

TriCo Bancshares Market Update

December 2018

Richard P. Smith – President & Chief Executive Officer
John S. Fleshood – EVP & Chief Operating Officer



SAFE HARBOR STATEMENT

Certain 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; mergers and acquisitions; changes in the level of our nonperforming assets and charge-offs; 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 deposits and other sources of liquidity; changes in the financial performance and/or condition of our borrowers; the impact of competition from other financial service providers; the possibility that any of the anticipated benefits of our recent merger with FNBB will not be realized or will not be realized within the expected time period, or that integration of FNBB's operations will be more costly or difficult than expected; the challenges of integrating and retaining key employees; unanticipated regulatory or judicial proceedings; the costs and effects of litigation and of unexpected or adverse outcomes in such litigation; 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, 2017, which is on file with the Securities and Exchange Commission (the "SEC") and 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.

AGENDA

- Company Overview
- Recent Activities & Focus
- Key Revenue Drivers
- Challenges & Opportunities
- Financials
- Questions



COMPANY OVERVIEW

Asset Size:	\$6.3 Billion
Location:	Chico, CA
Founded:	1975
Deposits:	\$5.1 Billion
Loans (<i>net</i>):	\$4.0 Billion
Bank Branches:	79
ATMs:	99



COMPANY OVERVIEW

Nasdaq:	TCBK
Stock Price*:	\$36.36
Market Capitalization:	\$1.11 billion
Price to Book stated:	1.4x
Price to TBVPS	2.0x
Rank (Total Assets) among CA Publicly Traded Banks:	12
<small>(Source: SNL Financial)</small>	

**as of 12/06/18 COB*



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



Craig Carney
EVP Chief Credit Officer
TriCo since 1996



Richard O'Sullivan
EVP Chief Commercial
Lending Officer
TriCo since 1984



Dan Bailey
EVP Chief Retail Banking Officer
TriCo since 2007

2018 ACCOMPLISHMENTS

- Consistently strong growth in corporate treasury management service charges and deposit balances
- Technology projects
 - Corporate treasury management products
 - Support for consumer, mortgage, and small business lending products
 - Continuing to leverage 2016 core conversion investment into payment systems and transaction automation efficiency
- Completed acquisition and IT integration of FNB Bancorp

POSITIONED FOR TODAY, PREPARED FOR THE FUTURE

- Strong and growing bank capital
- Competitive product set to compete with banks both large and small - #1 Community Bank alternative in Northern California and on the San Francisco Peninsula
- Superior reputation versus large bank competitors
- Continue to see strong organic growth in current environment

Qtly. Avg. Balance

v. Prior Year*

– Loan growth:

10.9%

– Deposit growth:

5.1%

*09/30/2018 vs. 09/30/2017

POSITIONED FOR TODAY, PREPARED FOR THE FUTURE *continued*

- Strong focus on risk management and new regulatory realities
 - Enterprise Risk
 - Strong Focus on CRA & Compliance
 - HMDA Reporting
 - Fair Lending
- Experienced project teams, well prepared for continued growth through acquisition

WHAT IS LONG TERM SUCCESS?

- Rewarding our shareholders
 - A winning culture with a motivated and talented work force (good people)
 - Significant and growing market share
 - Low cost core deposit base
 - Strong credit culture
 - Diversified revenue sources
 - Efficient operations
 - Strong risk management practices

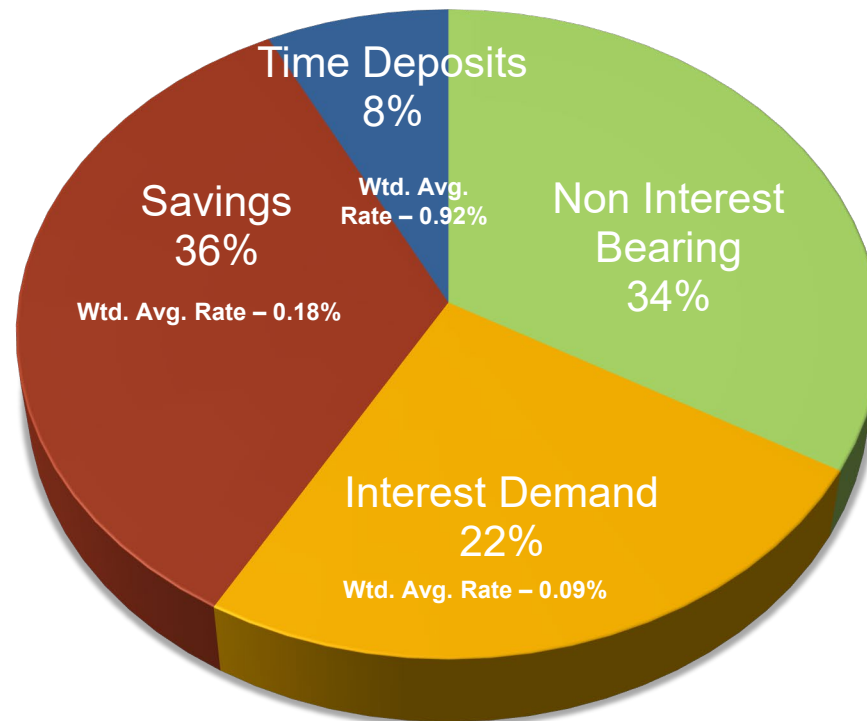
KEY DRIVERS OF BANK REVENUES

- **Deposits & Margin**
 - Average Cost of Deposits of **0.16%** as of 09/30/2018, including approx. \$992 million of deposits from FNB
 - Net Interest Margin in Q3 2018 was **4.32%**
- **Commercial Loans**
 - Commercial Real Estate
 - Diverse portfolio of property types and geographies
 - Commercial & Industry Lines and Loans & Leases
 - Agricultural Loans
 - Asset-Based Loans
- **Non-Interest Income**
 - Service Charge & Fee Income
 - Mortgage Finance
 - Bank Wealth Management Program

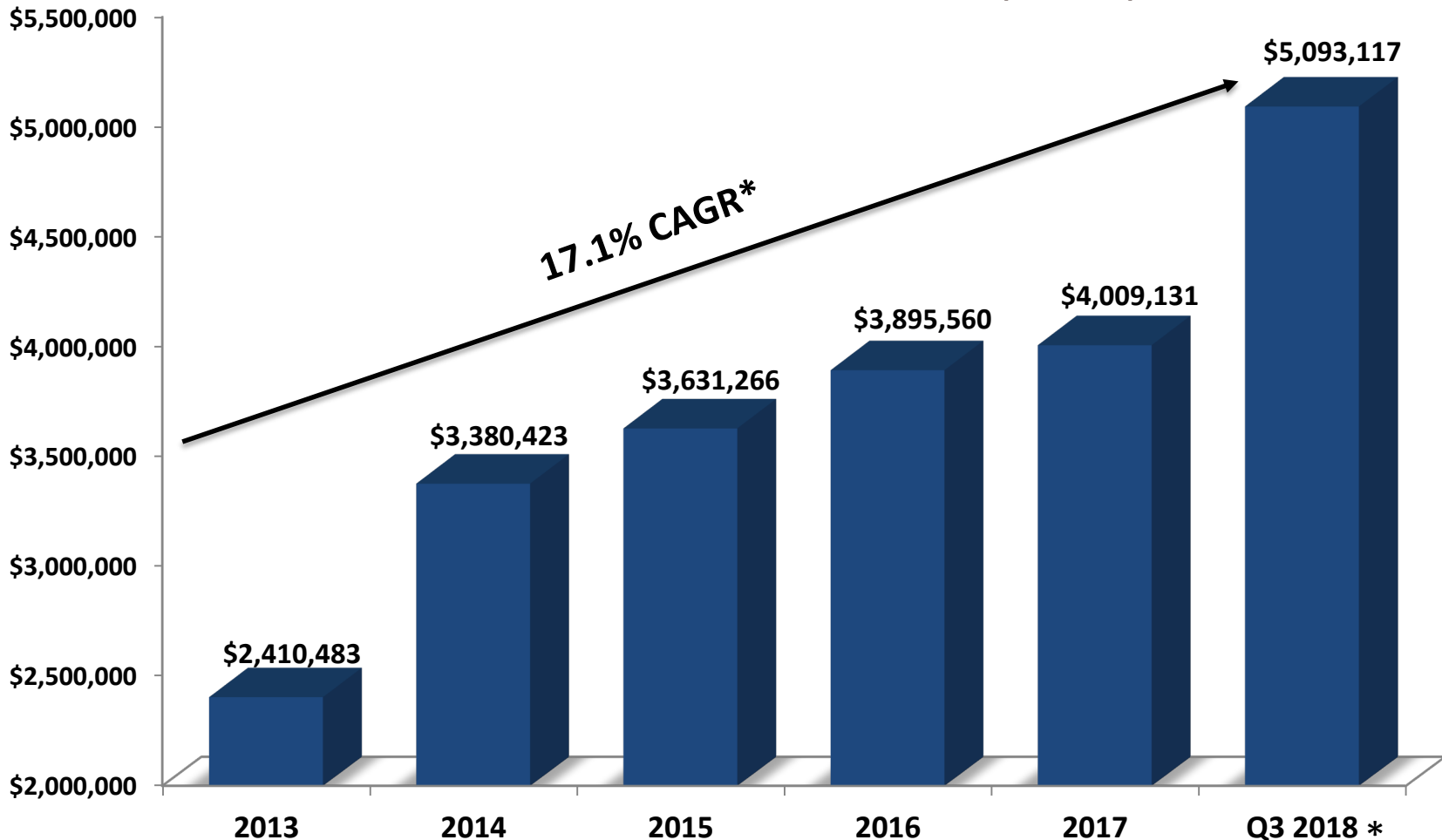
KEY DRIVERS OF BANK REVENUES *continued*

