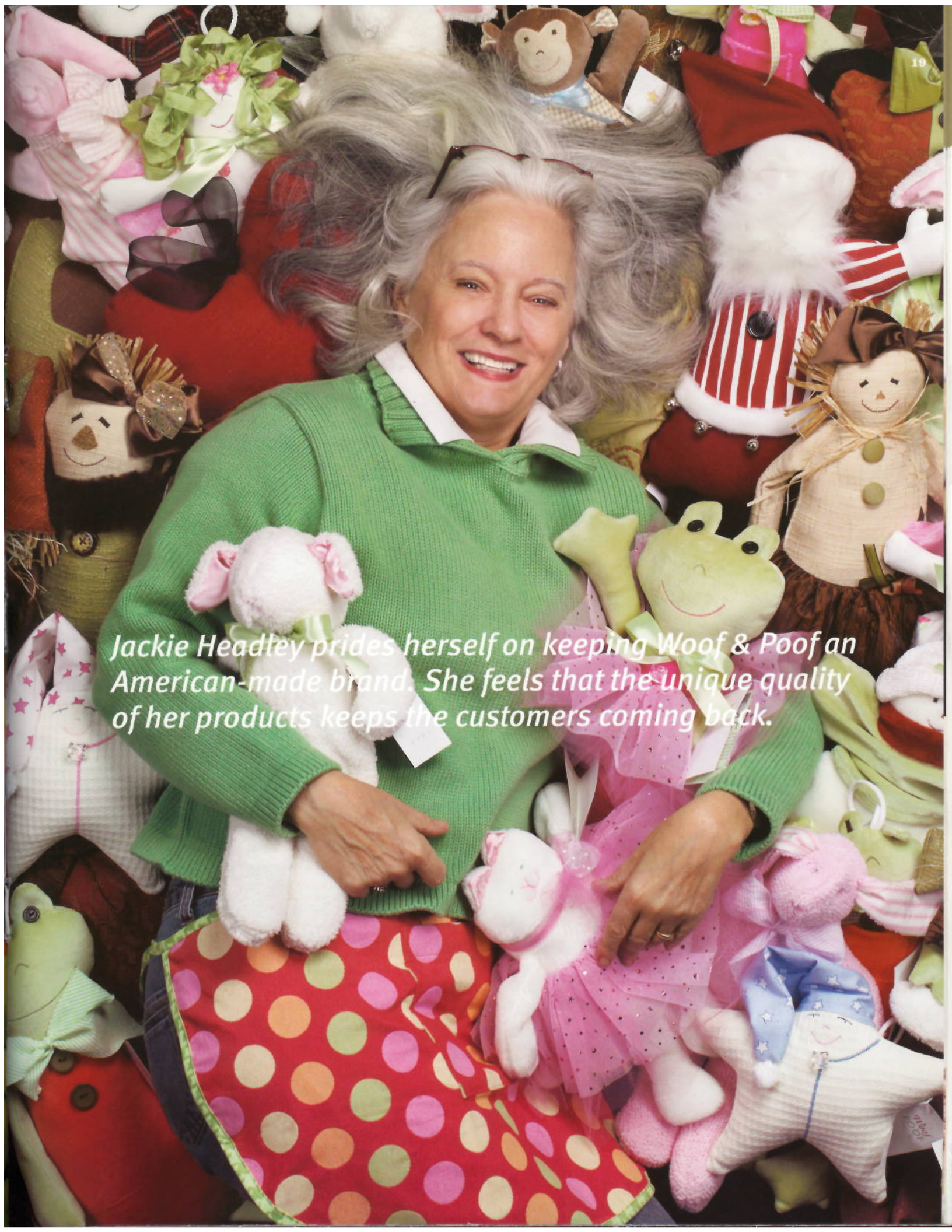
## So Far Sew Good

Jackie Headley is the owner of Woof & Poof, a Chico-based company established in 1975 that manufactures hand-sewn gift items. Her products are sold through her retail outlet store **Made In Chico**, as well as across the nation to retailers such as **Nordstrom's**, **Coldwater Creek**, **Jackson & Perkins** and about 2,500 other small and large gift stores.

