

Service With Solutions™

**Richard P. Smith, President & CEO**

# 2017 Annual Meeting of Shareholders Presentation

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May 23, 2017



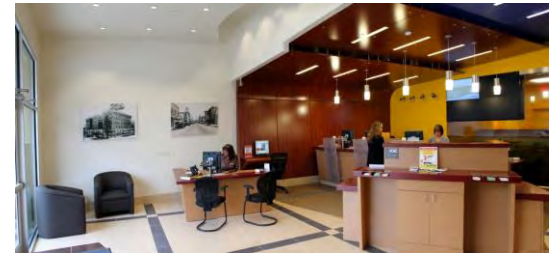
 **trico bancshares**

# SAFE HARBOR STATEMENT

Certain comments included in this presentation may involve forward-looking statements, for which TriCo claims the protection of the “safe harbor” provisions credited by Federal securities laws. Such forward-looking statements are subject to risks and uncertainties which may cause TriCo’s actual results to differ materially from those contemplated by such statements. Additional information concerning certain of these risks and uncertainties are described in TriCo’s Annual Report of Form 10-K for the fiscal year ended December 31, 2016 and TriCo’s Quarterly Reports on Form 10-Q as filed with the SEC in fiscal 2016.

# AGENDA

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



# OVERVIEW

<b>Asset Size:</b>	<b>\$4.5 Billion</b>
<b>Location:</b>	<b>Chico, CA</b>
<b>Founded:</b>	<b>1975</b>
<b>Deposits:</b>	<b>\$3.9 Billion</b>
<b>Loans (<i>net</i>):</b>	<b>\$2.7 Billion</b>
<b>Customers:</b>	<b>190,000</b>
<b>Bank Branches:</b>	<b>67</b>
<b>ATMs:</b>	<b>85</b>



# OVERVIEW

Nasdaq:	TCBK
*Stock Price:	\$35.06
Market Capitalization:	\$801.94 million
*Price to Book stated:	1.7x
*Price to TBVPS	2.0x
**Asset Size Rank of CA Publicly Traded Banks:	14

\*Valuation Information as of Market Close 05/22/2017

\*\*Ranking as of 01/25/2015 – Source: SNL Financial



# 1 year Stock Price



# Ownership Summary

TCBK US Equity 25 Export 26 Settings - Security Ownership

TRICO BANCSHARES

CUSIP 89609510

1) Current 2) Historical 3) Matrix 4) Ownership Summary 5) Insider Transactions 6) Options

Compare Current Stats Against 05/21/17

Institutional - Based on Current Filings

51) Institutional	05/21/1	Curr	Change	
11) % of Shares Held	72.47	72.47	0.00	↕
12) % of Float Held	88.54	88.53	-0.01	↕
13) # of Institutions	209	209	0.00%	↕
14) # of Buyers	57	57	0.00%	↕
15) # of Sellers	64	64	0.00%	↕
16) # of New Buyers	26	26	0.00%	↕
17) # of Selloffs	6	6	0.00%	↕
18) % Chg in Inst Positions	+1.62	+1.62	0.00	↕

Insider - Based on Last 6 Months

52) Insider	05/21/1	Curr	Change	
21) % of Shares Held	12.59	12.58	-0.01	↕
22) % Chg in Insider Position	-1.91	-1.91	0.00	↕
23) # of Insiders	18	18	0.00%	↕
24) # of Buyers Opn Mkt	0	0		↕
25) # of Sellers Opn Mkt	1	1	0.00%	↕
26) # of Shrs Bought Opn Mkt	0	0		↕
27) # of Shrs Sold Opn Mkt	35,302	35,302	0.00%	↕
28) Avg Opn Mkt Buy Price	0	0		↕
29) Avg Opn Mkt Sell Price	31.39	31.39	0.00%	↕

Top Geographic Ownership (%)

53) Geographic	05/21/1	Curr	Change	
31) UNITED STATES	76.50	76.51	+0.01	↕
32) Unknown	20.02	20.02	0.00	↕
33) LUXEMBOURG	2.04	2.04	0.00	↕
34) BRITAIN	0.36	0.36	0.00	↕
35) SWITZERLAND	0.35	0.35	0.00	↕
36) CANADA	0.28	0.28	0.00	↕
37) AUSTRALIA	0.22	0.22	0.00	↕
38) GERMANY	0.13	0.13	0.00	↕
39) JAPAN	0.05	0.05	0.00	↕

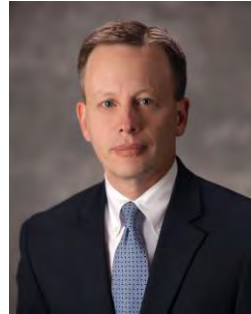
Top Ownership Type (%)

54) Ownership Type	05/21/1	Curr	Change	
41) Investment Advisor	70.64	70.64	0.00	↕
42) Individual	13.90	13.89	-0.01	↕
43) Hedge Fund Manager	6.60	6.61	+0.01	↕
44) Other	6.13	6.13	0.00	↕
45) Pension Fund	1.38	1.38	0.00	↕
46) Bank	0.49	0.49	0.00	↕
47) Private Equity	0.25	0.25	0.00	↕
48) Insurance Company	0.24	0.24	0.00	↕
49) Brokerage	0.21	0.21	0.00	↕