- **Consumer Loans**
 - Home Equity Lines/Loans
 - Rising rates a positive for growth
 - Small Business
- **Growth Opportunities**
 - Wealth Management – Bank Managed Program
 - Raymond James as Broker-Dealer
 - Mortgage Banking
 - Merchant Card Processing Fee Opportunities

DEPOSIT STRUCTURE



TOTAL ENDING DEPOSITS (\$'000'S)



*Data as of 09.30.2018 inclusive of the 2014 and 2018 mergers

MARKET SHARE OF ALL BRANCHES

SORTED BY ZIP CODE

Rank	Institution Name	State (Hdqtrd)	Charter	Deposits (\$000)	Market Share
1	Wells Fargo & Company	SD	Federal	32,553,687	27.4%
2	Bank of America, N.A.	NC	Federal	11,752,079	9.9%
3	U.S. Bank National Association	OH	Federal	10,408,038	8.8%
4	JP Morgan Chase Bank, N.A.	OH	Federal	6,166,580	5.2%
5	Tri Counties Bank	CA	State	5,061,742*	4.3%
6	MUFG Union Bank, N.A.	CA	Federal	3,398,495	2.9%
7	HSBC Bank USA, N.A.	VA	Federal	2,832,784	2.4%
8	Bank of the West	CA	State	2,728,476	2.3%

Source: FDIC Summary of Deposits, June 2018

* Tri Counties Bank data includes acquisition of First National Bank of Northern California – completed July 6, 2018

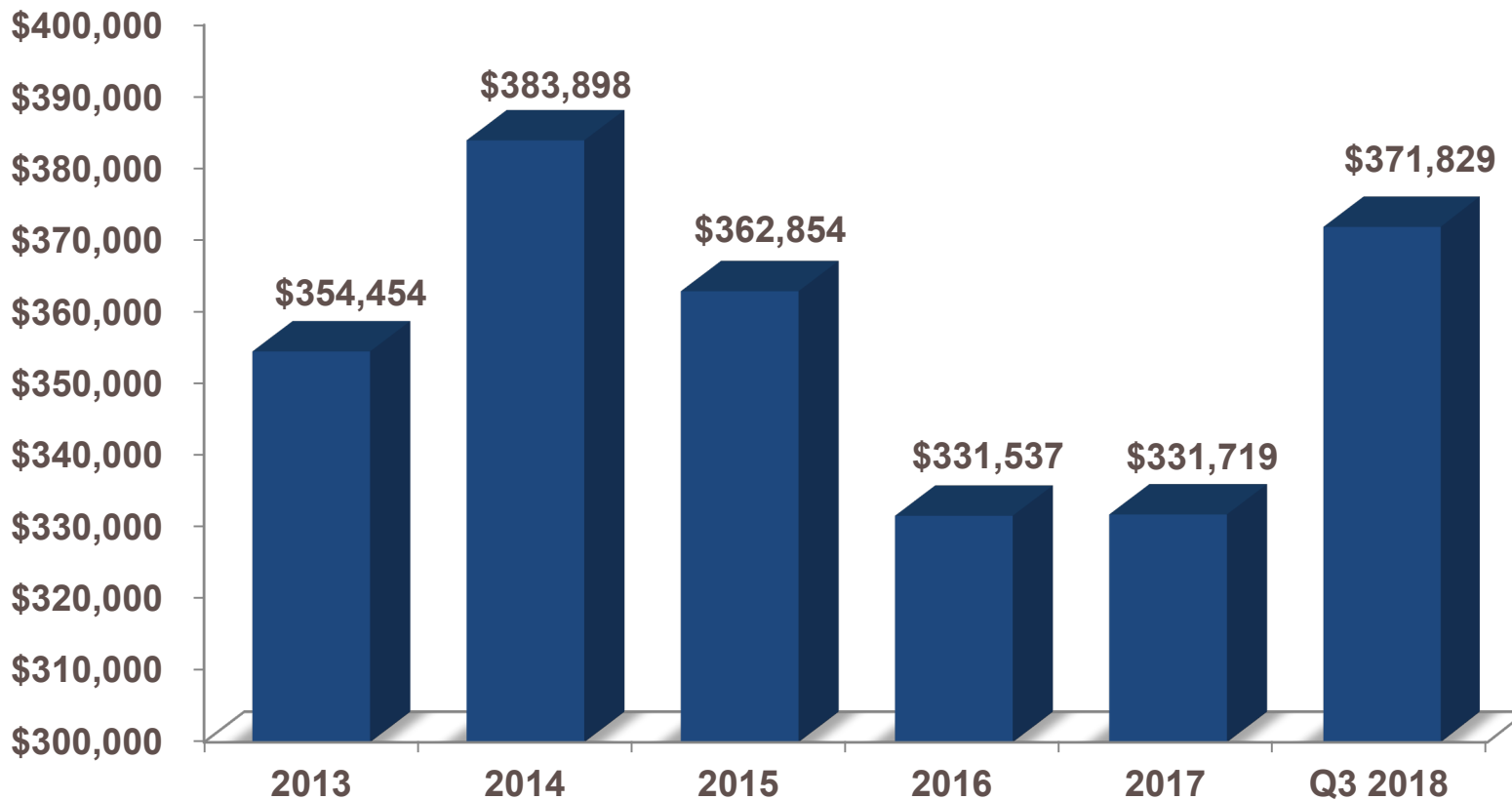
NON-INTEREST INCOME

- Consistently Represents Approximately 20%+ of total revenues
- Wealth Management – recurring fee AUM model
- Deposit and Card products - Higher revenues from service charges and interchange income
- Corporate Treasury Management product fees continue to increase

CONSUMER LOANS

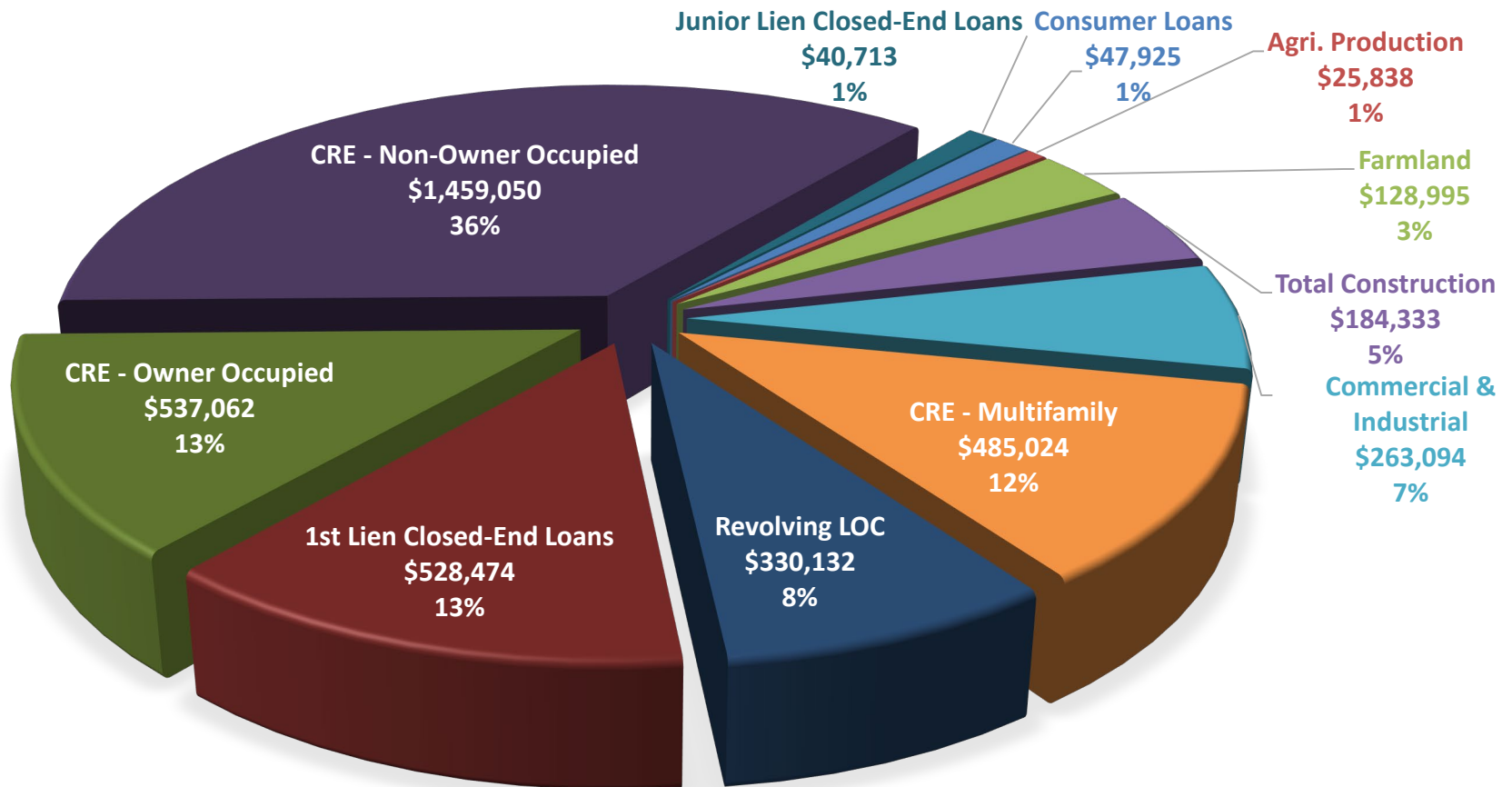
- Increased demand for consumer loans
 - Home equity values continue to increase
 - Borrowers using refinance of 1st mortgage to pay down debt
- Low rate environment continues to contribute to home equity pay downs and payoffs (re-fi), but production remains solid.
 - \$41MM in Q3 2018 HELOC volume resulted in \$2MM decrease in outstandings (net of FNB HELOC balances)
 - This is compared to \$43MM in Q2 2018 volume resulting in a \$1MM increase in outstandings

HOME EQUITY LOANS OUTSTANDING (\$000'S)