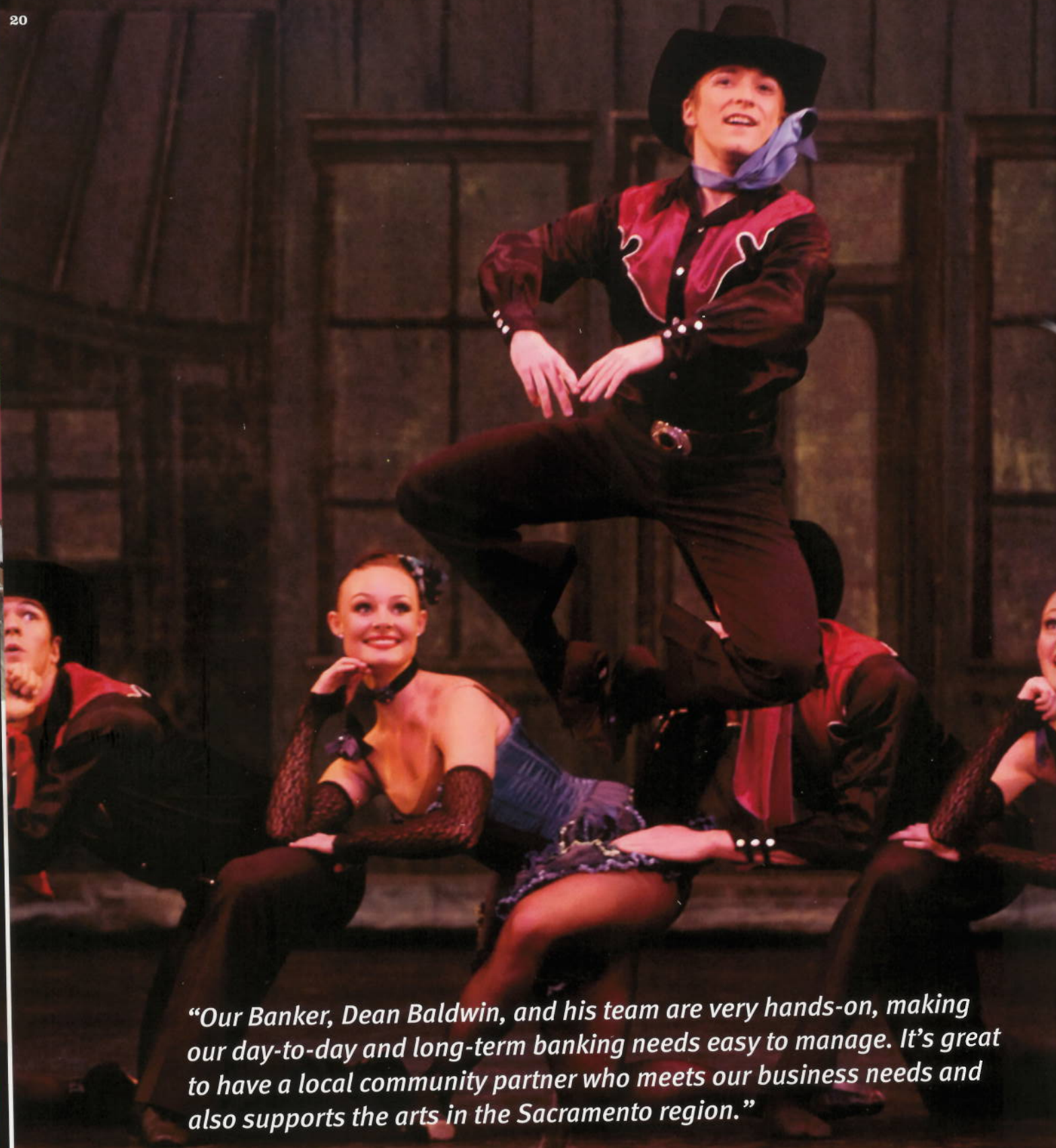
“We make anything we think could be a fun gift that we can sew,” said Headley, who still designs all of her product lines. “We started out with pillows and it just sort of went from there to covered hot water bottles and various different items such as aprons, pot holders, Christmas stockings, Halloween items, door hangers ... things that can be decorative.”

Headley started the business with a \$750 loan from her parents—enough to purchase two sewing machines. Today, more than 30 years later, she has a 15,000 square foot warehouse and production facility with 43 employees who produce more than 300 products. The hand-sewn gifts, affectionately known as “woofs” and “poofs,” are whimsical and decorative, sophisticated enough for a gallery situation and cute enough to fit into a contemporary or country home.

Woof & Poof has been banking at Tri Counties Bank since 1986. “I like Tri Counties Bank because of the exceptional service I receive from them,” said Headley. “Running the business keeps me busy, but I can always count on a personal phone call from the Bank checking in on me.”



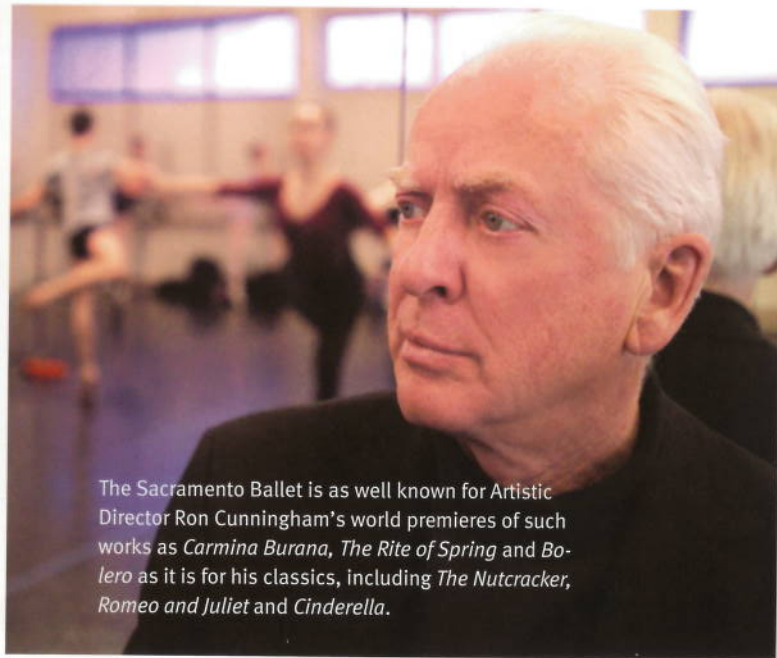
*Jackie Headley prides herself on keeping Woof & Poof an American-made brand. She feels that the unique quality of her products keeps the customers coming back.*



*“Our Banker, Dean Baldwin, and his team are very hands-on, making our day-to-day and long-term banking needs easy to manage. It’s great to have a local community partner who meets our business needs and also supports the arts in the Sacramento region.”*

- Kerri Warner, executive director of The Sacramento Ballet

## A Passion for Excellence



The Sacramento Ballet is as well known for Artistic Director Ron Cunningham's world premieres of such works as *Carmina Burana*, *The Rite of Spring* and *Bohemo* as it is for his classics, including *The Nutcracker*, *Romeo and Juliet* and *Cinderella*.

Founded in 1954, The Sacramento Ballet provides our community with a high quality, resident company of professional artists from across the United States, Europe and Asia. The Ballet provides the region with a range of education and outreach programs and performs a variety of classical and contemporary works choreographed by masters and emerging artists, performing a minimum of five productions annually and reaching an audience of approximately 80,000 seasonally.

