

Service With Solutions™

Investor Presentation

Fourth Quarter 2020

January 2021

Richard P. Smith – President & Chief Executive Officer
John S. Fleshood – EVP & Chief Operating Officer
Peter G. Wiese – EVP & Chief Financial Officer

 **trico bancshares**

SAFE HARBOR STATEMENT

The statements contained herein that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on the Company. Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond our control. There can be no assurance that future developments affecting us will be the same as those anticipated by management. We caution readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. These risks and uncertainties include, but are not limited to, the following: the strength of the United States economy in general and the strength of the local economies in which we conduct operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System; inflation, interest rate, market and monetary fluctuations; the impact of changes in financial services policies, laws and regulations; technological changes; weather, natural disasters and other catastrophic events that may or may not be caused by climate change and their effects on economic and business environments in which the Company operates; the continuing adverse impact on the U.S. economy, including the markets in which we operate, due to the COVID-19 global pandemic, and the impact of a slowing U.S. economy and increased unemployment on the performance of our loan portfolio, the market value of our investment securities, the availability of sources of funding and the demand for our products; the costs or effects of mergers, acquisitions or dispositions we may make; the future operating or financial performance of the Company, including our outlook for future growth, changes in the level of our nonperforming assets and charge-offs; the appropriateness of the allowance for credit losses including the timing and effects of the implementation of the current expected credit losses model; any deterioration in values of California real estate, both residential and commercial; the effect of changes in accounting standards and practices; possible other-than-temporary impairment of securities held by us; changes in consumer spending, borrowing and savings habits; our ability to attract and maintain deposits and other sources of liquidity; changes in the financial performance and/or condition of our borrowers; our noninterest expense and the efficiency ratio; competition and innovation with respect to financial products and services by banks, financial institutions and non-traditional providers including retail businesses and technology companies; the challenges of integrating and retaining key employees; the costs and effects of litigation and of unexpected or adverse outcomes in such litigation; a failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber-attacks and the cost to defend against such attacks; change to U.S. tax policies, including our effective income tax rate; the effect of a fall in stock market prices on our brokerage and wealth management businesses; the discontinuation of the London Interbank Offered Rate and other reference rates; and our ability to manage the risks involved in the foregoing. Additional factors that could cause results to differ materially from those described above can be found in our Annual Report on Form 10-K for the year ended December 31, 2019, and Quarterly Reports on form 10-Q for the periods ended September 30, 2020, June 30, 2020, and March 31, 2020, which have been filed with the Securities and Exchange Commission (the "SEC") and are available in the "Investor Relations" section of our website, <https://www.tcbk.com/investor-relations> and in other documents we file with the SEC. Annualized, pro forma, projections and estimates are not forecasts and may not reflect actual results. We are under no obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

AGENDA

- Most Recent Quarter Recap
- Company Overview
- Lending Overview
- Deposit Overview
- Financials



MOST RECENT QUARTER HIGHLIGHTS

Consistent Profitability	<ul style="list-style-type: none"> • Pre-tax pre-provision return on average assets and average equity was 1.96% and 16.33%, respectively and 1.83% and 14.43%, respectively for the three- and twelve-month respective periods ended December 31, 2020. • Revenues benefited from mortgage origination and sale activities as well as PPP fee recognition. • Previous actions related to expense management strategies were realized.
Net Interest Margin	<ul style="list-style-type: none"> • Net interest margin was 3.79% for Q4 2020 versus 3.72% for Q3 2020 and 4.39% in Q4 2019. • Non-interest-bearing deposits were 39.7% of total deposits. • Excess Balance sheet liquidity continues to provide net interest margin pressure, while deployment of those resources is benefiting net interest income growth efforts.
Credit Quality	<ul style="list-style-type: none"> • Nonperforming assets to total assets of 0.39% 0.34%, and 0.30% at Q4 2020, Q3 2020, and Q4 2019; while COVID related deferrals are considered low and have continued to decline. • The ratio of loan loss reserves to total loans was 1.93%, or 2.07%, excluding PPP loans at Q4 2020. • Net (charge-offs) recoveries for the three and twelve months ended December 31, 2020 were (\$178,000) and \$130,000, respectively.
Experienced and Proven Team	<ul style="list-style-type: none"> • Track record of well executed and accretive acquisitions. • Prudent and proactive risk management focus is complementary to strong asset quality. • Well positioned balance sheet to capitalize on opportunities as they arise.
Diverse Deposit Base	<ul style="list-style-type: none"> • Cost of total deposits was 0.07% in Q4 2020 versus 0.09% in Q3 2020 and 0.22% in Q4 2019.
Capital and Liquidity Strength	<ul style="list-style-type: none"> • Consistent payment of quarterly dividends with routine periodic increases. • We remain well capitalized across all regulatory capital ratios. • Active share repurchase program with demonstrated utilization.

COMPANY OVERVIEW



COMPANY OVERVIEW

Nasdaq: TCBK
Headquarters: Chico, California
Stock Price*: \$35.28
Market Capitalization: \$1.0 Billion
Asset Size: \$7.6 Billion
Deposits: \$6.5 Billion
Loans: \$4.8 Billion
Bank Branches: 75
ATMs: 97
Market Area: TriCo currently serves 29 counties throughout Northern and Central California. These counties represent over 30% of California's population.



* As of close of business December 31, 2020

EXECUTIVE TEAM



Rick Smith
President & CEO
TriCo since 1993



John Fleshood
EVP Chief Operating Officer
TriCo since 2016



Peter Wiese
EVP Chief Financial Officer
TriCo since 2018



Greg Gehlmann
SVP General Counsel
TriCo since 2017



Craig Carney
EVP Chief Credit Officer
TriCo since 1996

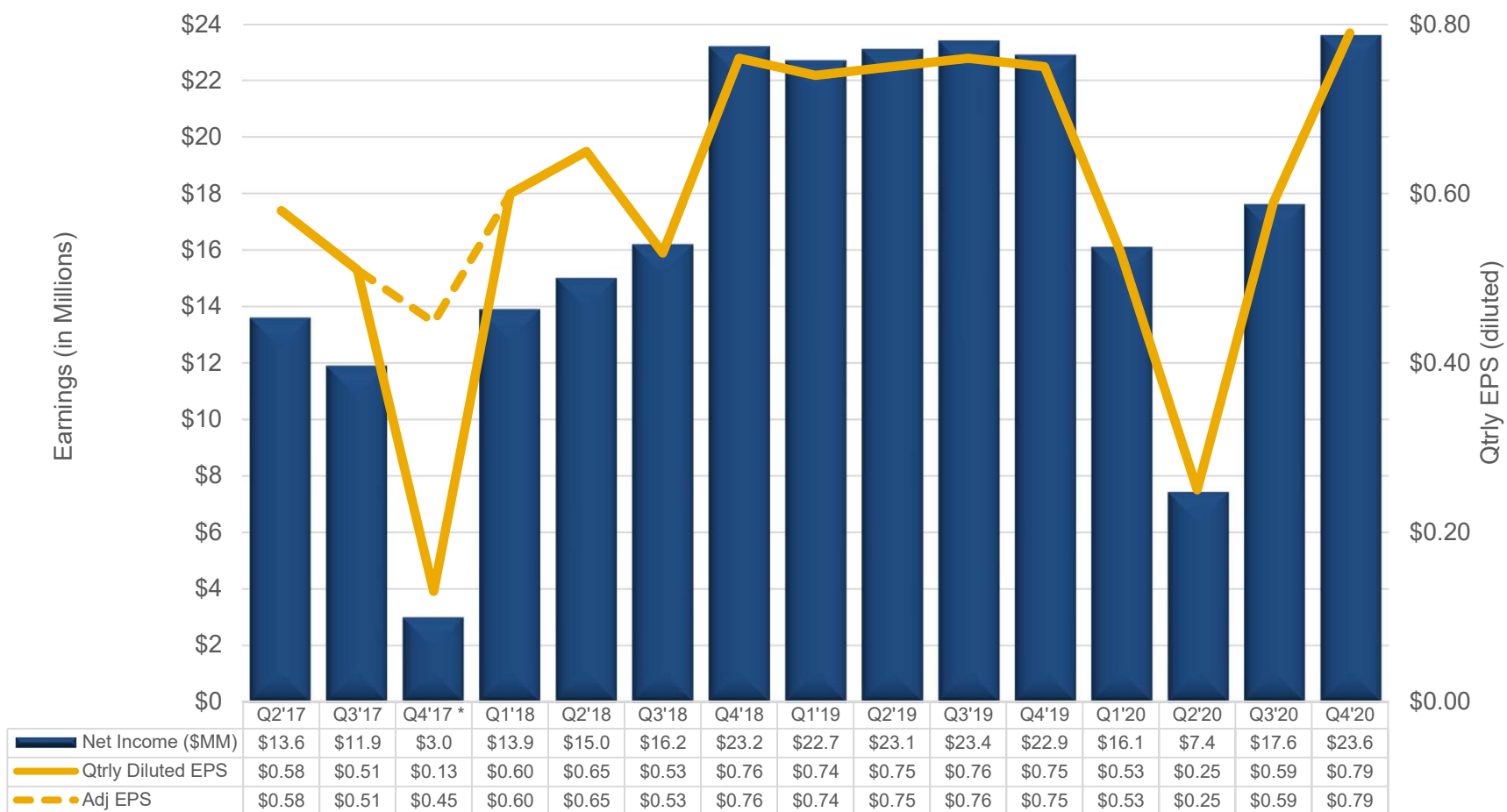


Dan Bailey
EVP Chief Banking Officer
TriCo since 2007



Judi Giem
SVP Chief HR Officer
TriCo since 2020

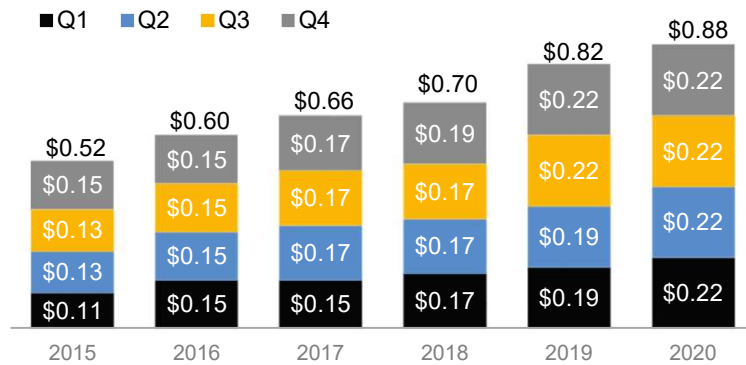
POSITIVE EARNINGS TRACK RECORD



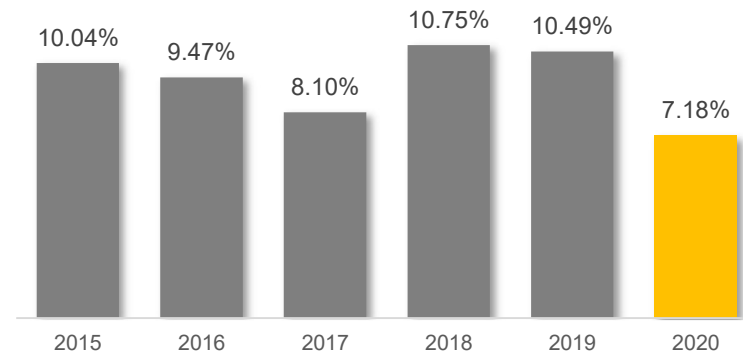
* Impact of the Tax Cut and Jobs Act results in adjusted quarterly diluted EPS of \$0.45.