Data as of 09.30.2018
December 2018

LOAN PORTFOLIO BY TYPE



COMMERCIAL BANKING

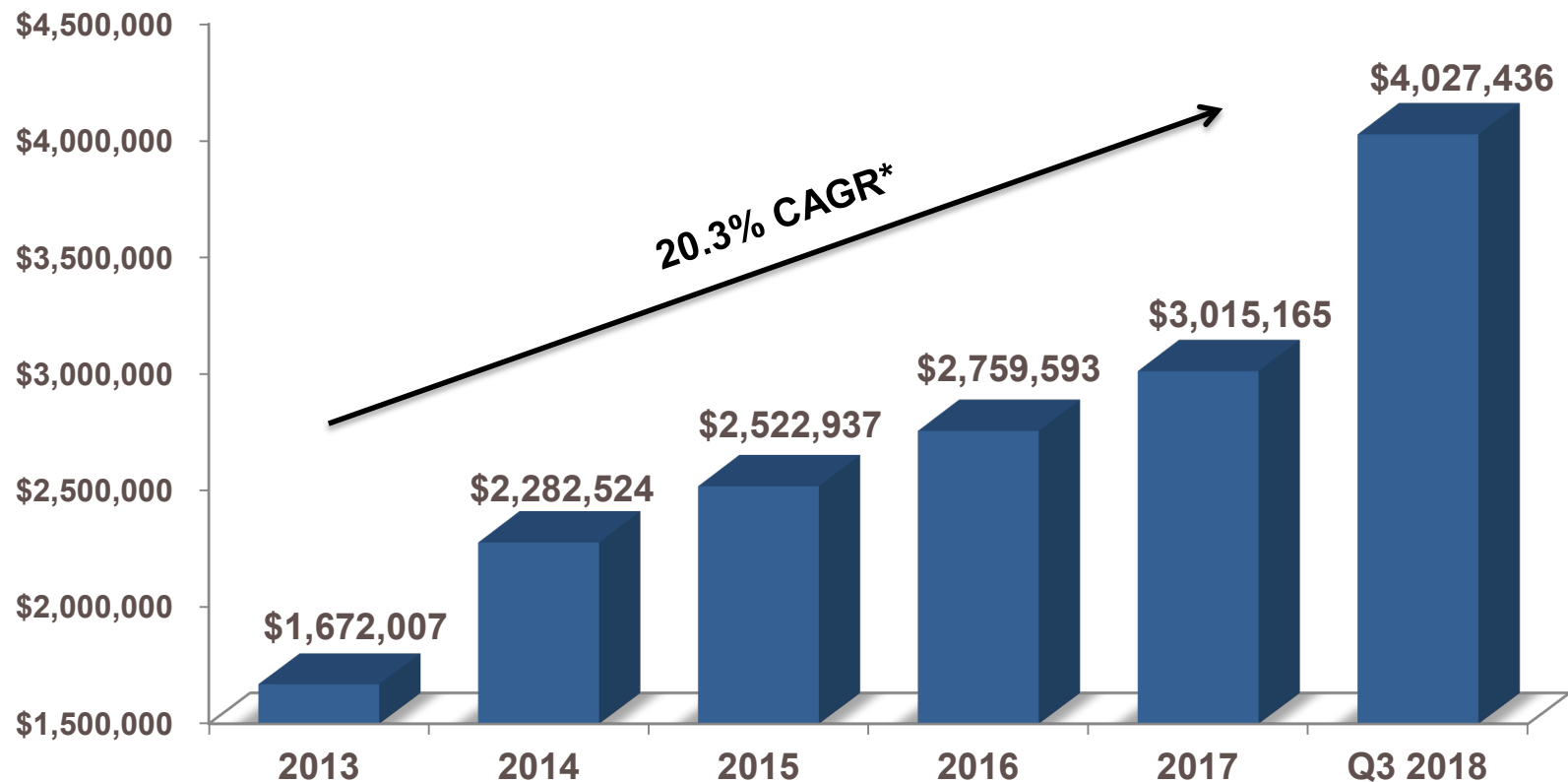
- Target loans of \$2,000,000 to \$15,000,000
- Personalized banking
 - Assigned Relationship Managers
 - Assigned Cash Management Officers
- In-market lending
- Competition is as fierce and diverse as it has ever been

COMMERCIAL BANKING *continued*

- Agricultural lending
 - Drought risk has subsided
 - Commodity prices have stabilized
- Loans <\$1,000,000 served through alternate channel
 - Business Relationship Managers
 - Credit scoring combined with traditional underwriting
- SBA 7(a) program now offered

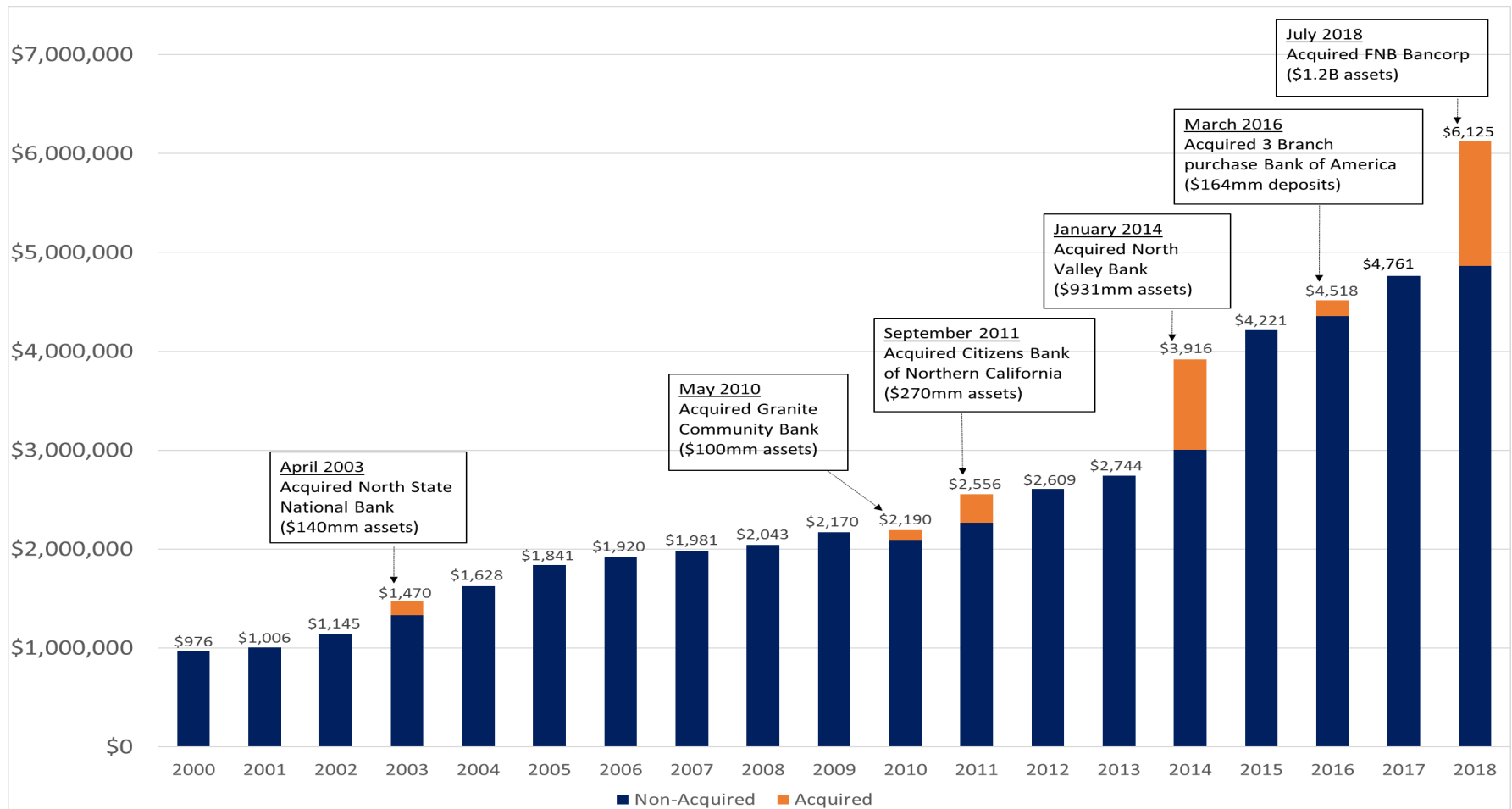
TOTAL LOANS

NET OF UNAMORTIZED DEFERRED LOAN FEES AND DISCOUNTS (\$000'S)



*Data as of 09.30.2018 inclusive of the 2014 and 2018 mergers

GROWTH OPPORTUNITIES – TCBK HISTORY (000'S)