The artistic vision of the Ballet is dedicated to developing and sustaining an informed, enthusiastic and broad-based audience for dance and the performing arts, while increasing accessibility to the arts for the entire community. The Sacramento Ballet's education and outreach efforts focus on working with students who are educationally at risk, and on providing encouragement, enrichment, and role models to Sacramento's youth.

Tri Counties Bank was the music sponsor for the 2006 Nutcracker season.



**Convenience. Service. Access.**  
We are committed to our value proposition of delivering local service, the convenience of supermarket banking, and 7 day-a-week access.

Debbie Noel, Fall River branch manager, with Guy Watson, vice president and northern traditional regional manager.



(L to R): Monica Canchola, vice president, regional operations manager, Cindy Bennington-Foor, vice president and southern traditional regional manager, and Kay Armstrong, vice president and direct banking manager.

Bindu Jaduram, sales manager with Chimene Sonsteng, expansion project manager.

Below: Cher Matthews, vice president, northern in-store regional manager, greets another new Tri Counties Bank customer.



AJ Elias, vice president and southern in-store regional manager.



**TRI COU** **BANK**



life improvement bank.

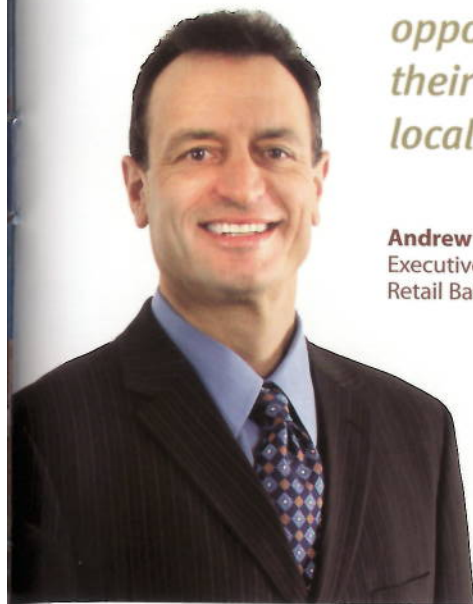


# Retail Banking



*“Success for us is determined by earning the opportunity to serve more customers and more of their financial needs. Our aim is to be the dominant local choice in the markets we serve.”*

**Andrew Mastorakis**  
Executive Vice President  
Retail Banking



In the intensely competitive industry of banking, anticipating your customers' needs and meeting their expectations is essential for growth. Every interaction with a customer is a chance to improve their financial life and strengthen our relationship. Success for us is determined by earning the opportunity to serve more customers and more of their financial needs. Our aim is to be the dominant local choice in the markets we serve.

We continued our aggressive expansion plans in the Central Valley in 2006, opening six new in-store branches and continuing to develop our retail partnerships. With an increased focus in the greater Sacramento metropolitan area, all new branches are showing early success as measured by acquired customer households, deposit balances and loan application volume.

While we continue to grow, we also strive to maintain the hometown community feeling upon which we were founded. Our full-service branches are located in

neighborhoods, local downtowns, inside leading retail stores, and in metropolitan areas where traditional branches serve as financial “hubs.” And our Life Improvement Bankers are committed to earning and maintaining the role of “trusted advisor” to every customer they serve.

Convenience. Service. Access. We are committed to our value proposition of combining professional, local service, the convenience of one-stop shopping and access to a banker 7 days a week. With extended hours that keep many of our branches open as late as 8 p.m., Tri Counties Bank goes the extra mile to offer unprecedented value to customers with busy lifestyles who appreciate our “high-touch” service and the convenience of having their bank inside a store where they are already doing their shopping.

### **2006 Expansion Highlights:**

- Three new branches inside Raley’s markets in the cities of Folsom, North Natomas and Elk Grove.
- Three branches inside Wal-Mart Supercenters in Yuba City, Antelope and Anderson.
- Remodeled and fully expanded our Bakersfield Business Office into a full-service Financial Center, paving the way for more consumer traffic.
- Remodeled and expanded our Red Bluff in-store branch.



*“Our relationship with Tri Counties Bank is a real asset to running our businesses.”*

Michael W. Koehnen, partner, Riverwest Processing, Inc., owner, CF Koehnen & Sons, Orchard & Apiary Operations, Ordbend



Riverwest Processing, Inc., located in Glenn, California, was founded in 2004 by the Koehnen and Paiva families, with the mission to provide a first-class processing destination for growers, and a complete supply solution for customers seeking high-quality, natural California-grown almonds.

Their state-of-the-art facility is situated on 40 acres, and has quickly become a large independent nut processor, shipping to customers worldwide.

## Wholesale Banking

*“For 31 years, Tri Counties Bank has provided commercial banking solutions to businesses of every size and description.”*

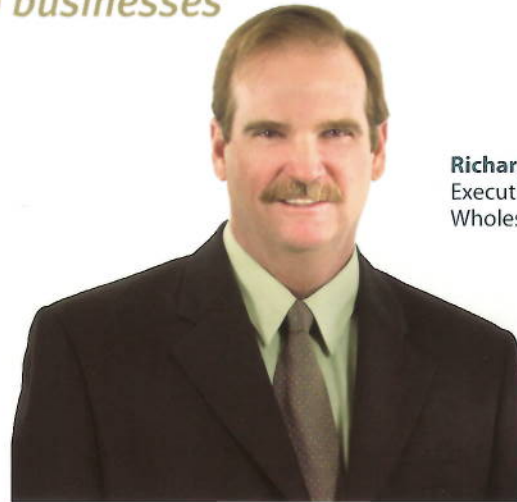
Our relationship managers continued to build success in 2006 with strong growth in commercial, agriculture and commercial real estate loans. Our leasing representatives became better integrated into the process resulting in increased production.