SHAREHOLDER RETURNS

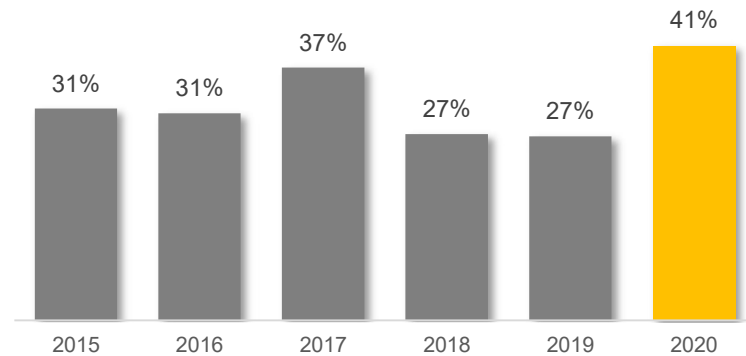
Dividends per Share: 11.1% CAGR



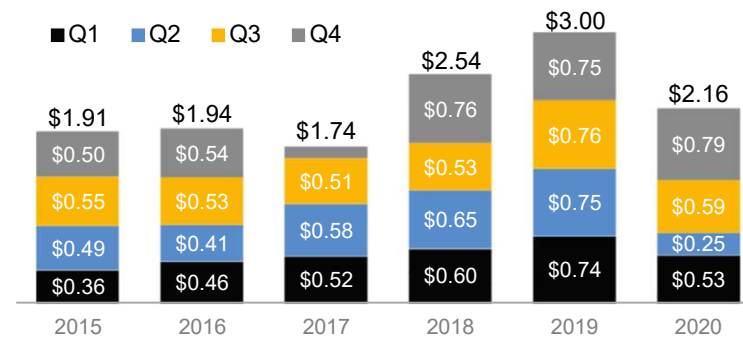
Return on Avg. Shareholder Equity



Dividends as % of Earnings

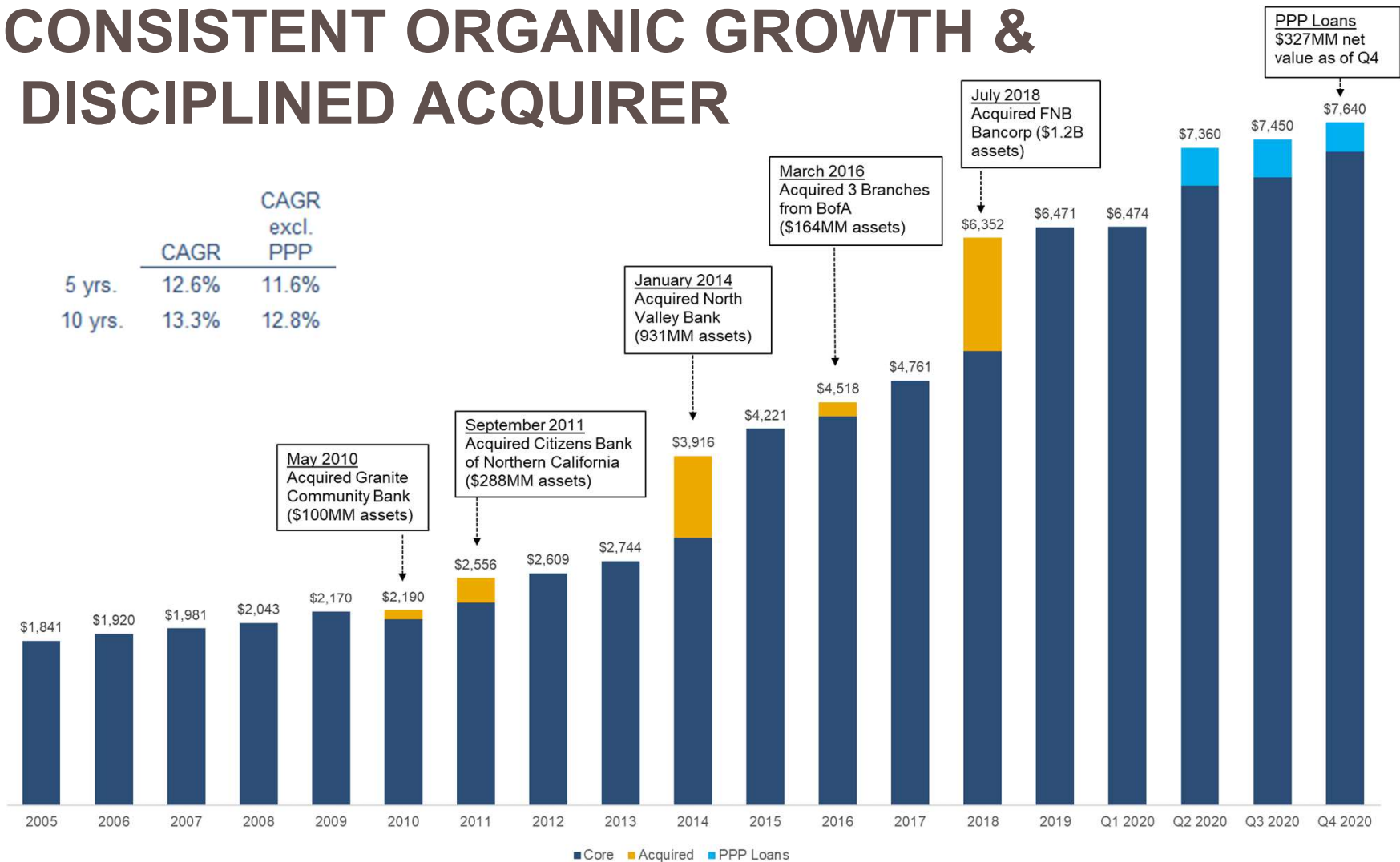


Diluted EPS



CONSISTENT ORGANIC GROWTH & DISCIPLINED ACQUIRER

	CAGR	CAGR excl. PPP
5 yrs.	12.6%	11.6%
10 yrs.	13.3%	12.8%



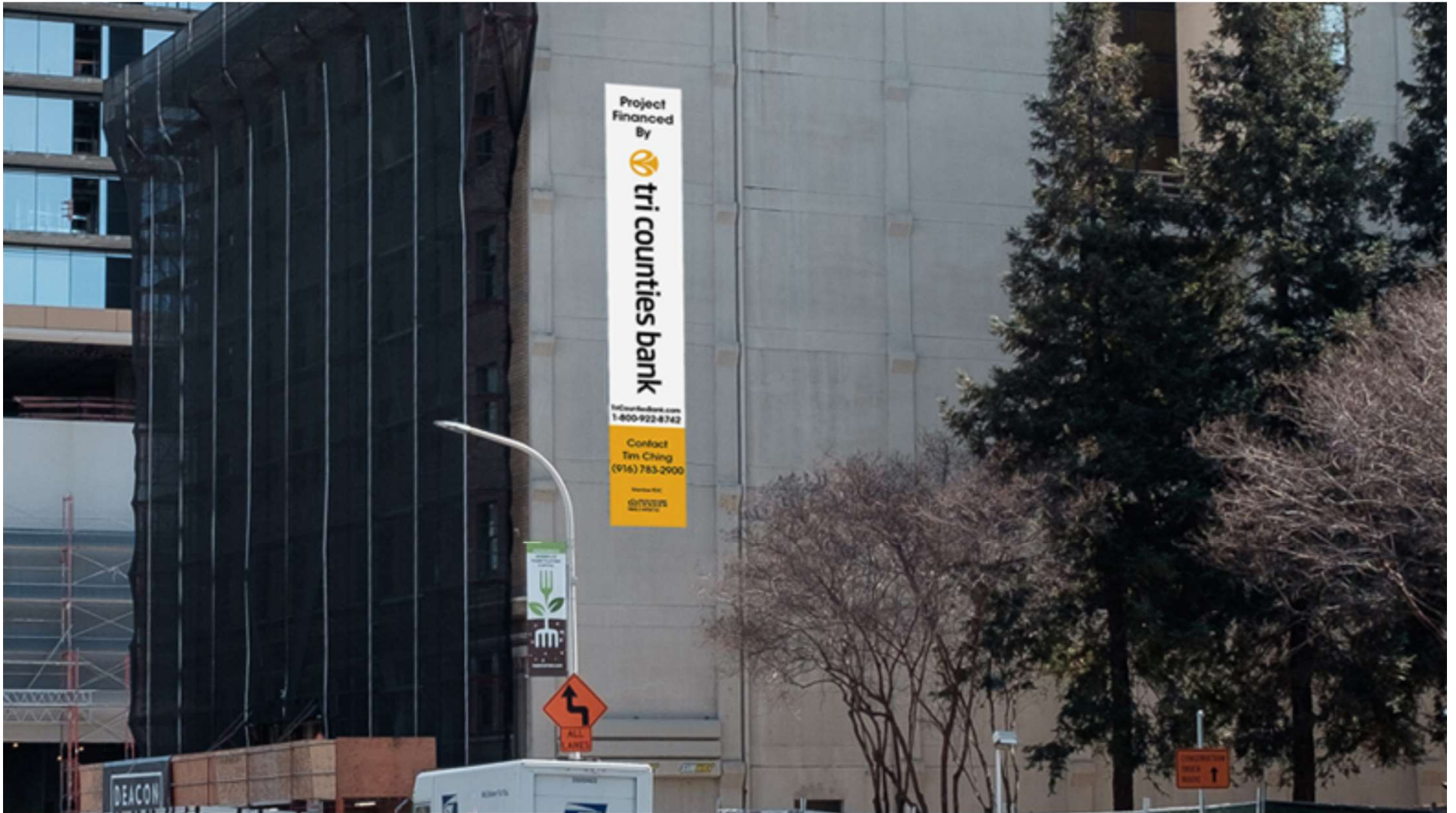
PPP Loans
\$327MM net
value as of Q4

Dollars in millions. Total Assets for periods ending 2005 – Q4 2020.