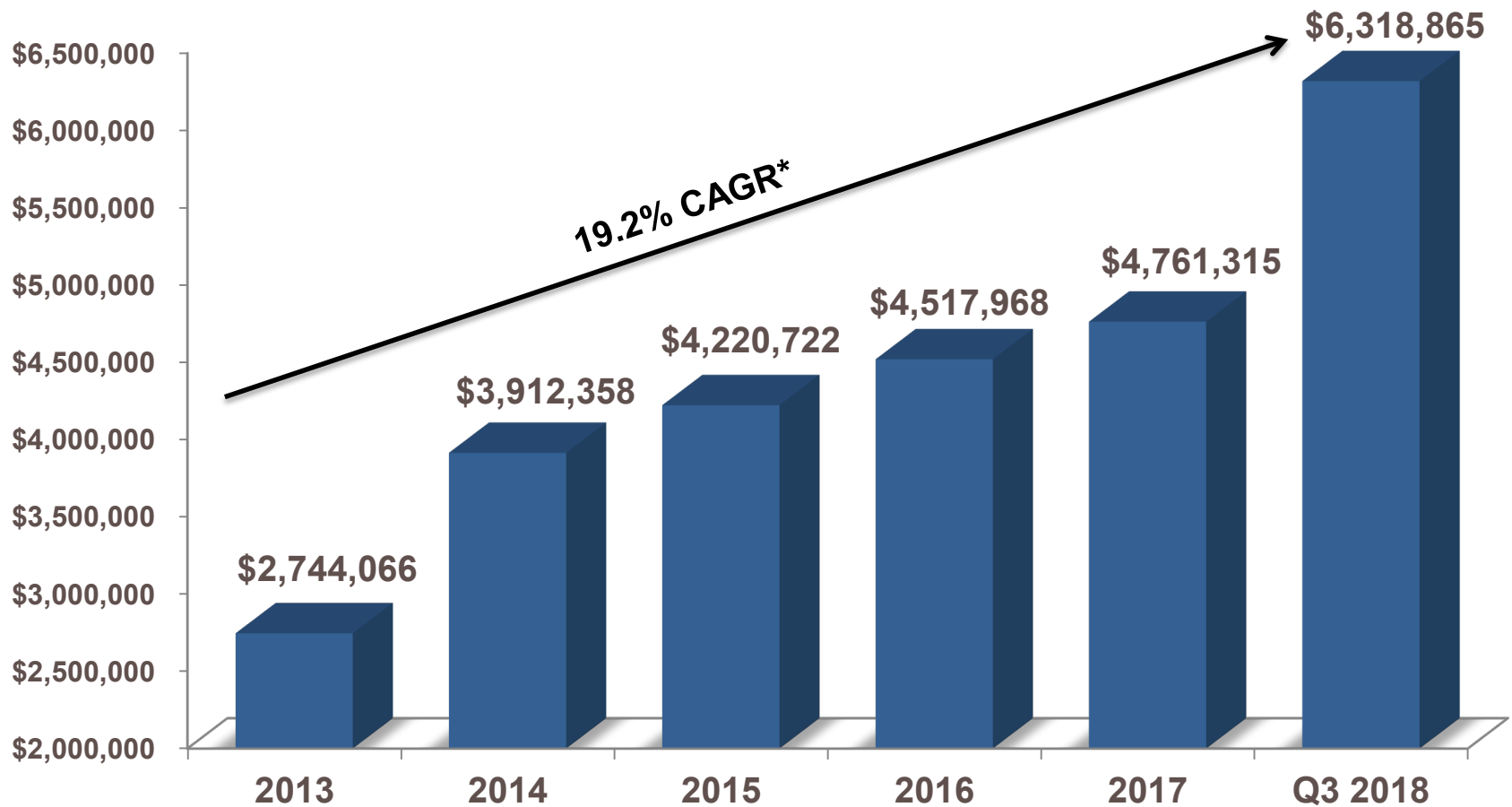


WHAT KEEPS US UP AT NIGHT?

- Deposit Betas
- Ability to Increase Loan Yields
- Interest Rate Risk
- Aggressive Competitors
- Compliance Regulations
- The Cost of Compliance with New Regulations
- Dysfunction in Washington

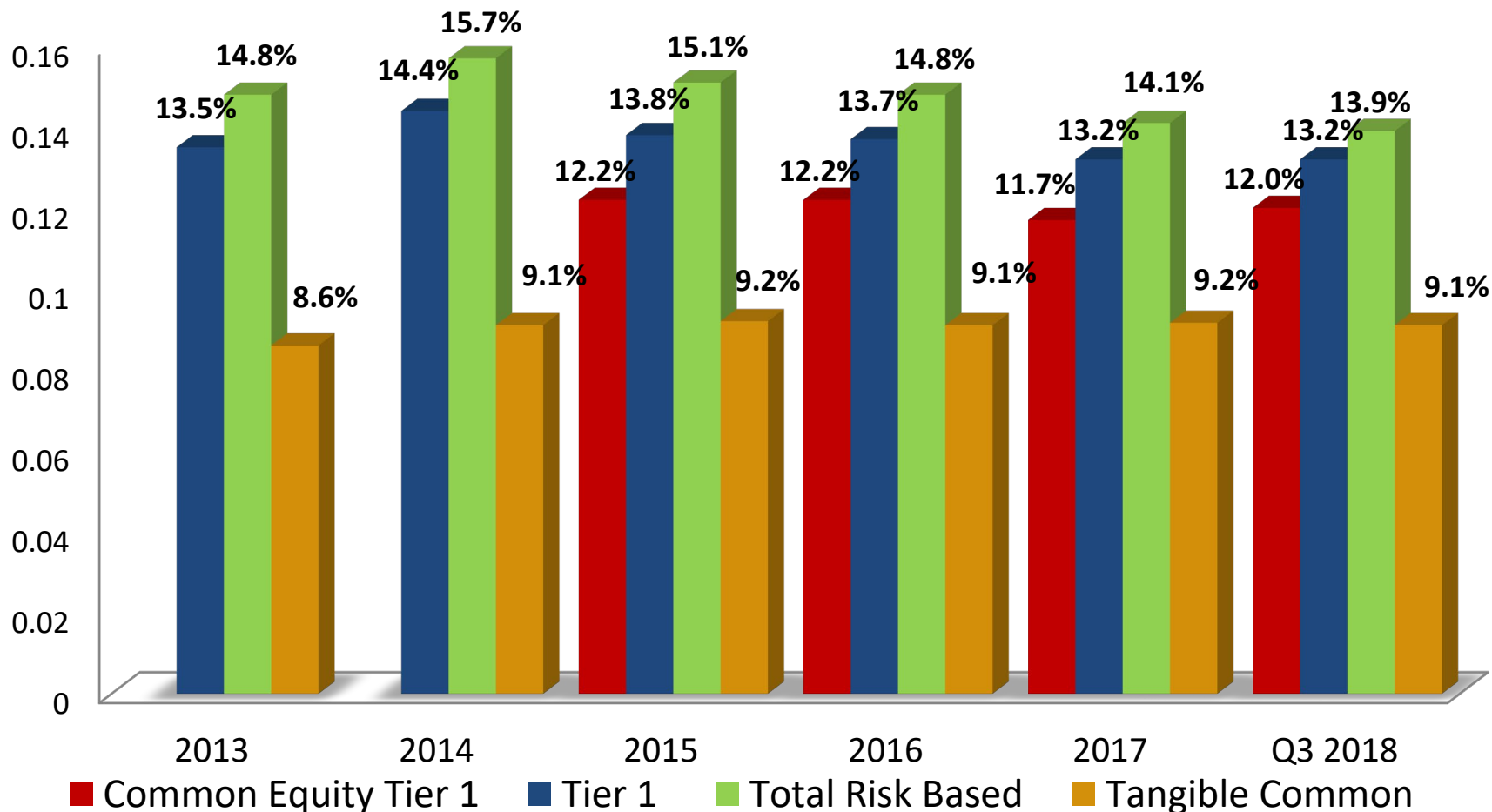
FINANCIALS

TOTAL ASSETS (\$000'S)



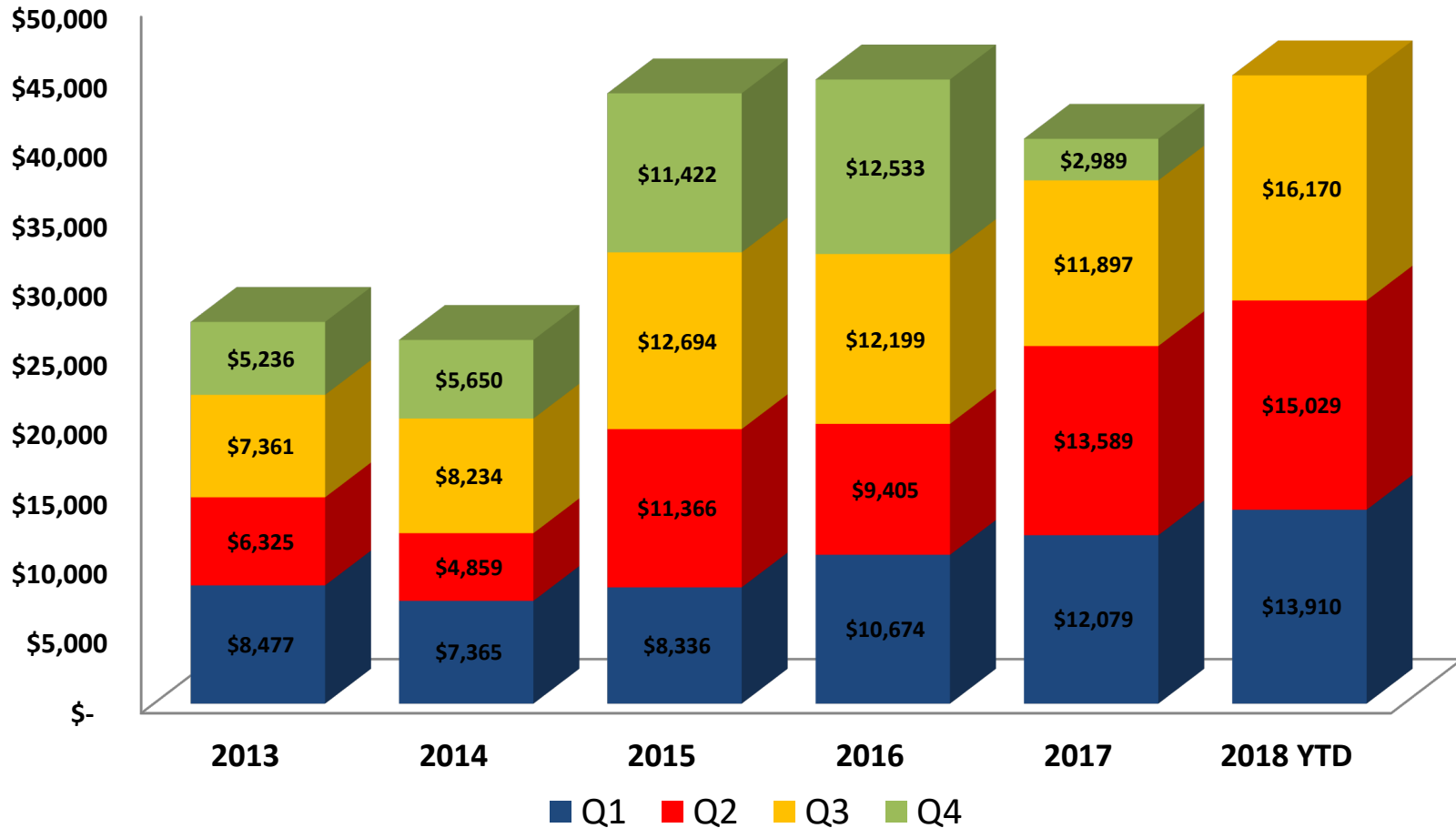
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CAPITAL RATIOS (\$000'S)