At Tri Counties Bank, we are financial experts, a resource our clients can come to—and depend on—to give advice about the financing they need to succeed. It's not only about loans, we provide a full menu of financial services such as our sophisticated cash management tools including: corporate online banking (eCash Management), sweep accounts, lock box service and positive pay to assist with cash flow.

Planning for the future is critical for a business to succeed. Our relationship managers realize that efficient utilization of cash with our deposit services is very important. For clients looking to learn more about financial management, Tri Counties Bank provides educational seminars on financial management and other topics to help our clients be more efficient and better informed about the day-to-day finances of their companies.

***“The seminar is intended to allow business owners to refresh the basics of financial management. It also provides an opportunity for them to step back and take a wider look at their business. They can then sharpen their goals and plan for long term success.”***

Our team of corporate client services officers continues to grow; we now have specialists in each market area available to discuss our convenient and user-friendly cash management products. We are continually upgrading, researching and adding the latest products



**Richard O'Sullivan**  
Executive Vice President  
Wholesale Banking

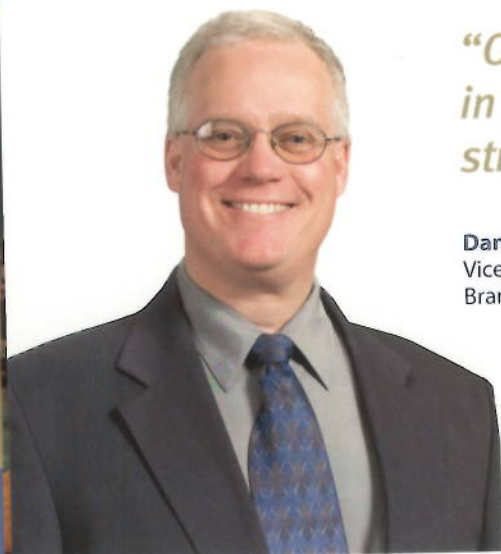
to better serve customers. Corporate Client Services enjoys a high customer referral rate because of excellent customer training and support.

Committed to its ambitious goals for 2007 and beyond, the Tri Counties Bank Wholesale Banking Team will continue to participate in the growth and innovation of customized relationships that our Company is known for, characterized by the high level of success our clients enjoy both personally and professionally.

Corporate Client Manager Toni Wilson and her team deliver extensive one-on-one training and support on a wide array of web-based tools.



## Investment Services



*“Our financial advisors play an important role in providing meaningful financial planning strategies and solutions.”*

**Dan Bay**  
Vice President Tri Counties Bank;  
Branch Manager Raymond James

Twenty-two years ago Tri Counties Bank began offering what was then described as “non-traditional investment products” to our bank customers.

In September of two-thousand the Bank developed a relationship with Raymond James Financial Services, and every year since Tri Counties Bank has been recognized by RJFS for our superior performance. This relationship has allowed our Raymond James financial advisors the ability to offer the full resources of a large, multinational financial services organization including a full complement of wealth management solutions to uniquely successful individuals and families. Many of these families are either baby boomers or small business owners or both. Both of these markets have and will play a key roll for the investment services department.

When you consider that the “boomer generation” controls more than \$7 trillion in wealth and owns 77% of all financial assets, our continued focus in this area is important to both Tri Counties Bank and

the baby boomer generation. Our financial advisors play an important role in providing meaningful financial planning strategies and solutions.

With 77 million baby boomers retiring in the next 20 years, the IRA rollover market will reach \$500 billion per year by 2010. Five years from now we’ll get to the point where there are 10,000 people retiring every week and it’s not as easy as simply rolling over assets, but instead it’s a financial planning and budgeting exercise that our experienced Financial Advisors are well trained for and in a position to capitalize on.

Increasing customer awareness of the capabilities of our investment services department and ultimately the increased penetration in this important market segment is a key objective for us in 2007 and beyond.

Dan Bay presents a check with KRCR Channel 7 News Anchor Jennifer Scarborough, to Captain Ray Yant. The Chico Investment Services group has organized this holiday fundraiser for several years running to benefit the local Salvation Army.

Securities and investment advisory services are offered through Raymond James Financial Services, Inc., Member NASD/SIPC, an independent broker/dealer, and are NOT FDIC insured. NOT GUARANTEED by Tri Counties Bank or any other federal government agency. Subject to risk and may lose value.



## Report of Independent Registered Public Accounting Firm

The Board of Directors  
TriCo Bancshares:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of TriCo Bancshares and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2006 (not presented herein); and in our report dated March 13, 2007, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

**KPMG LLP**

KPMG LLP  
Sacramento, California  
March 13, 2007

## Consolidated Balance Sheets

(in thousands, except share data)