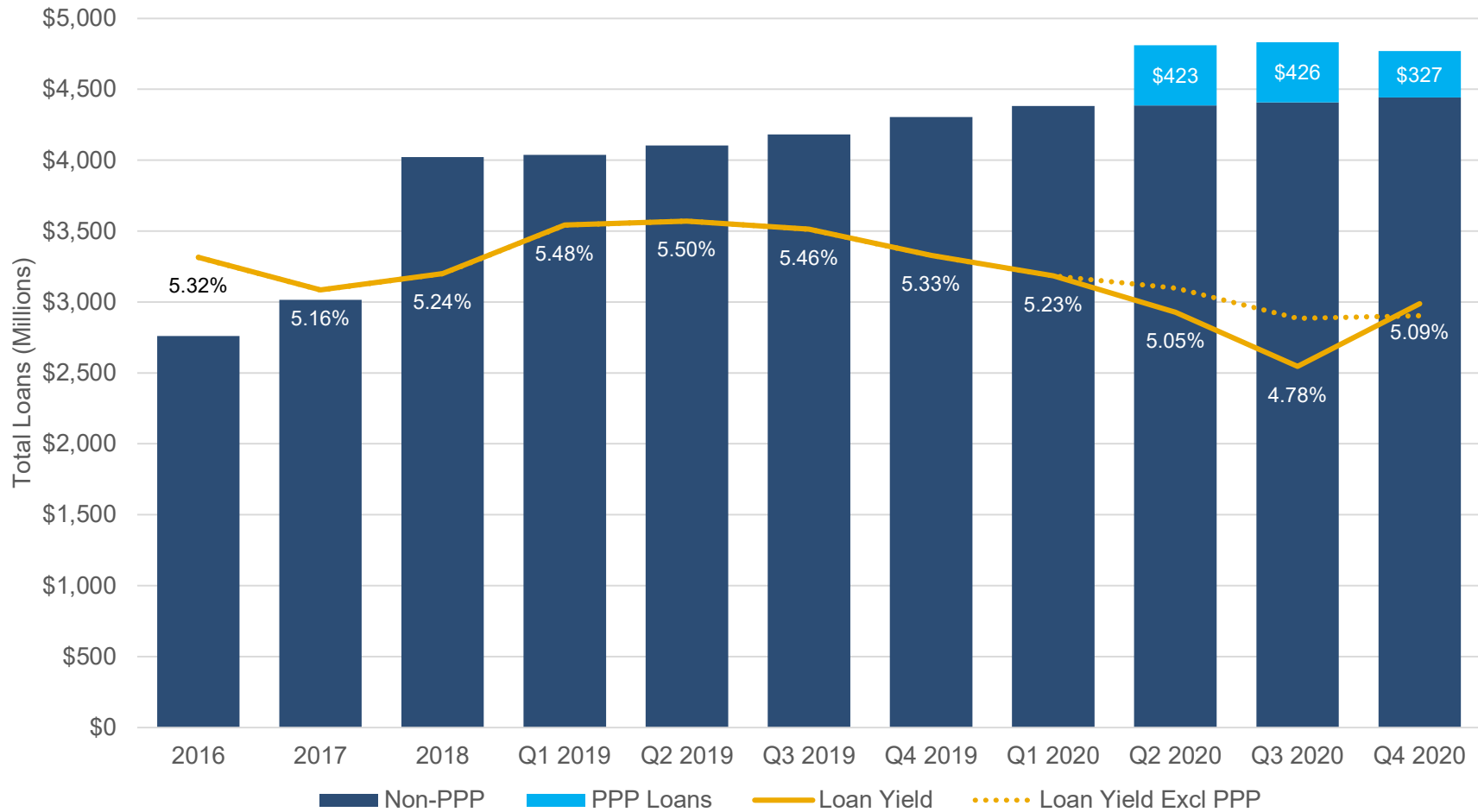
“TOP OF MIND THEMES & EXECUTIVE TOPICS”

- Fiscal Policy Changes, Vaccine Distribution, and the Long-Term Timing and Magnitude of Small Business Growth
- Leveraging Technologies for Talent and Customer Acquisition
- Expansion and Streamlined Execution of PPP...Round II
- Building and Growing the Bank of the Future
- Timing and Execution of Meaningful Acquisition Strategies
- Relentless Pursuit of Greater Operational Efficiency
- Duration of a Low Rate Environment – Maximizing Margin and Growing Earning Assets
- Maintaining Our Culture and Sense of Team...Virtually
- Deployment of Capital – Dividends & Share Repurchases

LOANS & CREDIT QUALITY

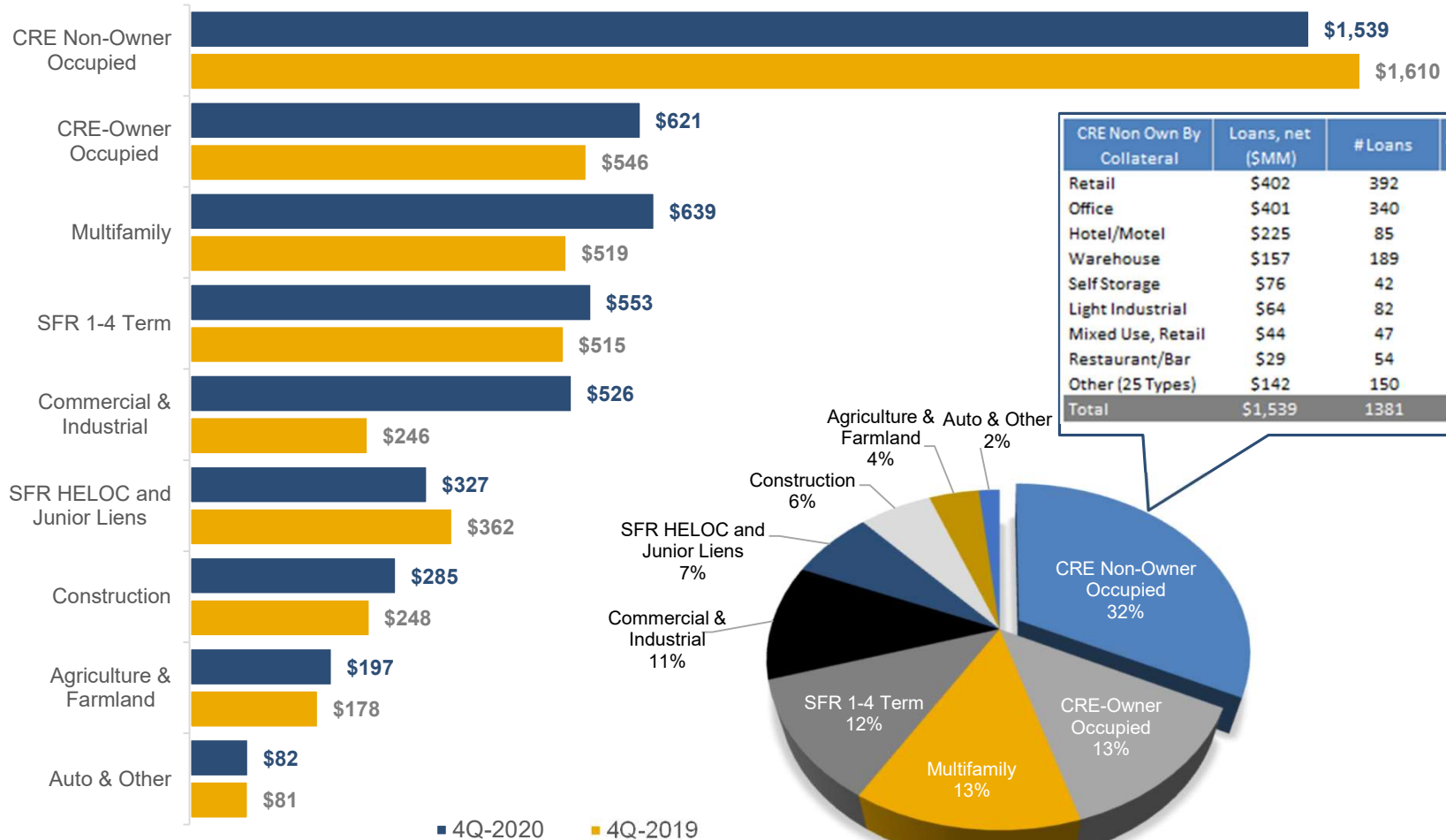


CONSISTENT LOAN GROWTH

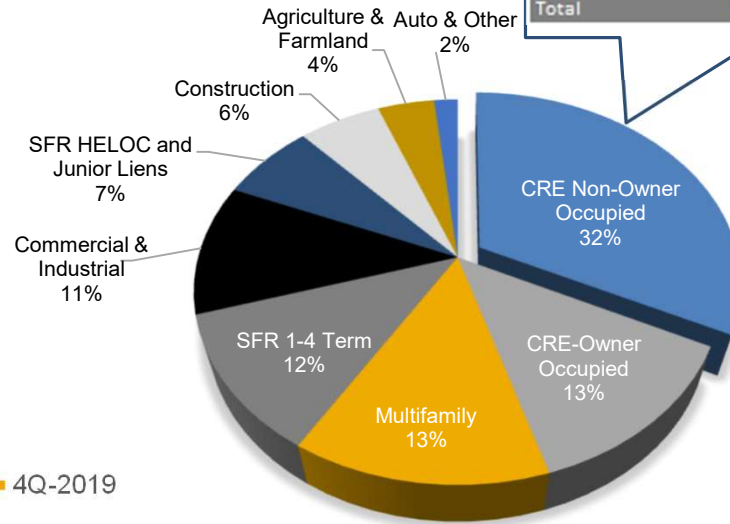


*Note: Q3 2018 includes acquisition of FNB Bancorp (Loan Yield was 5.04%)
 End of period balances include LHFS. Yields based on avg balance and quarterly interest income.