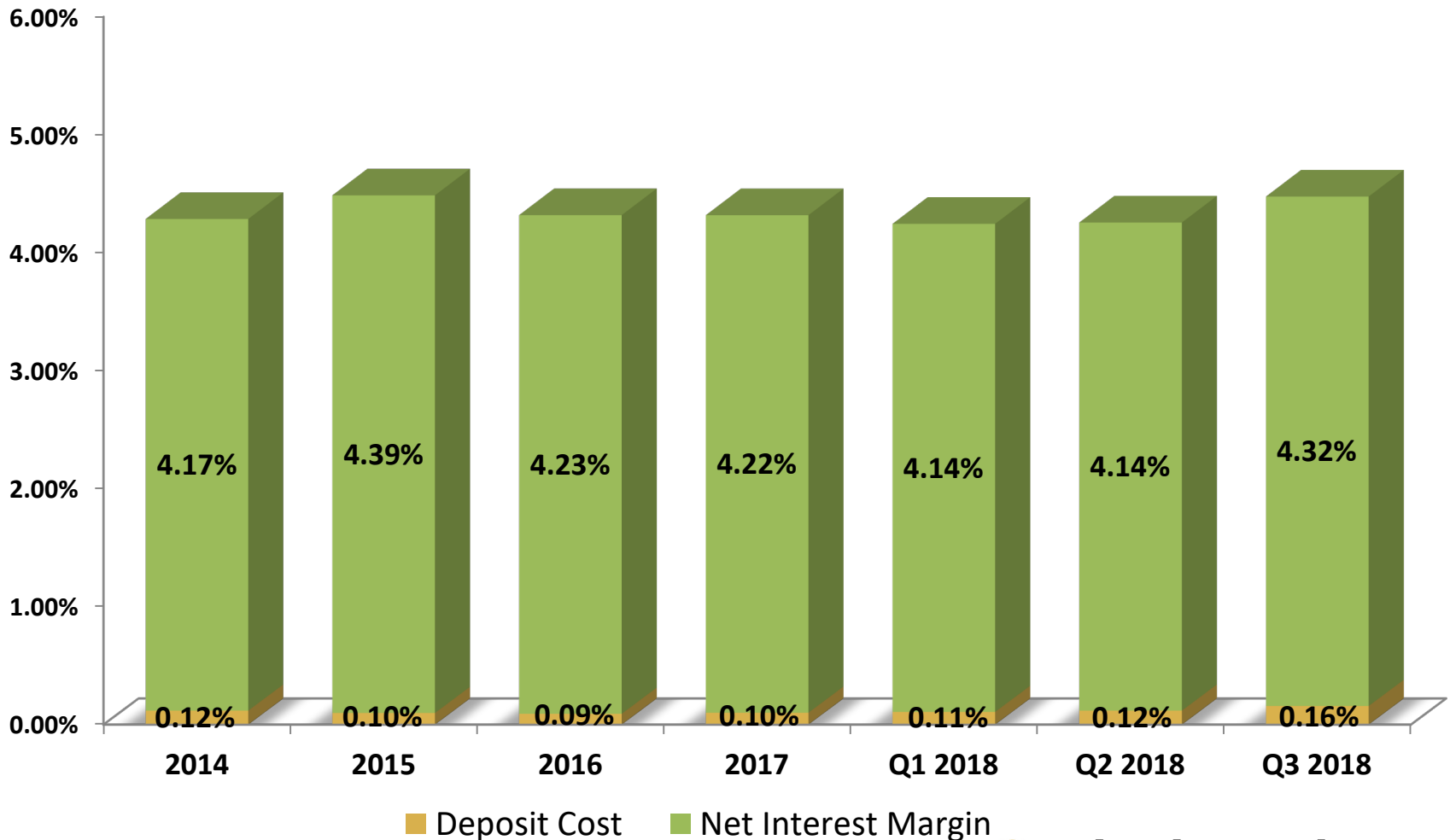
Data as of 09.30.2018
December 2018

NET INCOME (\$000'S)