|  | At December 31,    |             |
|--|--------------------|-------------|
|  | 2006               | 2005        |
| <b>Assets:</b>   |                    |             |
| Cash and due from banks  | \$102,220          | \$90,562    |
| Federal funds sold   | 794                | 2,377       |
|  | <b>103,014</b>     | 92,939      |
| Cash and cash equivalents  |                    |             |
| Securities available-for-sale  | 198,361            | 260,278     |
| Federal Home Loan Bank stock, at cost  | 8,320              | 7,602       |
| Loans, net of allowance for loan losses of \$16,914 and \$16,226                     | 1,492,965          | 1,368,809   |
| Foreclosed assets, net of allowance for losses of \$180 and \$180                    | --                 | --          |
| Premises and equipment, net  | 21,830             | 21,291      |
| Cash value of life insurance   | 43,536             | 41,768      |
| Accrued interest receivable  | 8,727              | 7,641       |
| Goodwill   | 15,519             | 15,519      |
| Other intangible assets, net   | 1,666              | 4,407       |
| Other assets   | 26,028             | 21,021      |
|  | <b>\$1,919,966</b> | \$1,841,275 |
| <b>Total assets</b>  |                    |             |
| <b>Liabilities and Shareholders' Equity:</b>   |                    |             |
| Liabilities:   |                    |             |
| Deposits:  |                    |             |
| Noninterest-bearing demand   | \$420,025          | \$368,412   |
| Interest-bearing   | 1,179,124          | 1,128,385   |
|  | <b>1,599,149</b>   | 1,496,797   |
| Total deposits   |                    |             |
| Federal funds purchased  | 38,000             | 96,800      |
| Accrued interest payable   | 7,548              | 4,506       |
| Reserve for unfunded commitments   | 1,849              | 1,813       |
| Other liabilities  | 22,835             | 19,238      |
| Other borrowings   | 39,911             | 31,390      |
| Junior subordinated debt   | 41,238             | 41,238      |
|  | <b>1,750,530</b>   | 1,691,782   |
| <b>Total liabilities</b>   |                    |             |
| Shareholders' equity:  |                    |             |
| Common stock, no par value: 50,000,000 shares authorized;<br>issued and outstanding: |                    |             |
| 15,857,207 at December 31, 2006  | 73,739             | --          |
| 15,707,835 at December 31, 2005  | --                 | 71,412      |
| Retained earnings  | 100,218            | 81,906      |
| Accumulated other comprehensive loss, net  | (4,521)            | (3,825)     |
|  | <b>169,436</b>     | 149,493     |
| <b>Total liabilities and shareholders' equity</b>                                    | <b>\$1,919,966</b> | \$1,841,275 |

<sup>1</sup>Share and per share data for all periods have been adjusted to reflect the 2-for-1 stock split paid on April 30, 2004.

## Consolidated Statements of Income

(in thousands, except per share data)

Years ended at December 31,

|  | 2006            | 2005            | 2004            |
|--|-----------------|-----------------|-----------------|
| Interest and dividend income:                          |                 |                 |                 |
| Loans, including fees                                  | \$109,769       | \$86,379        | \$72,637        |
| Debt securities:                                       |                 |                 |                 |
| Taxable  | 8,373           | 10,268          | 10,312          |
| Tax exempt   | 1,749           | 1,778           | 1,728           |
| Dividends  | 376             | 306             | 237             |
| Federal funds sold                                     | 56              | 25              | 18              |
| <b>Total interest and dividend income</b>              | <b>120,323</b>  | <b>98,756</b>   | <b>84,932</b>   |
| Interest expense:                                      |                 |                 |                 |
| Deposits   | 25,460          | 14,902          | 10,171          |
| Federal funds purchased                                | 4,116           | 1,784           | 510             |
| Other borrowings                                       | 1,667           | 1,361           | 1,301           |
| Junior subordinated debt                               | 3,202           | 2,482           | 1,381           |
| Total interest expense                                 | <b>34,445</b>   | <b>20,529</b>   | <b>13,363</b>   |
| Net interest income                                    | <b>85,878</b>   | <b>78,227</b>   | <b>71,569</b>   |
| Provision for loan losses                              | <b>1,289</b>    | <b>2,169</b>    | <b>2,901</b>    |
| Net interest income after provision for loan losses    | <b>84,589</b>   | <b>76,058</b>   | <b>68,668</b>   |
| Noninterest income:                                    |                 |                 |                 |
| Service charges and fees                               | 19,809          | 18,152          | 17,691          |
| Gain on sale of loans                                  | 1,224           | 1,679           | 1,659           |
| Commissions on sale of non-deposit investment products | 1,946           | 2,242           | 2,327           |
| Increase in cash value of life insurance               | 1,767           | 1,507           | 1,499           |
| Other  | 1,509           | 1,310           | 1,618           |
| <b>Total noninterest income</b>                        | <b>26,255</b>   | <b>24,890</b>   | <b>24,794</b>   |
| Noninterest expense:                                   |                 |                 |                 |
| Salaries and related benefits                          | 36,455          | 33,926          | 33,191          |
| Other  | 30,271          | 28,184          | 27,637          |
| Total noninterest expense                              | <b>66,726</b>   | <b>62,110</b>   | <b>60,828</b>   |
| Income before income taxes                             | <b>44,118</b>   | <b>38,838</b>   | <b>32,634</b>   |
| Provision for income taxes                             | <b>17,288</b>   | <b>15,167</b>   | <b>12,452</b>   |
| <b>Net income</b>                                      | <b>\$26,830</b> | <b>\$23,671</b> | <b>\$20,182</b> |
| Earnings per share:                                    |                 |                 |                 |
| Basic  | \$1.70          | \$1.51          | \$1.29          |
| Diluted  | \$1.64          | \$1.45          | \$1.24          |