DIVERSIFIED LOAN PORTFOLIO

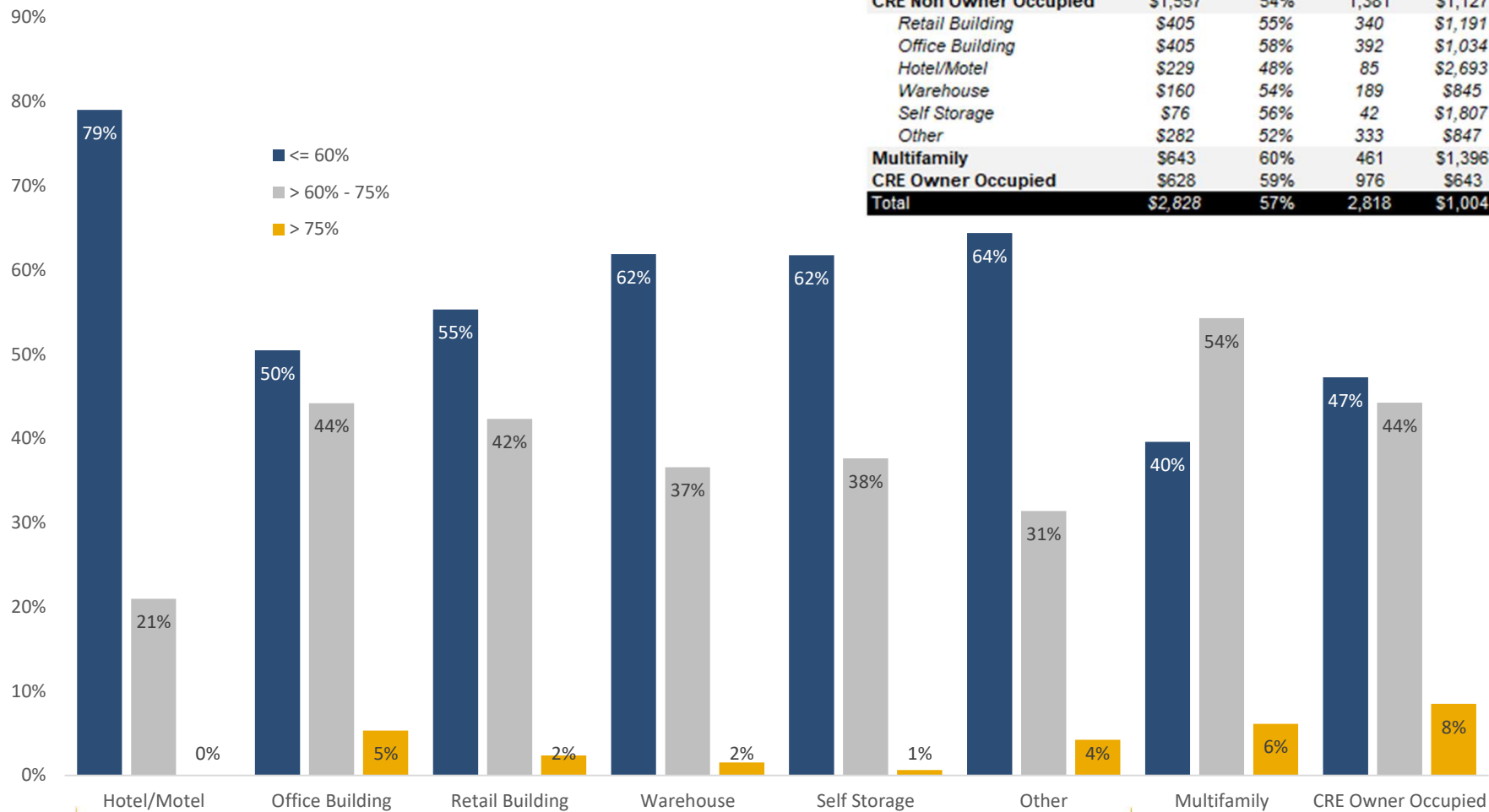


CRE Non Own By Collateral	Loans, net (\$MM)	# Loans	% of CRE NOO
Retail	\$402	392	26%
Office	\$401	340	26%
Hotel/Motel	\$225	85	15%
Warehouse	\$157	189	10%
Self Storage	\$76	42	5%
Light Industrial	\$64	82	4%
Mixed Use, Retail	\$44	47	3%
Restaurant/Bar	\$29	54	2%
Other (25 Types)	\$142	150	9%
Total	\$1,539	1381	100%



• Dollars in millions, Net Book Value at period end, excludes LHFS; Auto & other includes Leases

CRE COLLATERAL VALUES

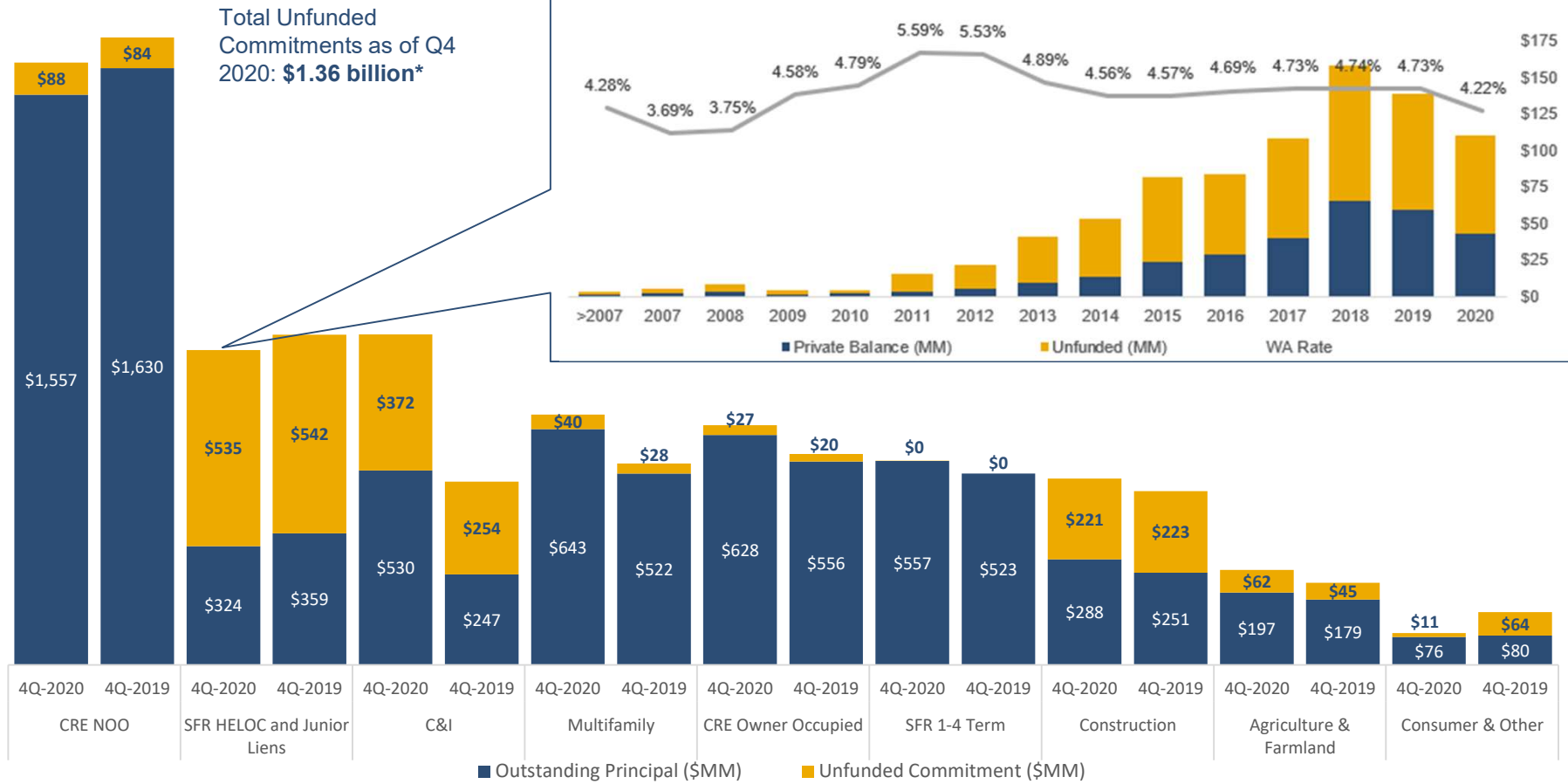


Loan Segment	Outstanding (\$MM)	LTV	# Loans	Avg Loan Size (000s)
CRE Non Owner Occupied	\$1,557	54%	1,381	\$1,127
<i>Retail Building</i>	\$405	55%	340	\$1,191
<i>Office Building</i>	\$405	58%	392	\$1,034
<i>Hotel/Motel</i>	\$229	48%	85	\$2,693
<i>Warehouse</i>	\$160	54%	189	\$845
<i>Self Storage</i>	\$76	56%	42	\$1,807
<i>Other</i>	\$282	52%	333	\$847
Multifamily	\$643	60%	461	\$1,396
CRE Owner Occupied	\$628	59%	976	\$643
Total	\$2,628	57%	2,818	\$1,004