Data as of 09.30.2018
December 2018

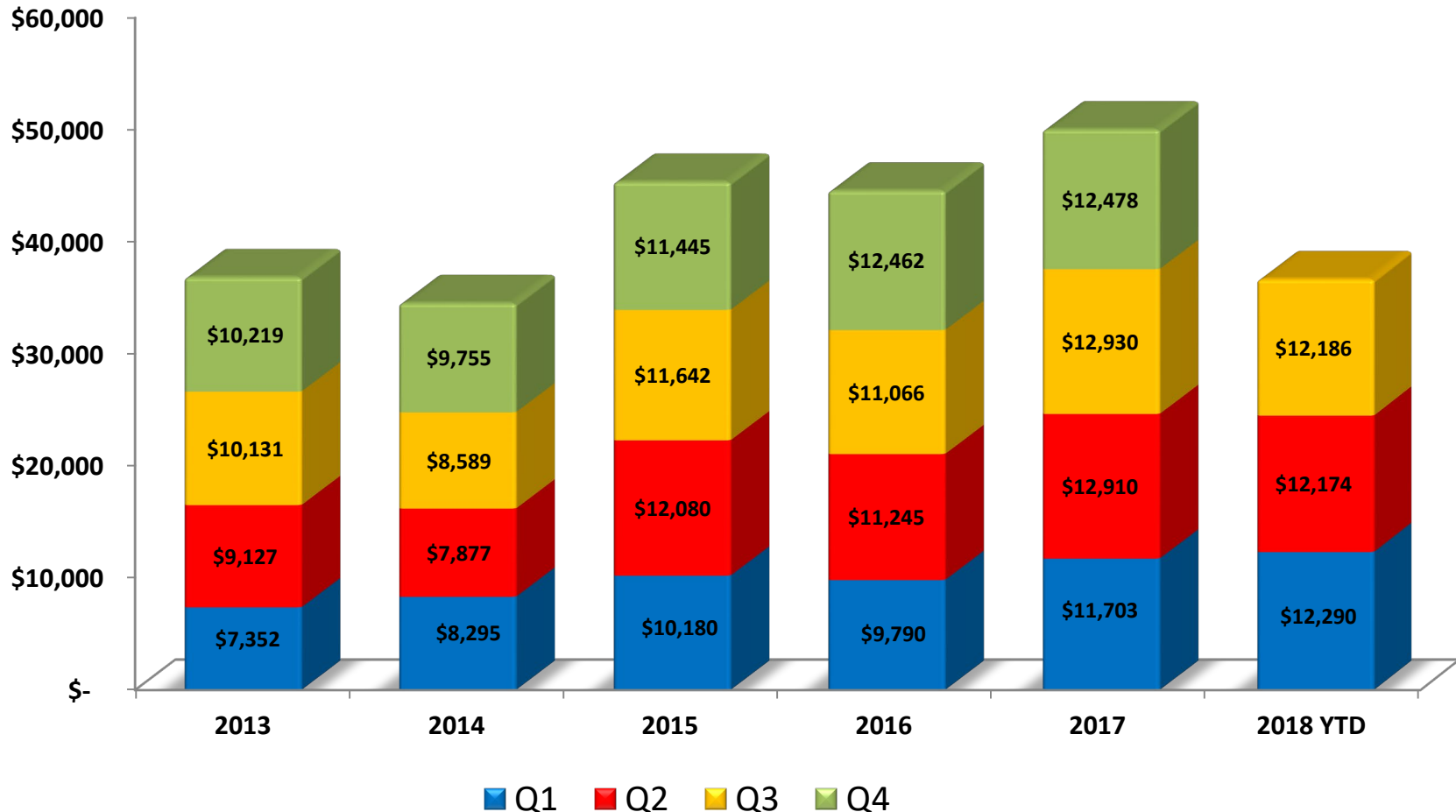
NET INTEREST MARGIN



Data as of 09.30.2018

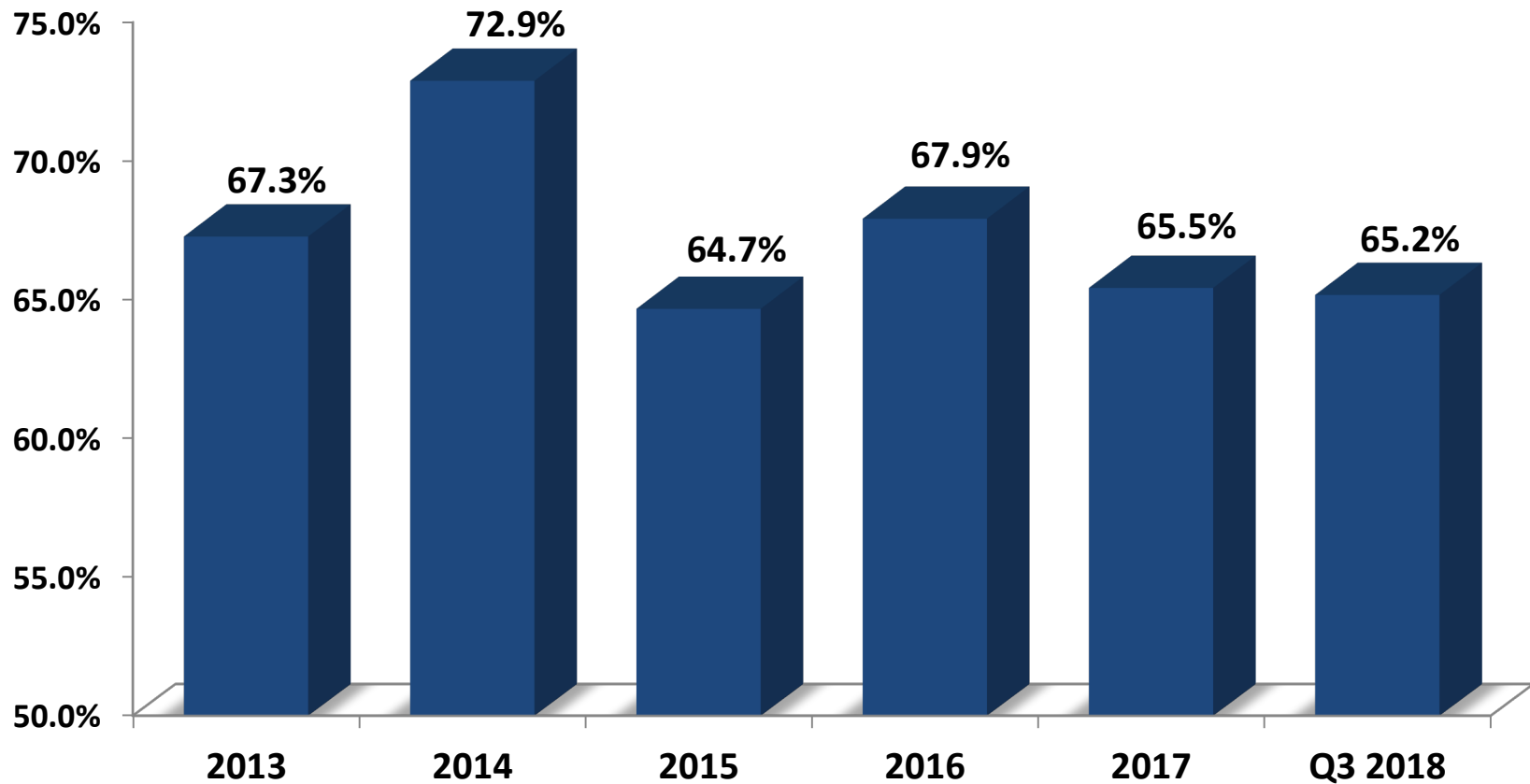
December 2018

NON-INTEREST INCOME (\$'000'S)



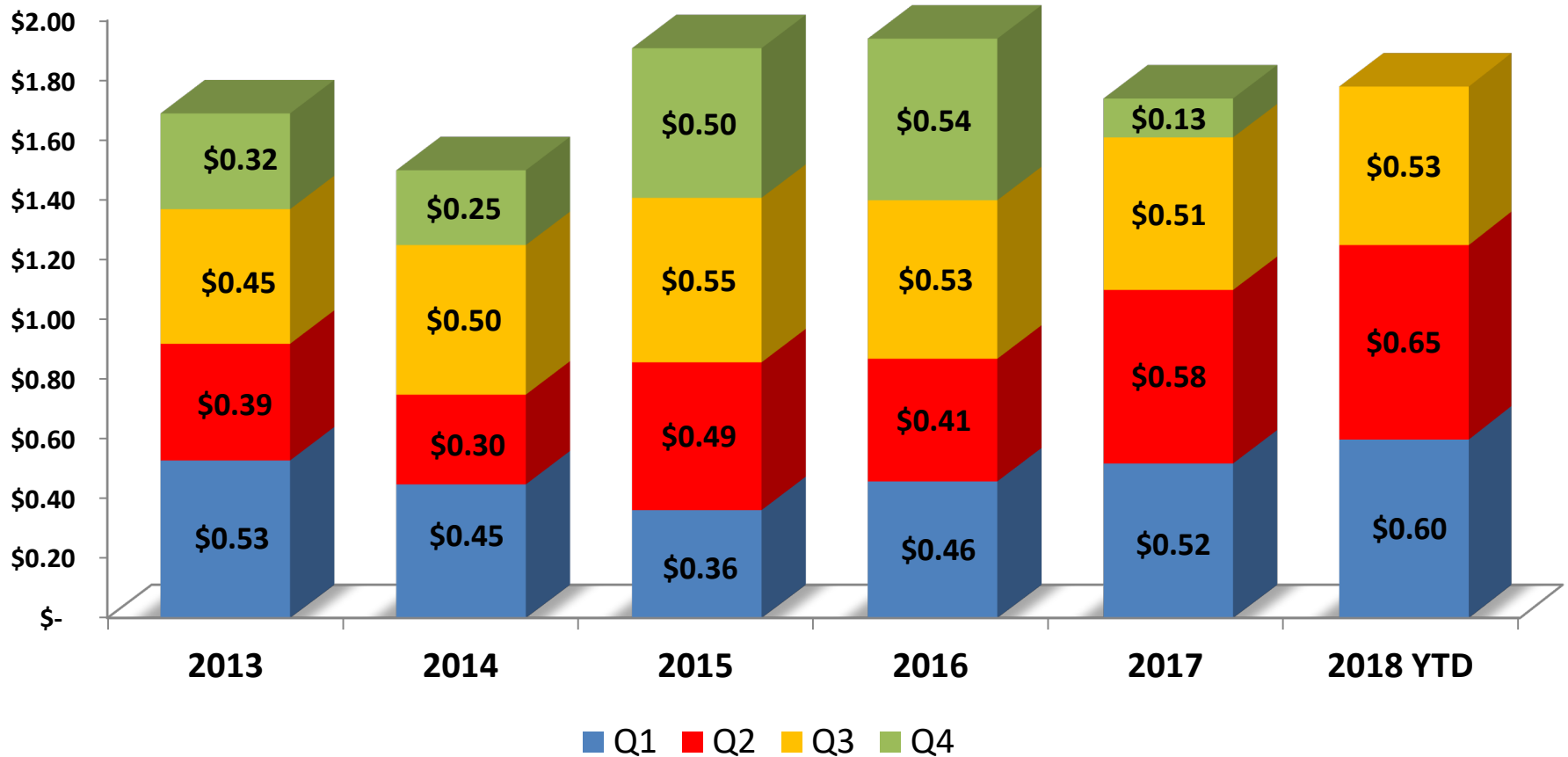
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December 2018

EFFICIENCY RATIO (FULLY TAXABLE EQUIVALENT)



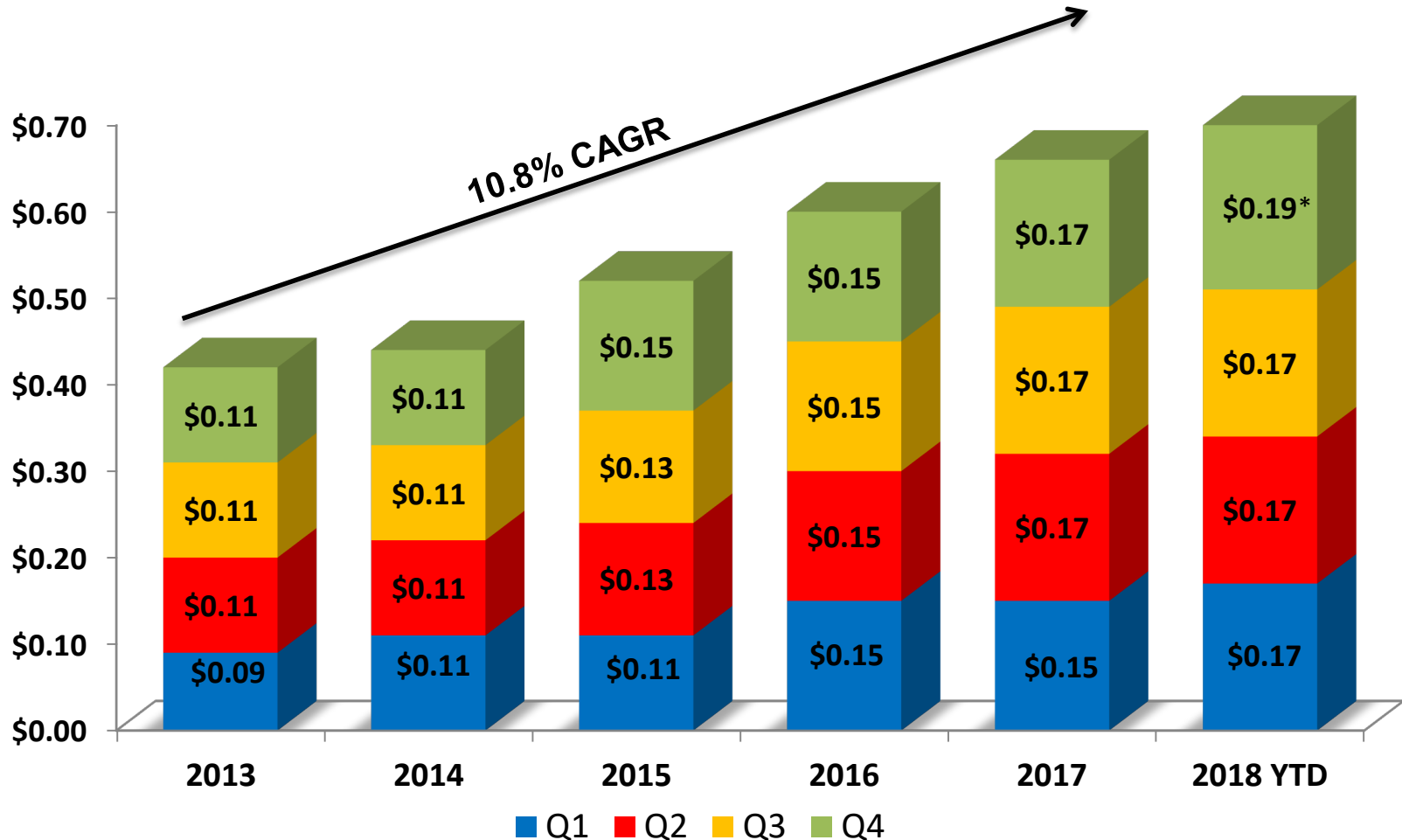
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DILUTED EARNINGS PER SHARE