**Consolidated Statements of Changes in Shareholders' Equity**

Years Ended December 31, 2006, 2005 and 2004

|  | Shares of<br>Common<br>Stock | Common<br>Stock | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>(Loss) Income | Total     |
|--|------------------------------|-----------------|----------------------|--|-----------|
| (in thousands, except share data)                                      |                              |                 |                      |  |           |
| Balance at December 31, 2003   | 15,668,248                   | \$69,767        | \$56,379             | \$1,814  | \$127,960 |
| Comprehensive income:  |                              |                 |                      |  |           |
| Net income   |                              |                 | 20,182               |  | 20,182    |
| Change in net unrealized gain on<br>Securities available for sale, net |                              |                 |                      | (1,936)  | (1,936)   |
| Change in minimum pension liability, net                               |                              |                 |                      | (230)  | (230)     |
| Total comprehensive income   |                              |                 |                      |  | 18,016    |
| Stock options exercised  | 222,669                      | 1,348           |                      |  | 1,348     |
| Tax benefit of stock options exercised                                 |                              | 330             |                      |  | 330       |
| Repurchase of common stock   | (167,600)                    | (746)           | (2,047)              |  | (2,793)   |
| Dividends paid (\$0.43 per share)                                      |                              |                 | (6,729)              |  | (6,729)   |
| Balance at December 31, 2004   | 15,723,317                   | \$70,699        | \$67,785             | (\$352)  | \$138,132 |
| Comprehensive income:  |                              |                 |                      |  |           |
| Net income   |                              |                 | 23,671               |  | 23,671    |
| Change in net unrealized loss on<br>Securities available for sale, net |                              |                 |                      | (3,336)  | (3,336)   |
| Change in minimum pension liability, net                               |                              |                 |                      | (137)  | (137)     |
| Total comprehensive income   |                              |                 |                      |  | 20,198    |
| Stock options exercised  | 136,289                      | 972             |                      |  | 972       |
| Tax benefit of stock options exercised                                 |                              | 425             |                      |  | 425       |
| Repurchase of common stock   | (151,771)                    | (684)           | (2,477)              |  | (3,161)   |
| Dividends paid (\$0.45 per share)                                      |                              |                 | (7,073)              |  | (7,073)   |
| Balance at December 31, 2005   | 15,707,835                   | \$71,412        | \$81,906             | (\$3,825)  | \$149,493 |
| Comprehensive income:  |                              |                 |                      |  |           |
| Net income   |                              |                 | 26,830               |  | 26,830    |
| Change in net unrealized loss on<br>Securities available for sale, net |                              |                 |                      | 519  | 519       |
| Total comprehensive income   |                              |                 |                      |  | 27,349    |
| Adjustment to initially apply FASB<br>Statement No. 158, net of tax    |                              |                 |                      | (1,215)  | (1,215)   |
| Stock option vesting   |                              | 662             |                      |  | 662       |
| Stock options exercised  | 190,287                      | 1,646           |                      |  | 1,646     |
| Tax benefit of stock options exercised                                 |                              | 205             |                      |  | 205       |
| Repurchase of common stock   | (40,915)                     | (186)           | (923)                |  | (1,109)   |
| Dividends paid (\$0.48 per share)                                      |                              |                 | (7,595)              |  | (7,595)   |
| Balance at December 31, 2006   | 15,857,207                   | \$73,739        | \$100,218            | (\$4,521)  | \$169,436 |

<sup>1</sup>Share and per share data for all periods have been adjusted to reflect the 2-for-1 stock split paid on April 30, 2004.



## Consolidated Statements of Cash Flows

Years ended at December 31,

|   | 2006      | 2005      | 2004      |
|---|-----------|-----------|-----------|
| Operating activities:(in thousands)   |           |           |           |
| Net income  | \$26,830  | \$23,671  | \$20,182  |
| Adjustments to reconcile net income to net cash provided by operating activities: |           |           |           |
| Depreciation of premises and equipment, and amortization                          | 3,710     | 3,821     | 3,402     |
| Amortization of intangible assets   | 1,395     | 1,381     | 1,358     |
| Provision for loan losses   | 1,289     | 2,169     | 2,901     |
| Amortization of investment securities premium, net                                | 898       | 1,236     | 1,845     |
| Gain on sale of investments   | (12)      | --        | --        |
| Originations of loans for resale  | (69,707)  | (76,542)  | (88,158)  |
| Proceeds from sale of loans originated for resale                                 | 70,257    | 77,398    | 89,015    |
| Gain on sale of loans   | (1,224)   | (1,679)   | (1,659)   |
| Amortization of mortgage servicing rights   | --        | 661       | 739       |
| Change in market value of mortgage servicing rights                               | (400)     | --        | (600)     |
| Loss (gain) on sale of fixed assets   | 28        | 94        | (23)      |
| Gain on sale of foreclosed assets   | --        | --        | (566)     |
| Increase in cash value of life insurance  | (1,767)   | (1,507)   | (1,499)   |
| Stock option vesting expense  | 662       | --        | --        |
| Deferred income tax benefit   | (1,679)   | (2,223)   | (1,130)   |
| Change in:  |           |           |           |
| Interest receivable   | (1,086)   | (1,168)   | (446)     |
| Interest payable  | 3,042     | 1,225     | 643       |
| Other assets and liabilities, net   | 837       | 1,382     | 3,459     |
| Net cash provided by operating activities   | 33,073    | 29,919    | 29,463    |
| Investing activities:   |           |           |           |
| Proceeds from maturities of securities available-for-sale                         | 52,043    | 58,755    | 79,442    |
| Proceeds from sale of securities available-for-sale                               | 10,779    | --        | --        |
| Purchases of securities available-for-sale  | (896)     | (40,013)  | (59,091)  |
| Purchase of Federal Home Loan Bank stock  | (718)     | (821)     | (1,997)   |
| Loan originations and principal collections, net                                  | (125,445) | (212,536) | (192,992) |
| Proceeds from sale of premises and equipment                                      | 5         | 24        | 545       |
| Purchases of premises and equipment   | (3,781)   | (4,766)   | (3,753)   |
| Proceeds from sale of foreclosed assets   | --        | --        | 1,490     |
| Investment in subsidiary  | --        | --        | (619)     |
| Net cash used by investing activities   | (68,013)  | (199,357) | (176,975) |
| Financing activities:   |           |           |           |
| Net increase in deposits  | 102,352   | 147,964   | 112,010   |
| Net change in federal funds purchased   | (58,800)  | 50,400    | 6,900     |
| Payments of principal on long-term other borrowings                               | (58)      | (51)      | (43)      |
| Net change in short-term other borrowings   | 8,579     | 3,289     | 5,308     |
| Issuance of junior subordinated debt  | --        | --        | 20,619    |
| Repurchase of common stock  | --        | (3,161)   | (2,793)   |
| Dividends paid  | (7,595)   | (7,073)   | (6,729)   |
| Exercise of stock options   | 537       | 972       | 1,348     |
| Net cash provided by financing activities   | 45,015    | 192,340   | 136,620   |
| Net change in cash and cash equivalents   | 10,075    | 22,902    | (10,892)  |
| Cash and cash equivalents and beginning of year                                   | 92,939    | 70,037    | 80,929    |
| Cash and cash equivalents at end of year  | \$103,014 | \$92,939  | \$70,037  |
| Supplemental disclosure of non-cash activities:                                   |           |           |           |
| Unrealized loss on securities available for sale                                  | \$895     | (\$5,757) | (\$3,263) |
| Supplemental disclosure of cash flow activity:                                    |           |           |           |
| Cash paid for interest expense  | 31,403    | 19,304    | 12,720    |
| Cash paid for income taxes  | 19,825    | 16,215    | 14,630    |
| Income tax benefit from stock option exercises                                    | 205       | 425       | 330       |