CRE Non Owner Occupied by Collateral Type

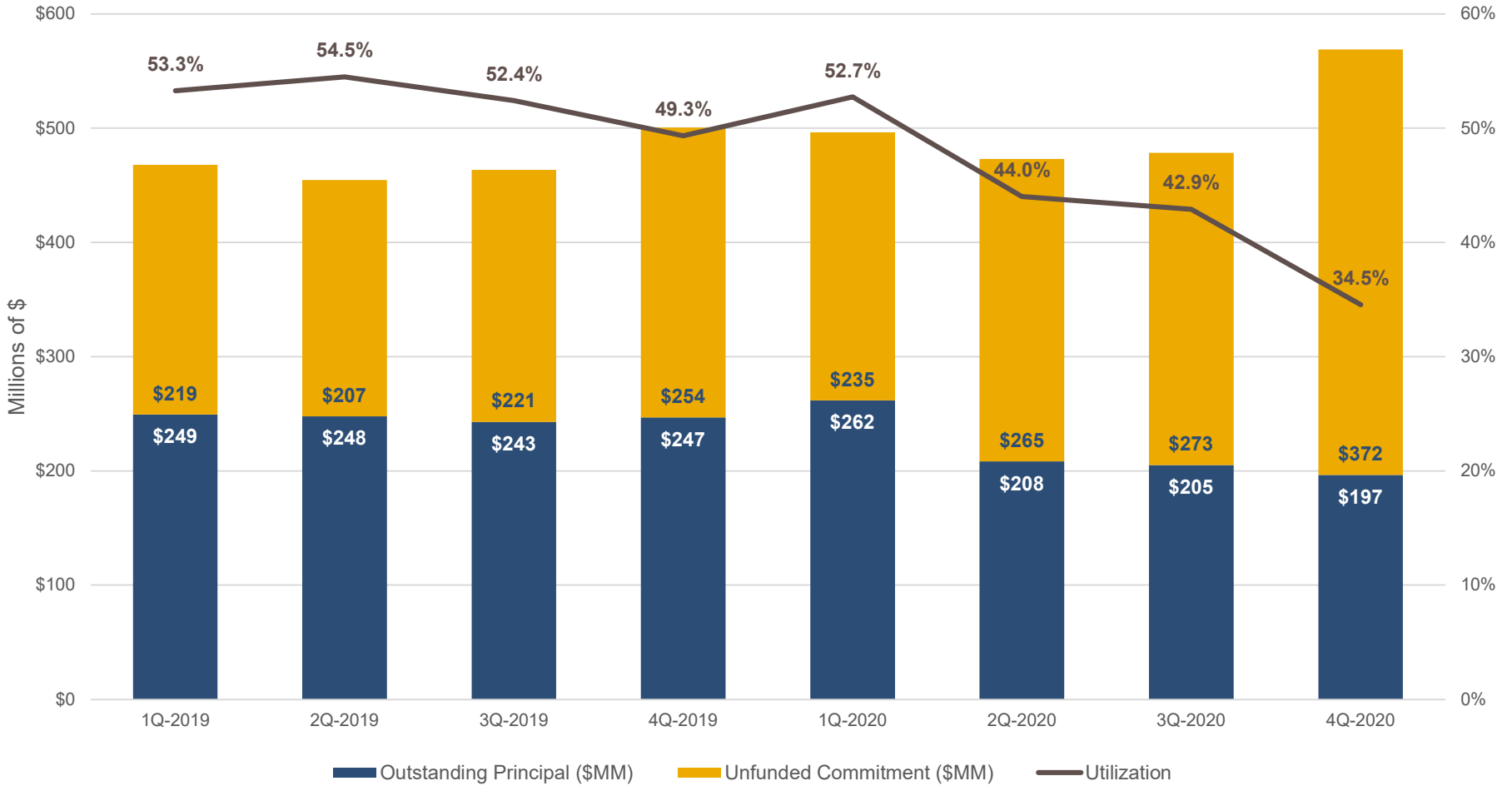


UNFUNDED LOAN COMMITMENTS



- Outstanding Principal excludes unearned fees and discounts/premiums (\$ in millions)
- Excludes Leases, DDA Overdraft, and Credit Card commitments
- C&I includes PPP loans for \$334 mln in Outstanding Principal.

C&I UTILIZATION



■ Outstanding Principal excludes unearned fees and discounts/premiums (\$ millions)

LOAN YIELD COMPOSITION

- Variable rate loans at their floor have remained steady at 88% of variable loans from Q3 to Q4.
- The most prominent index for the variable portfolio is 5 Year Treasury CMT

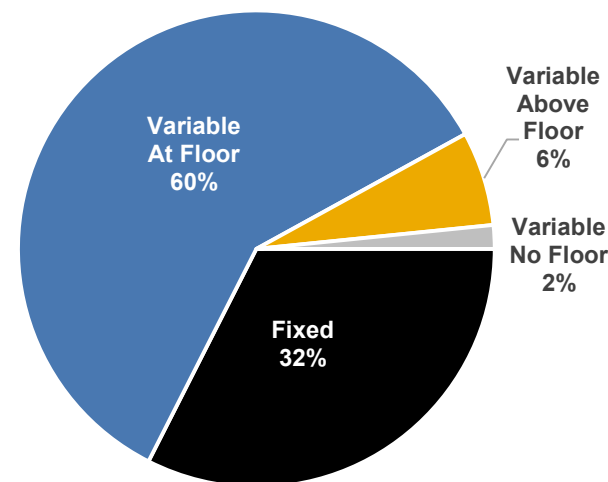
Variable Rate Loan Floors			
Index Rate Decline Required to Reach Floor	Balance 12/31/2020	% of Variable Loans	Cumulative % of Variable Loans
Floor Reached	\$ 2,660	88.2%	88.2%
0-25 bps to Reach Floor	104	3.4%	91.6%
26-50 bps to Reach Floor	45	1.5%	93.1%
51-75 bps to Reach Floor	29	1.0%	94.1%
76-100 bps to Reach Floor	26	0.9%	94.9%
101-125 bps to Reach Floor	29	1.0%	95.9%
126-150 bps to Reach Floor	6	0.2%	96.1%
>150 bps to Reach Floor	46	1.5%	97.6%
No Floor	72	2%	100%
	\$ 3,017	100%	

- Dollars in millions, Wtd Avg Rate (weighted average rate) is as of 12/31/2020 and based upon outstanding principal and does not include impact of unearned fees nor accretion/amortization therein

Loans, Fixed vs. Variable	Outstanding (\$MM)	Wtd Avg Rate
Fixed excl PPP	\$1,451	4.61%
Variable	\$3,017	4.59%
Variable At Floor	2,660	4.53%
Variable Above Floor	285	5.09%
Variable No Floor	72	4.78%
Total excl PPP	\$4,468	4.60%

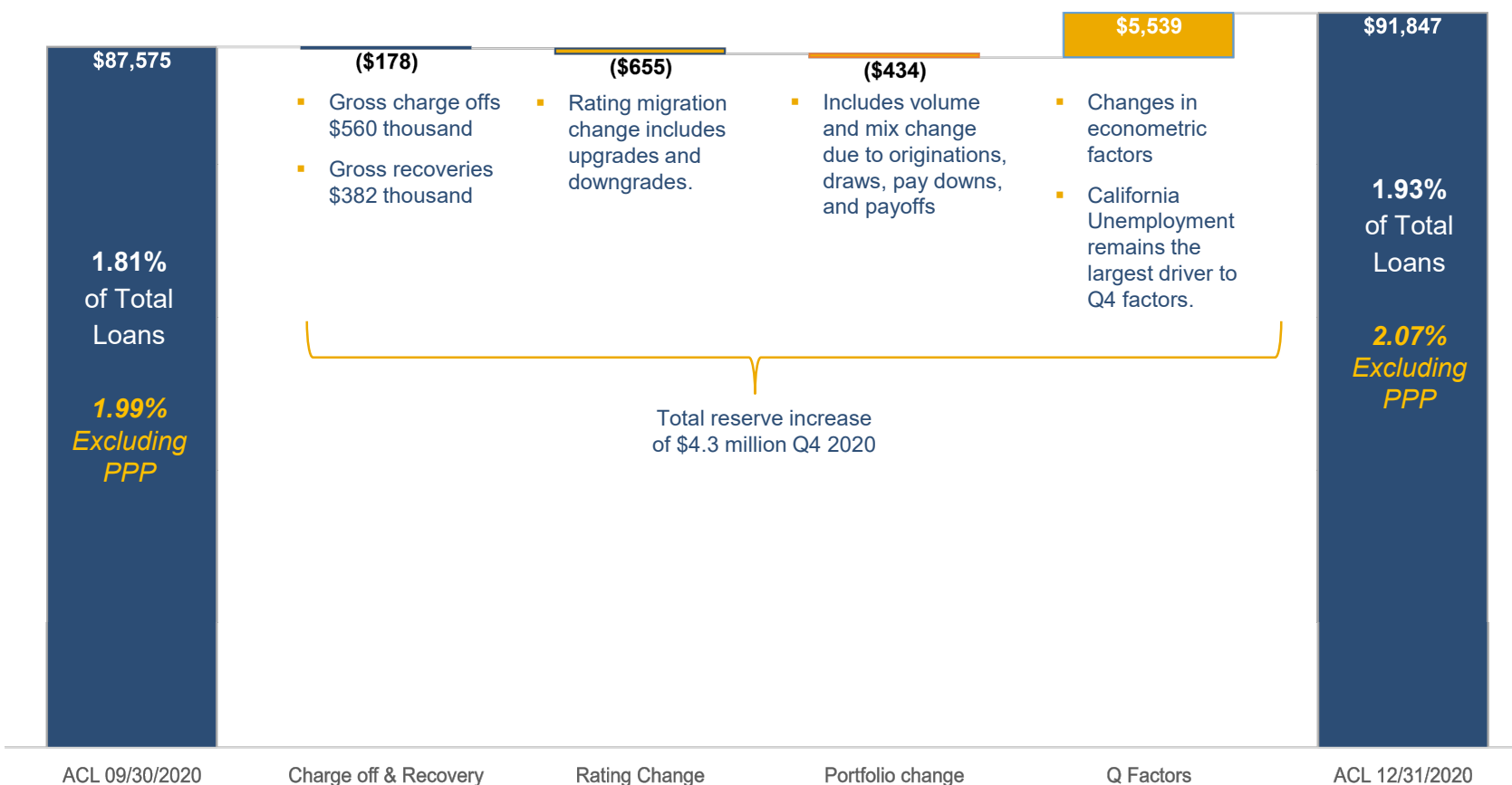
PPP Loans	334	1.00%
Total TCBK	\$4,801	4.35%

Fixed vs. Variable, Total Loans (ex-PPP)