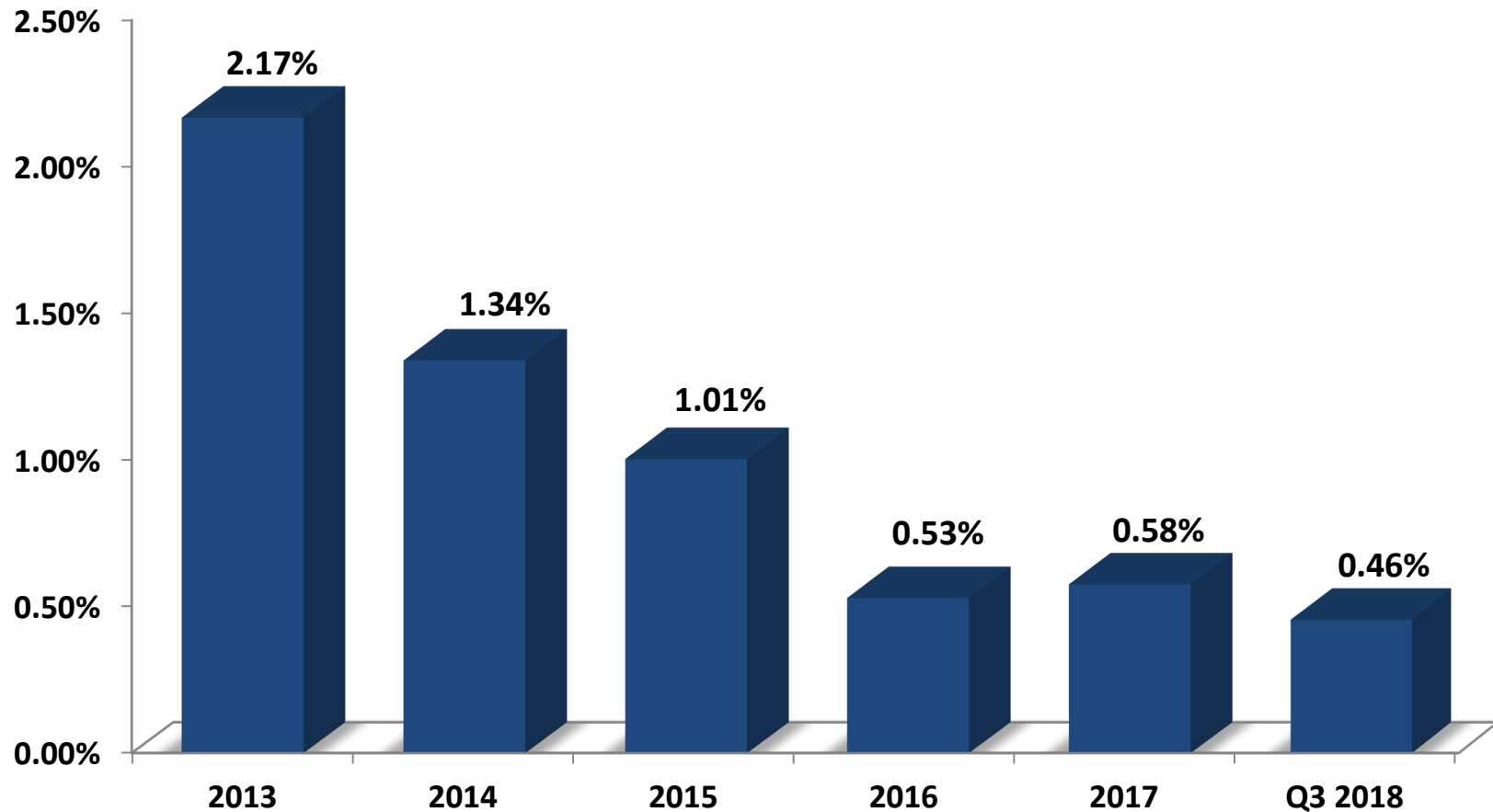
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DIVIDENDS PAID



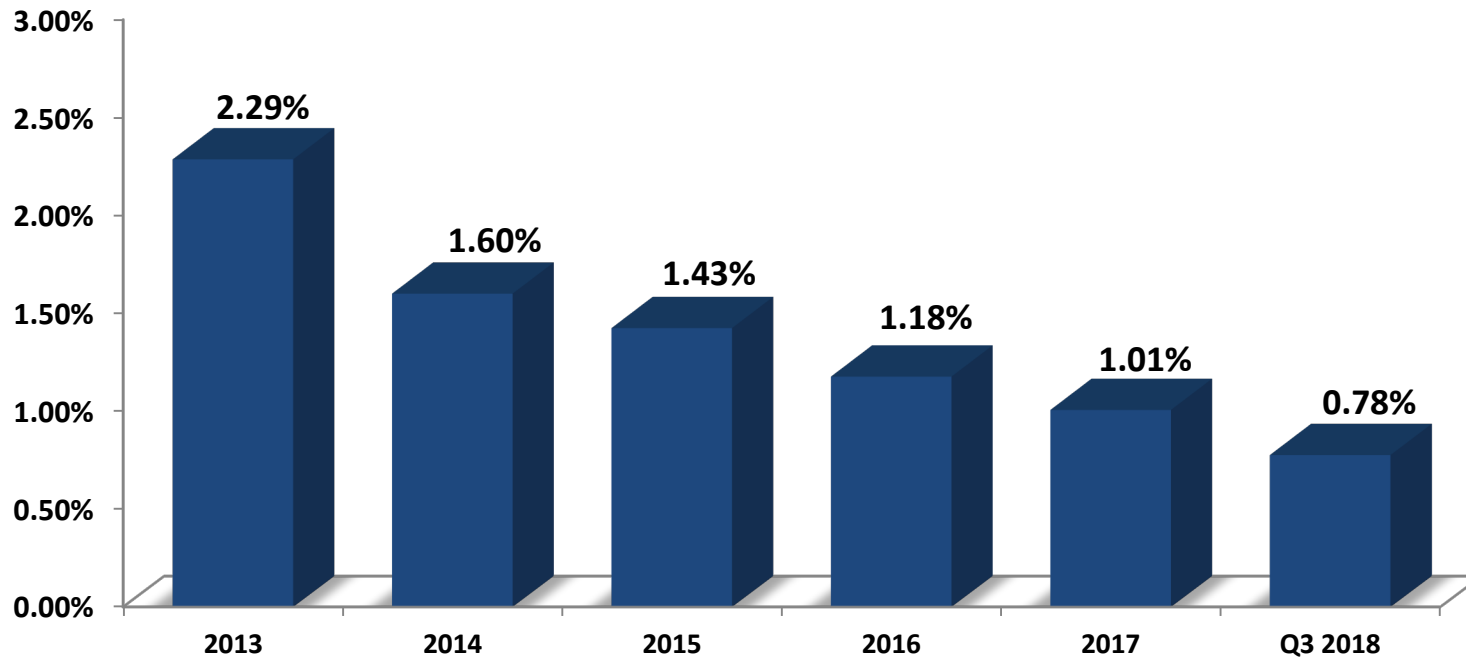
*Reflects dividend declared on 11/28/2018, payable on December 28, 2018