**TriCo Bancshares—Executive Officers**

|                                       |   |
|---------------------------------------|---|
| <b>Richard P. Smith</b> .....         | President &<br>Chief Executive Officer                |
| <b>Thomas J. Reddish</b> .....        | Executive Vice President &<br>Chief Financial Officer |
| <b>William J. Casey</b> .....         | Chairman of the Board                                 |
| <b>Alex A. Vereschagin, Jr.</b> ..... | Secretary of the Board                                |

**Tri Counties Bank—Executive Officers**

|                                 |   |
|---------------------------------|---|
| <b>Richard P. Smith</b> .....   | President &<br>Chief Executive Officer                |
| <b>Richard O'Sullivan</b> ..... | Executive Vice President<br>Wholesale Banking         |
| <b>Thomas J. Reddish</b> .....  | Executive Vice President &<br>Chief Financial Officer |
| <b>Rick Hagstrom</b> .....      | Executive Vice President<br>Risk Management           |
| <b>Craig Carney</b> .....       | Senior Vice President &<br>Chief Credit Officer       |
| <b>Rick Miller</b> .....        | Senior Vice President<br>Director of Human Resources  |
| <b>Ray Rios</b> .....           | Senior Vice President<br>Manager Information Systems  |

**TriCo Bancshares Headquarters**

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

**Shareholder Relations**

Suzanne Youngs  
 63 Constitution Drive  
 Chico, California 95973  
 (530) 898-0300  
 SuzanneYoungs@tcbk.com

**Transfer Agent**

Mellon Investor Services  
 Overpeck Centre  
 85 Challenger Road  
 Ridgefield Park, NJ 07660  
 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 and Form 10-K for the year ended December 31, 2006, 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.**

**Notice of Annual Meeting**

May 22, 2007  
 63 Constitution Drive  
 Chico, California 95973

**Independent Registered  
 Public Accounting Firm  
 (2006)**

KPMG LLP  
 400 Capitol Mall  
 Suite 800  
 Sacramento, CA 95814  
 (916) 448-4700