ALLOWANCE FOR CREDIT LOSSES

Drivers of Change Under CECL



▪ Dollars in thousands

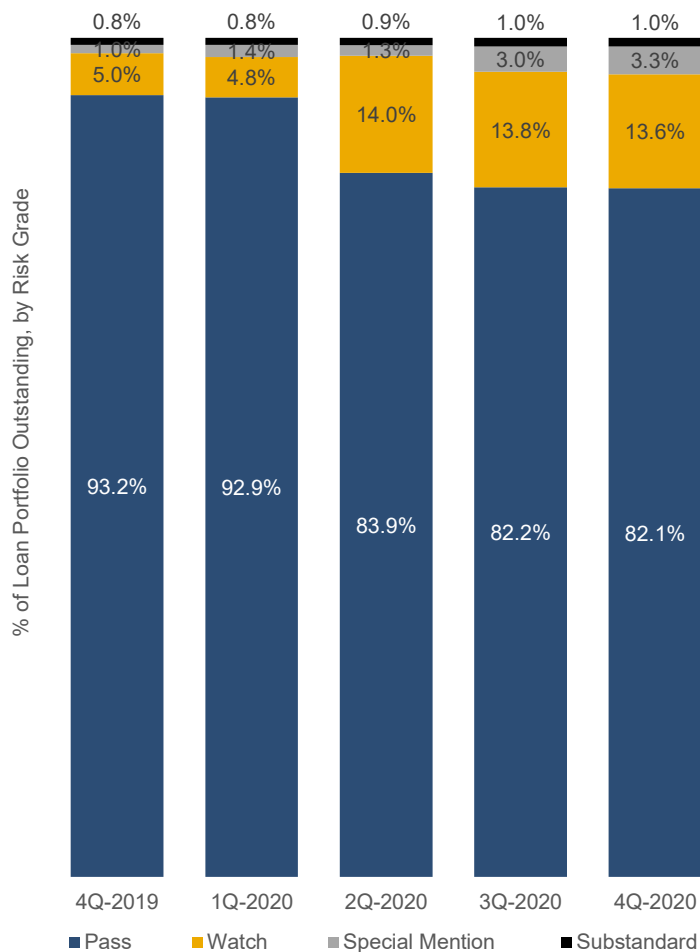
ALLOWANCE FOR CREDIT LOSSES

Allocation of Allowance by Segment

(\$ Thousands)	January 1, 2020 CECL Adoption		September 30, 2020		December 31, 2020		
	Amount	% of Credit Outstanding	Amount	% of Credit Outstanding	Amount	% of Credit Outstanding	% of Credit excluding PPP Loans
Allowance for Credit Losses							
Commercial real estate:							
CRE non-owner occupied	\$ 12,649	0.79%	\$ 28,847	1.80%	\$ 29,380	1.91%	1.91%
CRE owner occupied	4,308	0.79%	9,625	1.66%	10,861	1.74%	1.74%
Multifamily	5,633	1.09%	10,032	1.67%	11,472	1.79%	1.79%
Farmland	1,253	0.86%	1,790	1.17%	1,980	1.30%	1.30%
Total commercial real estate loans	\$ 23,843	0.85%	\$ 50,294	1.71%	\$ 53,693	1.82%	1.82%
Consumer:							
SFR 1-4 1st DT	\$ 4,981	0.97%	\$ 8,937	1.72%	\$ 10,117	1.83%	1.83%
SFR HELOCs and junior liens	10,821	2.98%	11,676	3.51%	11,771	3.59%	3.59%
Other	2,566	3.15%	3,394	4.18%	3,260	4.20%	4.20%
Total consumer loans	\$ 18,368	1.92%	\$ 24,007	2.57%	\$ 25,148	2.62%	2.62%
Commercial and industrial	\$ 2,906	1.16%	\$ 4,534	0.72%	\$ 4,252	0.81%	2.13%
Construction	4,321	1.73%	7,640	2.68%	7,540	2.65%	2.65%
Agriculture production	82	0.25%	1,093	2.69%	1,209	2.74%	2.74%
Leases	9	0.70%	7	0.19%	5	0.13%	0.13%
Allowance for Loan and Lease Losses	\$ 49,529	1.15%	\$ 87,575	1.81%	\$ 91,847	1.93%	2.07%
Reserve for Unfunded Loan Commitments	2,775		3,000		3,400		
Allowance for Credit Losses	\$ 52,304	1.21%	\$ 90,575	1.88%	\$ 95,247	2.00%	2.15%
Discounts on Acquired Loans	33,033		28,570		25,461		
Total ACL Plus Discounts	\$ 85,337	1.98%	\$ 119,145	2.47%	\$ 120,708	2.53%	2.72%

▪ Dollars in thousands

RISK GRADE MIGRATION



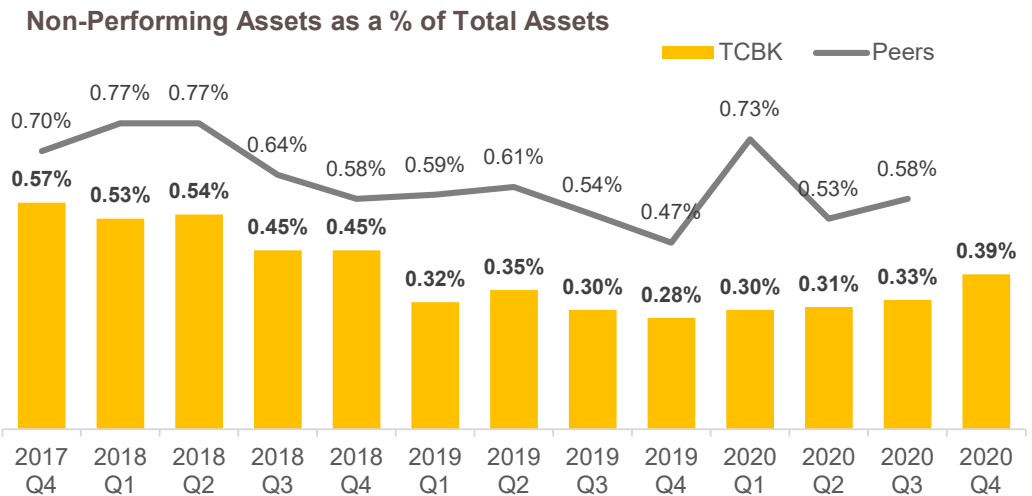
■ Zero balance in Doubtful and Loss

Special Mention (NBV)								
Pool	Q4-2019			Q4-2020			Diff	
	%	(mln)	# Loans	%	(mln)	# Loans	(mln)	# Loans
CRE Non-Owner Occupied	0.8%	\$12.2	11	4.6%	\$71.4	32	\$59.2	21
Multifamily	0.5%	\$2.6	2	7.1%	\$44.8	10	\$42.2	8
CRE Owner Occupied	0.8%	\$4.5	15	2.7%	\$16.7	19	\$12.2	4
Agriculture & Farmland	3.2%	\$5.6	6	4.9%	\$9.7	10	\$4.0	4
SFR HELOC and Junior Liens	1.5%	\$5.4	106	1.6%	\$5.4	98	\$0.0	-8
SFR 1-4 Term	0.9%	\$4.7	30	0.9%	\$5.0	28	\$0.3	-2
Construction	1.8%	\$4.5	2	0.8%	\$2.1	3	-\$2.4	1
Commercial & Industrial	1.6%	\$3.8	60	0.3%	\$1.4	42	-\$2.5	-18
Auto & Other	0.9%	\$0.7	184	0.8%	\$0.7	157	-\$0.1	-27
Grand Total	1.0%	\$44.1	416	3.3%	\$157.0	399	\$113.0	-17

Substandard/Doubtful/Loss (NBV)								
Pool	Q4-2019			Q4-2020			Diff	
	%	(mln)	# Loans	%	(mln)	# Loans	(mln)	# Loans
CRE Non-Owner Occupied	0.3%	\$4.8	15	0.4%	\$6.5	14	\$1.7	-1
CRE Owner Occupied	1.0%	\$5.7	16	1.0%	\$6.3	15	\$0.6	-1
Multifamily	0.4%	\$2.0	2	0.7%	\$4.4	1	\$2.3	-1
SFR 1-4 Term	1.2%	\$6.2	39	1.7%	\$9.3	48	\$3.1	9
Commercial & Industrial	1.7%	\$4.2	80	0.8%	\$4.1	71	-\$0.1	-9
SFR HELOC and Junior Liens	1.7%	\$6.1	107	2.6%	\$8.5	130	\$2.4	23
Construction	0.1%	\$0.2	2	1.8%	\$4.8	4	\$4.5	2
Agriculture & Farmland	3.0%	\$5.3	18	2.3%	\$4.5	15	-\$0.8	-3
Auto & Other	0.2%	\$0.1	29	0.7%	\$0.6	34	\$0.5	5
Grand Total	0.8%	\$34.7	308	1.0%	\$49.0	332	\$14.3	24

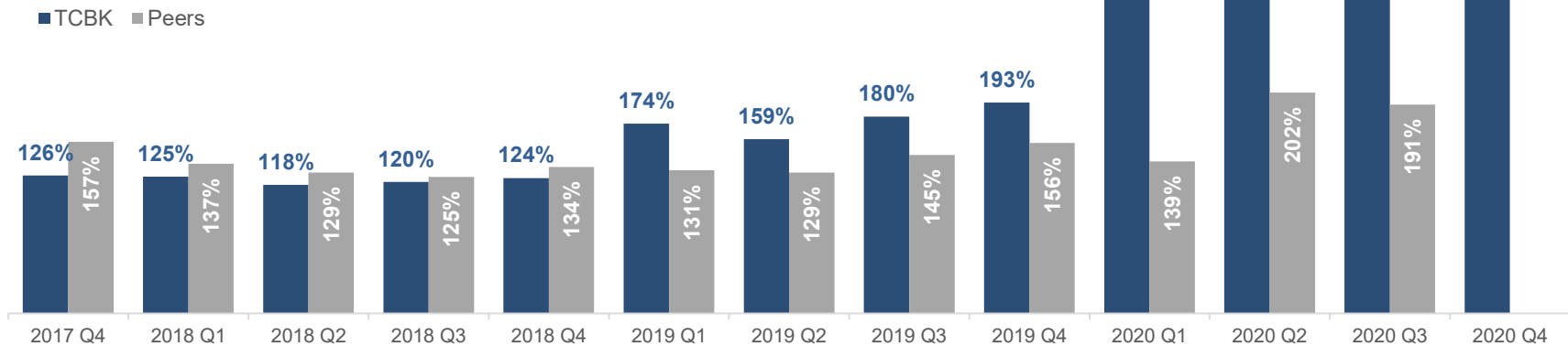
ASSET QUALITY

NPAs have remained below peers while loss coverage has expanded, with CECL transition and allowance build up resulting in a coverage ratio nearly 2X that of peers.