NON-PERFORMING ASSETS TO TOTAL ASSETS



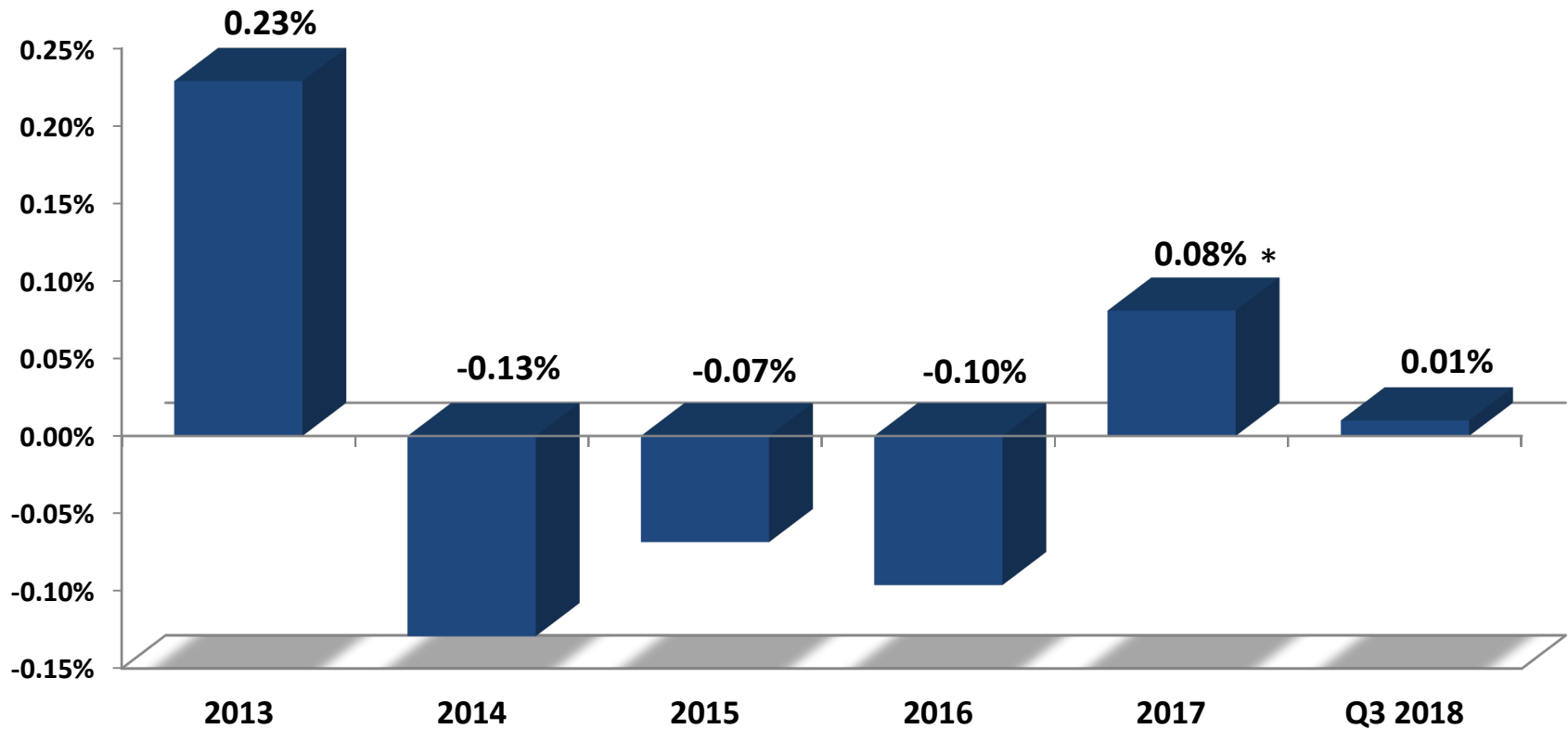
Data as of 09.30.2018
December 2018

ALLOWANCE FOR LOAN LOSSES TO TOTAL LOANS



Data as of 09.30.2018
December 2018

ANNUALIZED NET CHARGE-OFFS TO AVERAGE LOANS

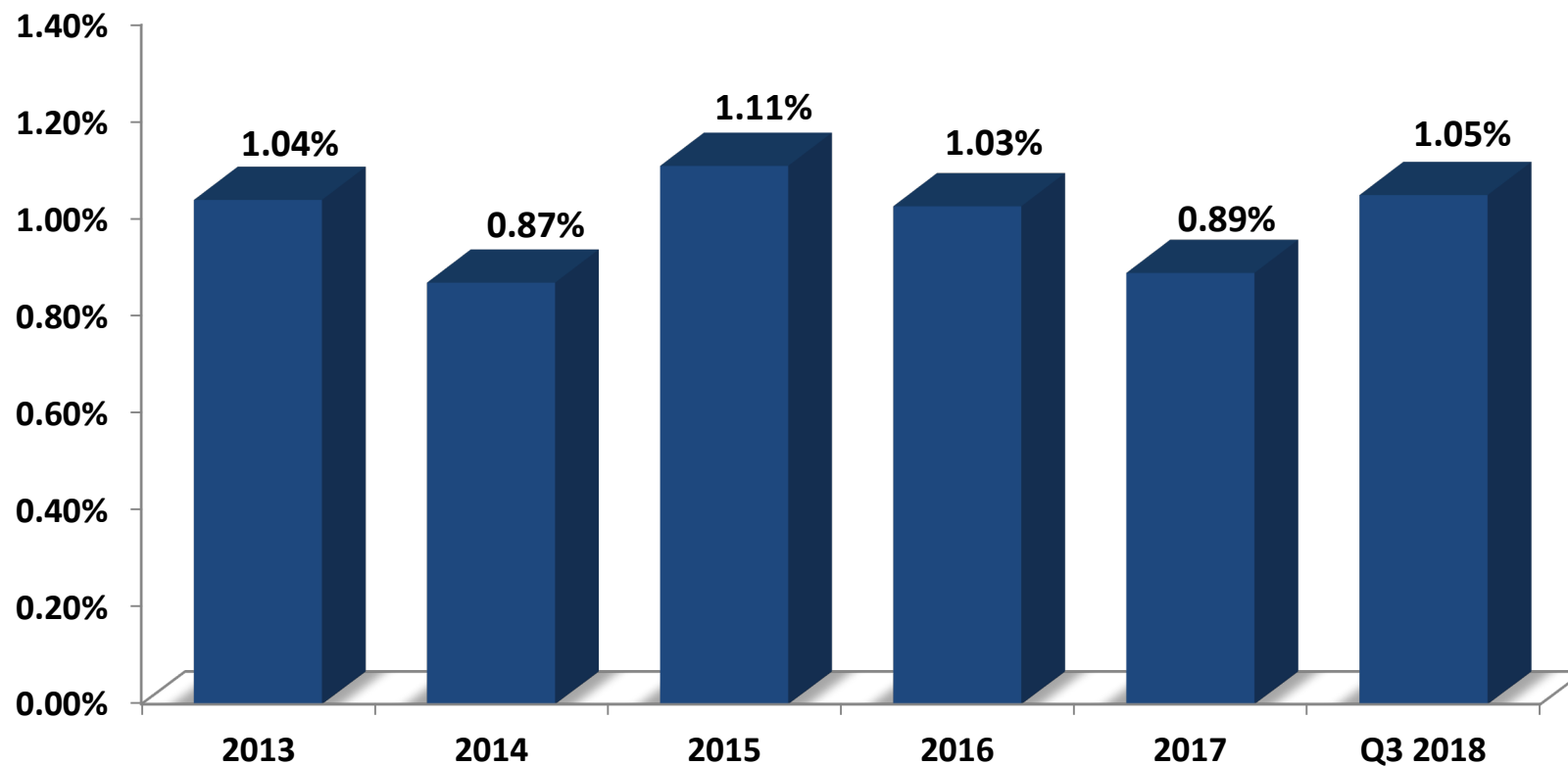


*0.08% related to ASC 310-30 PCI loan adjustment

Data as of 09.30.2018

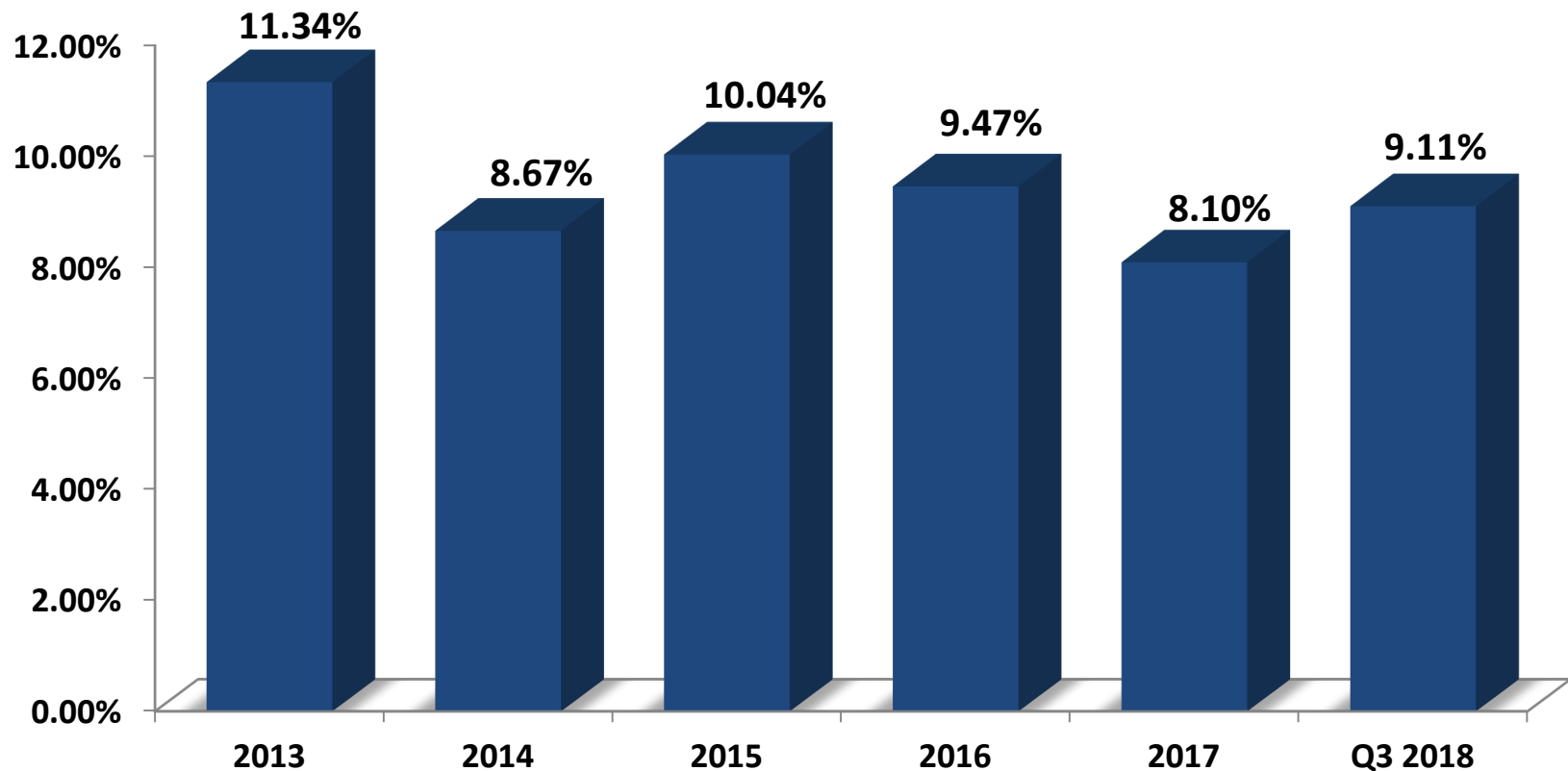
December 2018

RETURN ON AVERAGE ASSETS



Data as of 09.30.2018
December 2018

RETURN ON AVERAGE SHAREHOLDER'S EQUITY



Data as of 09.30.2018
December 2018



TRICO BANCSHARES IS COMMITTED TO:

Improving the financial success and well-being of our shareholders, customers, communities and employees.