**TRI COUNTIES BANK LOCATIONS**

|  |   |   |
|--|---|---|
| <b>Anderson in Wal-Mart Supercenter</b><br>5000 Rhonda Road<br>Anderson, CA 96007<br>(530) 378-8085                          | <b>Fall River Mills</b><br>43308 State Hwy 299E<br>Fall River Mills, CA 96028<br>(530) 336-6291           | <b>Redding: Hartnell in Raley's</b><br>110 Hartnell Avenue<br>Redding, CA 96002<br>(530) 224-3430   |
| <b>Antelope in Wal-Mart Supercenter</b><br>5821 Antelope North Road<br>Antelope, CA 95843<br>(916) 721-1706                  | <b>Folsom: Blue Ravine in Albertsons</b><br>1003 East Bidwell<br>Folsom, CA 95630<br>(916) 984-2270       | <b>Redding: Hilltop</b><br>1250 Hilltop Drive<br>Redding, CA 96003<br>(530) 223-3307  |
| <b>Bakersfield Business Center</b><br>5201 California Avenue, Suite 102<br>Bakersfield, CA 93309<br>(661) 325-9321<br>No ATM | <b>Folsom: East Bidwell in Raley's</b><br>715 East Bidwell<br>Folsom, CA 95630<br>(916) 984-4244          | <b>Redding: Lake Boulevard in Raley's</b><br>201 Lake Boulevard<br>Redding, CA 96003<br>(530) 245-4651                                      |
| <b>Bieber</b><br>ATM only<br>Bridge & Market Streets<br>Bieber, CA 96009   | <b>Folsom: Empire Ranch in Raley's</b><br>25025 Blue Ravine Road<br>Folsom, CA 95630<br>(916) 984-2029    | <b>Roseville: Douglas Boulevard in Raley's</b><br>1915 Douglas Boulevard<br>Roseville, CA 95661<br>(916) 784-6661                           |
| <b>Brentwood in Raley's</b><br>2400 Sand Creek Road<br>Brentwood, CA 94513<br>(925) 634-5500                                 | <b>Fresno: Herndon &amp; Marks</b><br>7020 N. Marks Avenue<br>Fresno, CA 93711<br>(559) 435-8089          | <b>Roseville: Pleasant Grove Boulevard in Wal-Mart Supercenter</b><br>900 Pleasant Grove Boulevard<br>Roseville, CA 95678<br>(916) 780-2266 |
| <b>Burney</b><br>37093 State Hwy 299E<br>Burney, CA 96013<br>(530) 335-2215  | <b>Grass Valley in Albertsons</b><br>12054 Nevada City Hwy<br>Grass Valley, CA 95949<br>(530) 477-9741    | <b>Sacramento: Arden Fair</b><br>1760 Challenge Way<br>Sacramento, CA 95815<br>(916) 648-9370   |
| <b>Chico Mall</b><br>1950 East 20th Street, Suite G725<br>Next to Sears Entrance<br>Chico, CA 95928<br>(530) 898-0370        | <b>Gustine</b><br>319 5th Street<br>Gustine, CA 95322<br>(209) 854-3761                                   | <b>Sacramento: Arena Boulevard in Bel Air</b><br>3250 Arena Boulevard<br>Sacramento, CA 95834<br>(916) 419-2651                             |
| <b>Chico: CSU-Bell Memorial Union</b><br>ATM only  | <b>Lincoln: Sterling Pointe in Raley's</b><br>765 South Highway 65<br>Lincoln, CA 95648<br>(916) 408-5330 | <b>Sacramento: N. Natomas in Raley's</b><br>4650 Natomas Boulevard<br>Sacramento, CA 95835<br>(916) 419-4301                                |
| <b>Chico: Downtown</b><br>525 Salem Street<br>Chico, CA 95928<br>(530) 893-8861  | <b>Marysville</b><br>729 E Street<br>Marysville, CA 95901<br>(530) 749-1639                               | <b>Susanville</b><br>1605 Main Street<br>Susanville, CA 96130<br>(530) 257-4151   |
| <b>Chico: East Avenue in Albertsons</b><br>146 W East Avenue<br>Chico, CA 95926<br>(530) 898-0380                            | <b>Middletown</b><br>21097 Calistoga Street<br>Middletown, CA 95461<br>(707) 987-3196                     | <b>Turlock: Geer Road in Raley's</b><br>2900 Geer Road<br>Turlock, CA 95382<br>(209) 668-1882   |
| <b>Chico: Esplanade in Raley's</b><br>211 W East Avenue<br>Chico, CA 95926<br>(530) 879-5830                                 | <b>Modesto</b><br>3320 Tully Road<br>Modesto, CA 95350<br>(209) 548-4030                                  | <b>Visalia Business Center</b><br>2914 W Main Street<br>Visalia, CA 93291<br>(559) 741-2940<br>No ATM                                       |
| <b>Chico: Park Plaza</b><br>780 Mangrove Avenue<br>Chico, CA 95926<br>(530) 898-0400   | <b>Mt. Shasta</b><br>204 Chestnut Street<br>Mt. Shasta, CA 96067<br>(530) 926-2653                        | <b>Weed</b><br>303 Main Street<br>Weed, CA 96094<br>(530) 938-4401  |
| <b>Chico: Pillsbury</b><br>2171 Pillsbury Road<br>Chico, CA 95926<br>(530) 898-0470  | <b>Orland</b><br>100 East Walker Street<br>Orland, CA 95963<br>(530) 865-5524                             | <b>Willows</b><br>210 North Tehama Street<br>Willows, CA 95988<br>(530) 934-2191  |
| <b>Chowchilla</b><br>305 Trinity Avenue<br>Chowchilla, CA 93610<br>(559) 665-4868  | <b>Oroville</b><br>1180 Oro Dam Boulevard<br>Oroville, CA 95965<br>(530) 538-0140                         | <b>Woodland: Gibson Center in Bel Air</b><br>1885 East Gibson Road<br>Woodland, CA 95776<br>(530) 661-4701                                  |
| <b>Cottonwood</b><br>3349 Main Street<br>Cottonwood, CA 96022<br>(530) 347-3751  | <b>Palo Cedro</b><br>9125 Deschutes Road<br>Palo Cedro, CA 96073<br>(530) 547-4494                        | <b>Yreka</b><br>165 South Broadway<br>Yreka, CA 96097<br>(530) 842-2761   |
| <b>Covelo</b><br>76405 Covelo Road<br>Covelo, CA 95428<br>(707) 983-6135   | <b>Paradise</b><br>6848 Q Skyway<br>Paradise, CA 95969<br>(530) 872-2992                                  | <b>Yuba City: Colusa Avenue</b><br>1441 Colusa Avenue<br>Yuba City, CA 95993<br>(530) 671-5563  |
| <b>Crescent City</b><br>936 3rd Street<br>Crescent City, CA 95531<br>(707) 464-4145  | <b>Patterson</b><br>17 Plaza<br>Patterson, CA 95363<br>(209) 892-4098                                     | <b>Yuba City: Onstott Road in Raley's</b><br>700 Onstott Road<br>Yuba City, CA 95991<br>(530) 751-8416                                      |
| <b>Durham</b><br>9411 Midway<br>Durham, CA 95938<br>(530) 898-0430   | <b>Red Bluff in Raley's</b><br>727 South Main Street<br>Red Bluff, CA 96080<br>(530) 529-7080             | <b>Yuba City: Market Place in Wal-Mart Supercenter</b><br>1150 Harter Road<br>Yuba City, CA 95993<br>(530) 673-1746                         |
| <b>Elk Grove: Elk Grove Blvd. in Raley's</b><br>4900 Elk Grove Blvd<br>Elk Grove, CA 95757<br>(916) 478-9102                 | <b>Redding: California Street</b><br>1845 California Street<br>Redding, CA 96001<br>(530) 245-5930        |   |

UNITED STATES  
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, 2006

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 is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES

NO

Indicate by check mark whether the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

YES

NO

Indicate by check mark whether the Registrant has filed all reports required to be filed by Section 13 or 15(d) of the Act (or for such shorter period as may be specified in the Commission's rules and regulations) during the preceding 12 months (or for such shorter period as may be specified in the Commission's rules and regulations) and whether all information so required has been disclosed and is not being withheld or is being disclosed on a selective basis (or for such shorter period as may be specified in the Commission's rules and regulations) in accordance with the Commission's rules and regulations that apply to the Registrant.



63 Constitution Drive  
Chico, California 95973  
tel 530.898.0300  
fax 530.898.0310  
[www.tricountiesbank.com](http://www.tricountiesbank.com)