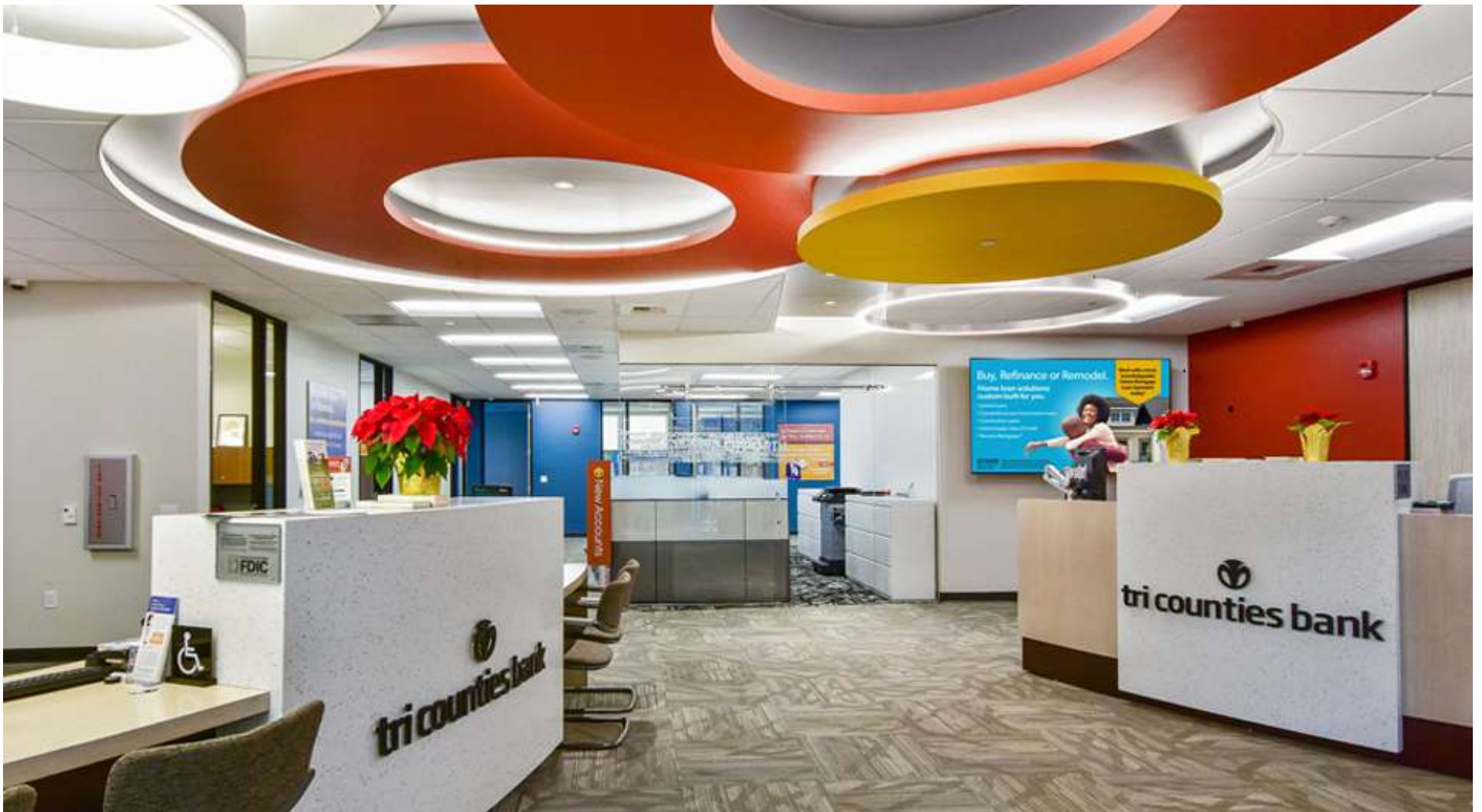
COVERAGE RATIO

Allowance as a % of Non-Performing Loans



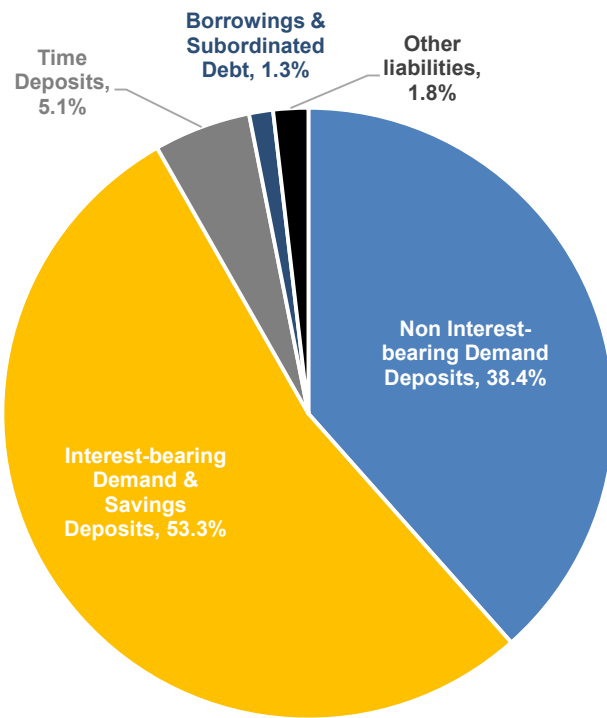
- Peer group consists of 99 closest peers in terms of asset size, range \$4.1-8.8 Billion source: BankRegData.com
- NPA and NPL ratios displayed are net of guarantees

DEPOSITS



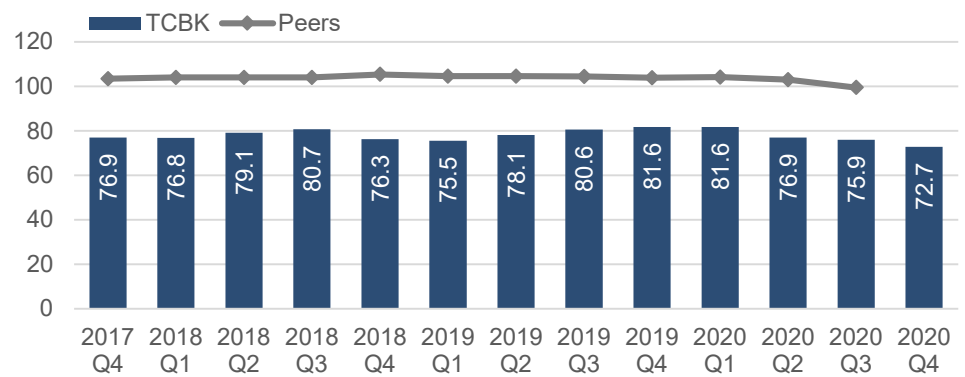
DEPOSITS: STRENGTH IN FUNDING

Liability Mix 12/31/2020

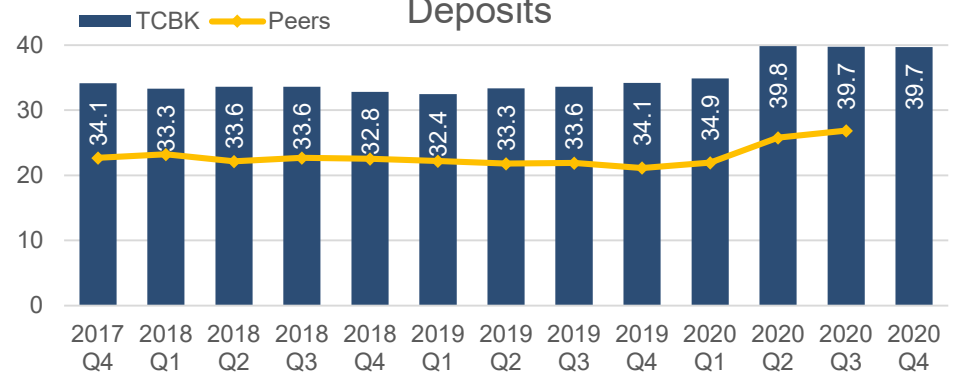


Total Deposits = **\$6.51 billion**
96.9% of Total Liabilities

Loans to Core Deposits



Non Interest-bearing Deposits as % of Total Deposits

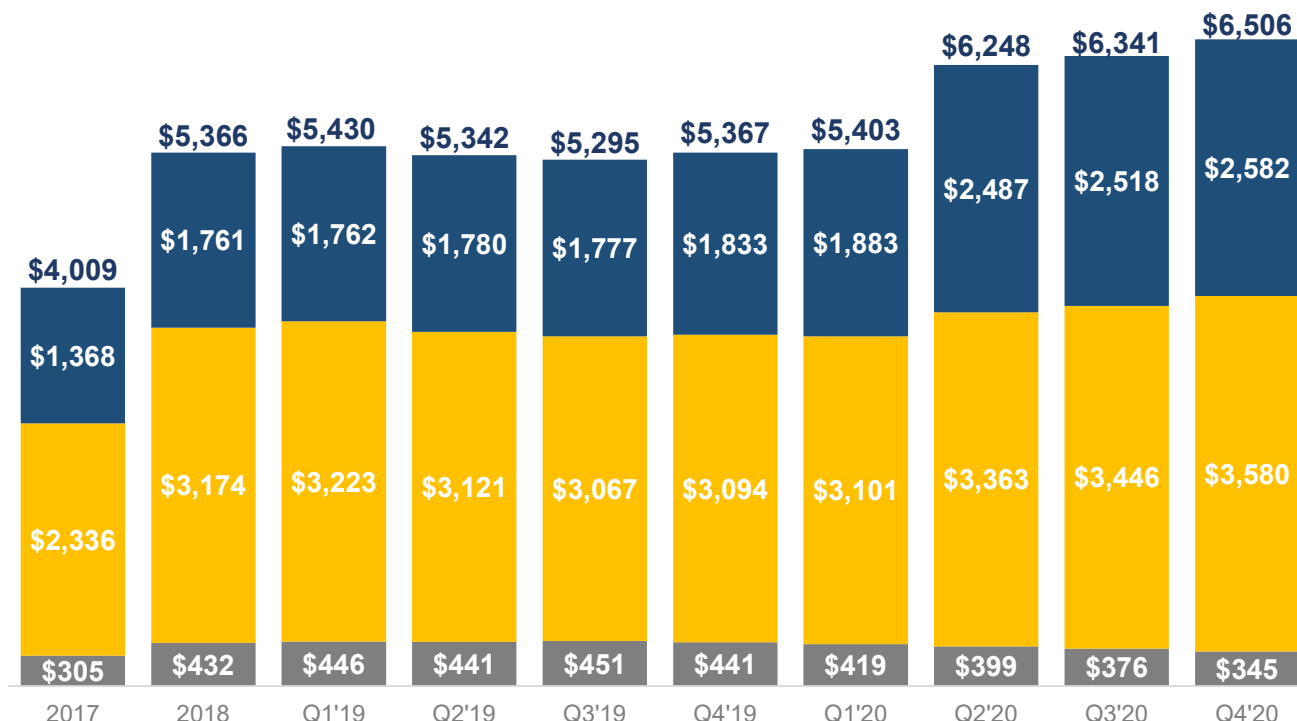


- Peer group consists of 99 closest peers in terms of asset size, range \$4.1-8.8 Billion; source: BankRegData.com
- Net Loans includes LHFS and Allowance for Credit Loss; Core Deposits = Total Deposits less CDs > 250k

DEPOSITS: STRENGTH IN COST OF FUNDS

➤ Q2 2020 includes \$413 million increase QvQ directly attributed to PPP borrowers

➤ 2018 includes FNB acquisition



Cost of Deposits	2017	2018	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20
Noninterest-Bearing Demand	-	-	-	-	-	-	-	-	-	-
Int-Bearing Demand & Savings	0.10%	0.14%	0.18%	0.20%	0.19%	0.19%	0.16%	0.09%	0.06%	0.05%
Time Deposits	0.48%	0.86%	1.18%	1.28%	1.39%	1.27%	1.23%	1.09%	0.89%	0.73%
Total Deposits	0.10%	0.15%	0.20%	0.22%	0.23%	0.22%	0.19%	0.12%	0.09%	0.07%
<i>Interest-bearing Deposits</i>	<i>0.15%</i>	<i>0.23%</i>	<i>0.30%</i>	<i>0.33%</i>	<i>0.34%</i>	<i>0.33%</i>	<i>0.29%</i>	<i>0.20%</i>	<i>0.15%</i>	<i>0.12%</i>

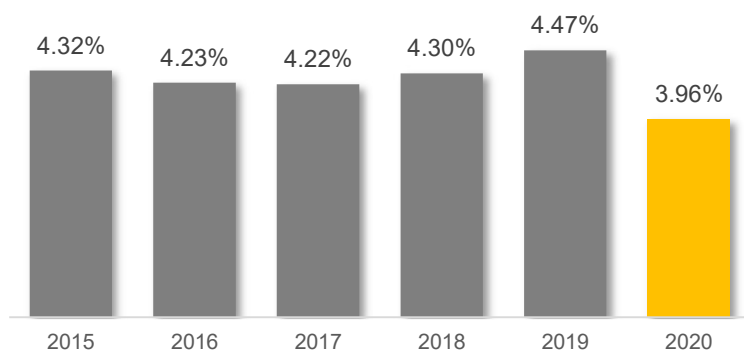
■ Regulated bank level deposits

FINANCIALS

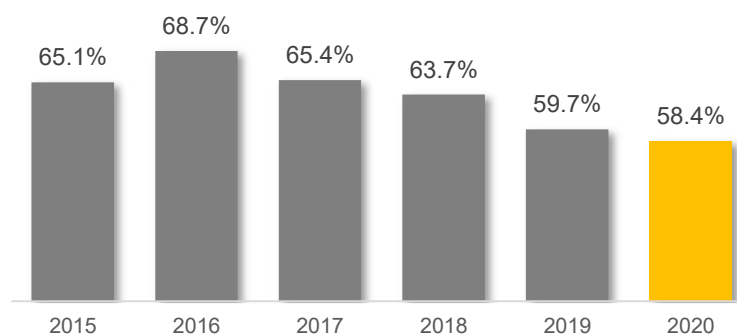


CONSISTENT OPERATING METRICS

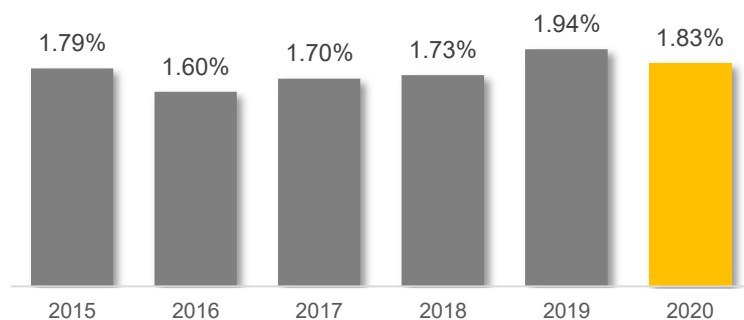
Net Interest Margin (FTE)



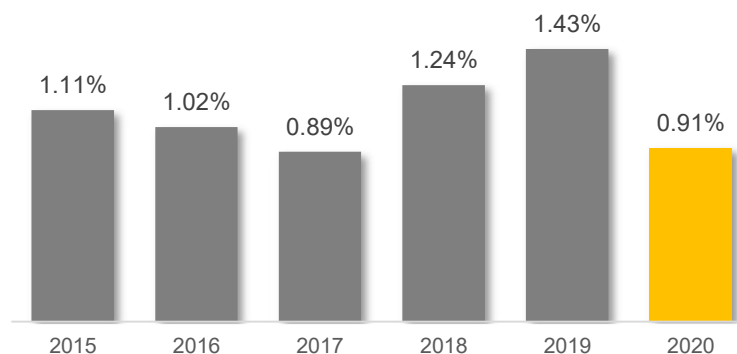
Efficiency Ratio



PPNR as % of Average Assets

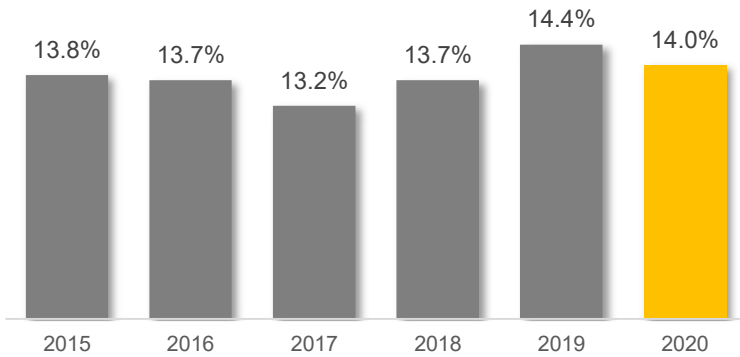


ROAA

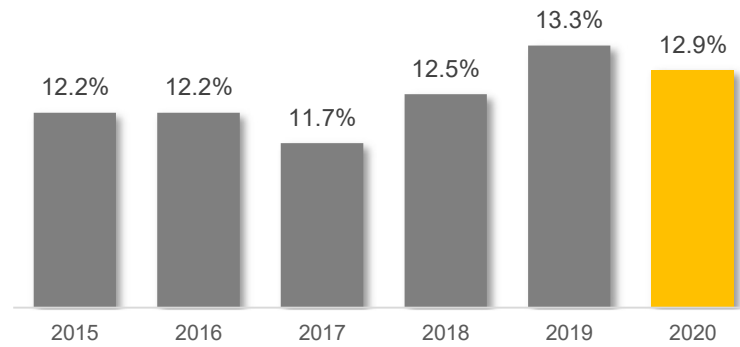


WELL CAPITALIZED

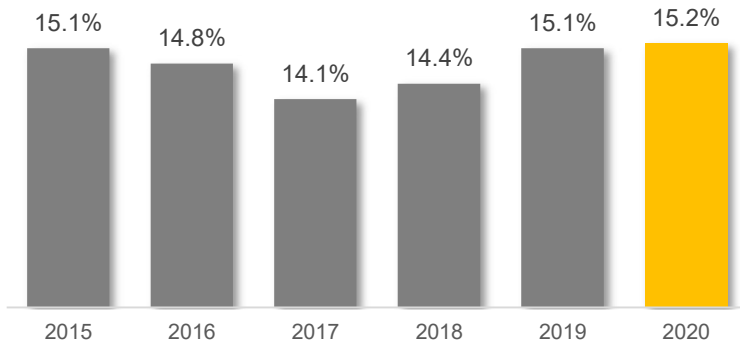
Tier 1 Capital Ratio



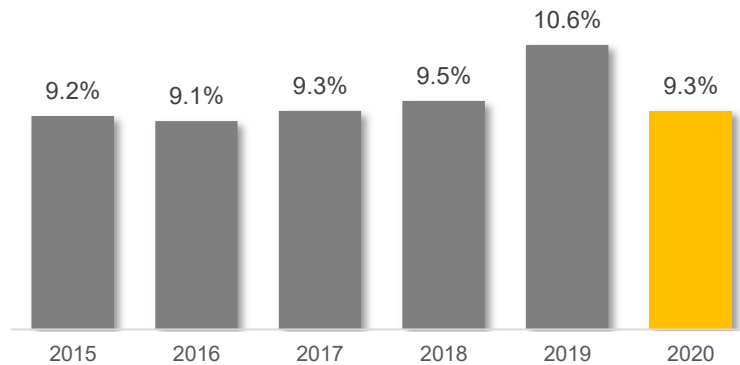
CET1 Ratio



Total Risk Based Capital Ratio



Tangible Common Equity Ratio





 **tri counties bank**

Trico Bancshares is committed to:
Improving the financial success and
well-being of our shareholders, customers,
communities and employees.