# EXECUTIVE TEAM



**Rick Smith**  
President & CEO  
*TriCo since 1993*



**John Fleshood**  
EVP Chief Operating Officer  
*TriCo since 2016*



**Tom Reddish**  
EVP Chief Financial Officer  
*TriCo since 1994*



**Craig Carney**  
EVP Chief Credit Officer  
*TriCo since 1996*



**Richard O'Sullivan**  
EVP Commercial Banking  
*TriCo since 1984*



**Dan Bailey**  
EVP Retail Banking  
*TriCo since 2007*



## 2016 ACCOMPLISHMENTS

- Purchase of 3 branches from Bank of America
  - Completed in March, 2016
- Several new technology projects for 2016:
  - New Mobile Banking program
  - New Business On-Line Banking
  - Loan and Operational Imaging projects
  - Core Conversion
- Continued deposit market share expansion

# POSITIONED FOR TODAY, PREPARED FOR THE FUTURE

- Strong and growing bank capital
- Competitive product set to compete with banks both large and small
- Superior reputation versus large bank competitors
- Continue to see strong organic growth in current environment
  - Loan growth of 9.4%
  - Deposit growth of 7.8% (includes BofA branch purchase)

# POSITIONED FOR TODAY, PREPARED FOR THE FUTURE *continued*

- Strong focus on risk management and new regulatory realities
  - Enterprise Risk
  - Strong focus on CRA
  - 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 **.09%** as of 03/31/2017
  - Net Interest Margin in Q1 2017 was **4.13%**
- **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**

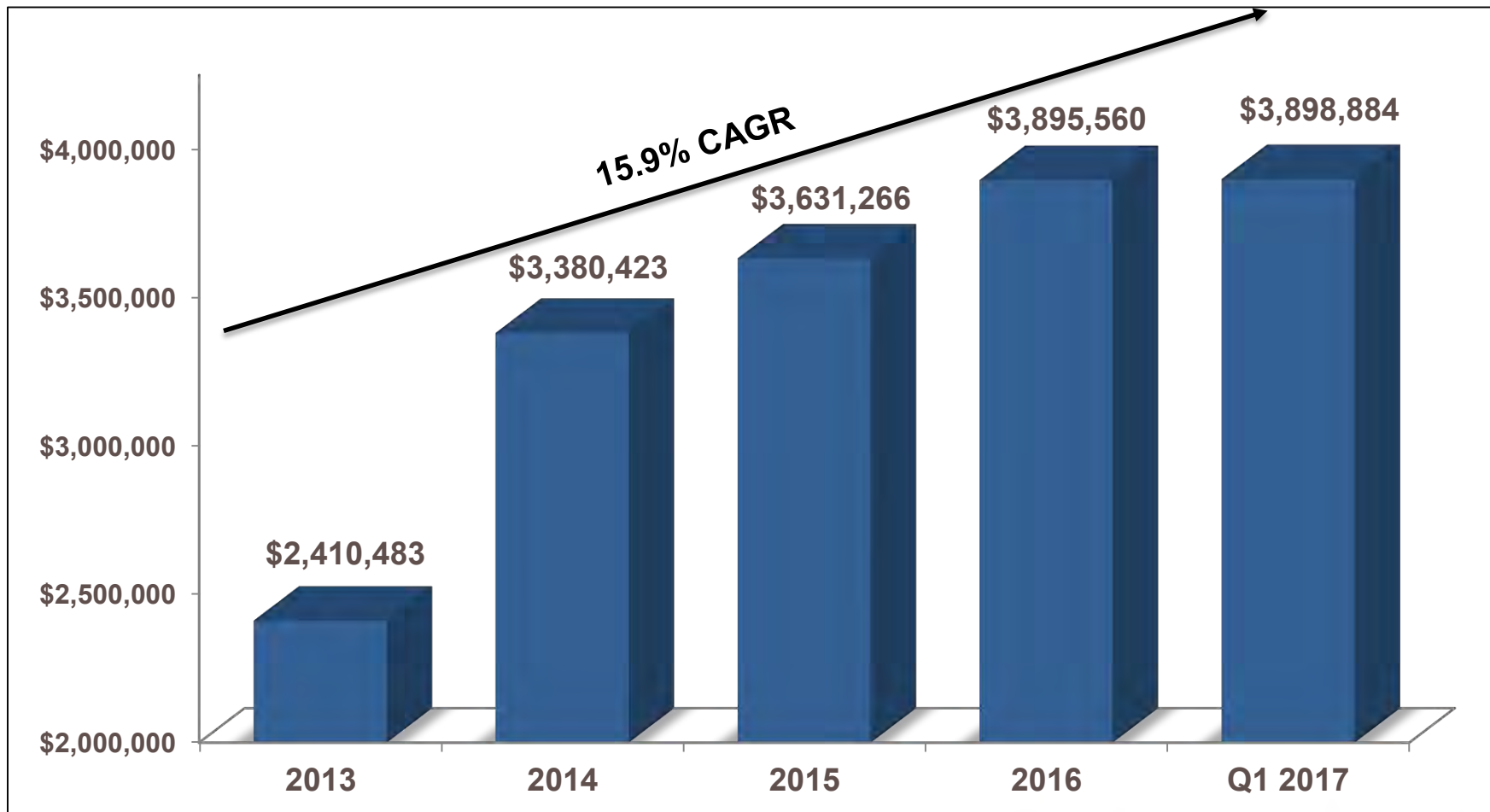
Mortgage Banking

Wealth Management

Merchant Fee Opportunities

Higher Stock Valuations a Plus for M&A Activity

# TOTAL ENDING DEPOSITS



Data as of 03.31.2017

# MARKET SHARE OF ALL BRANCHES

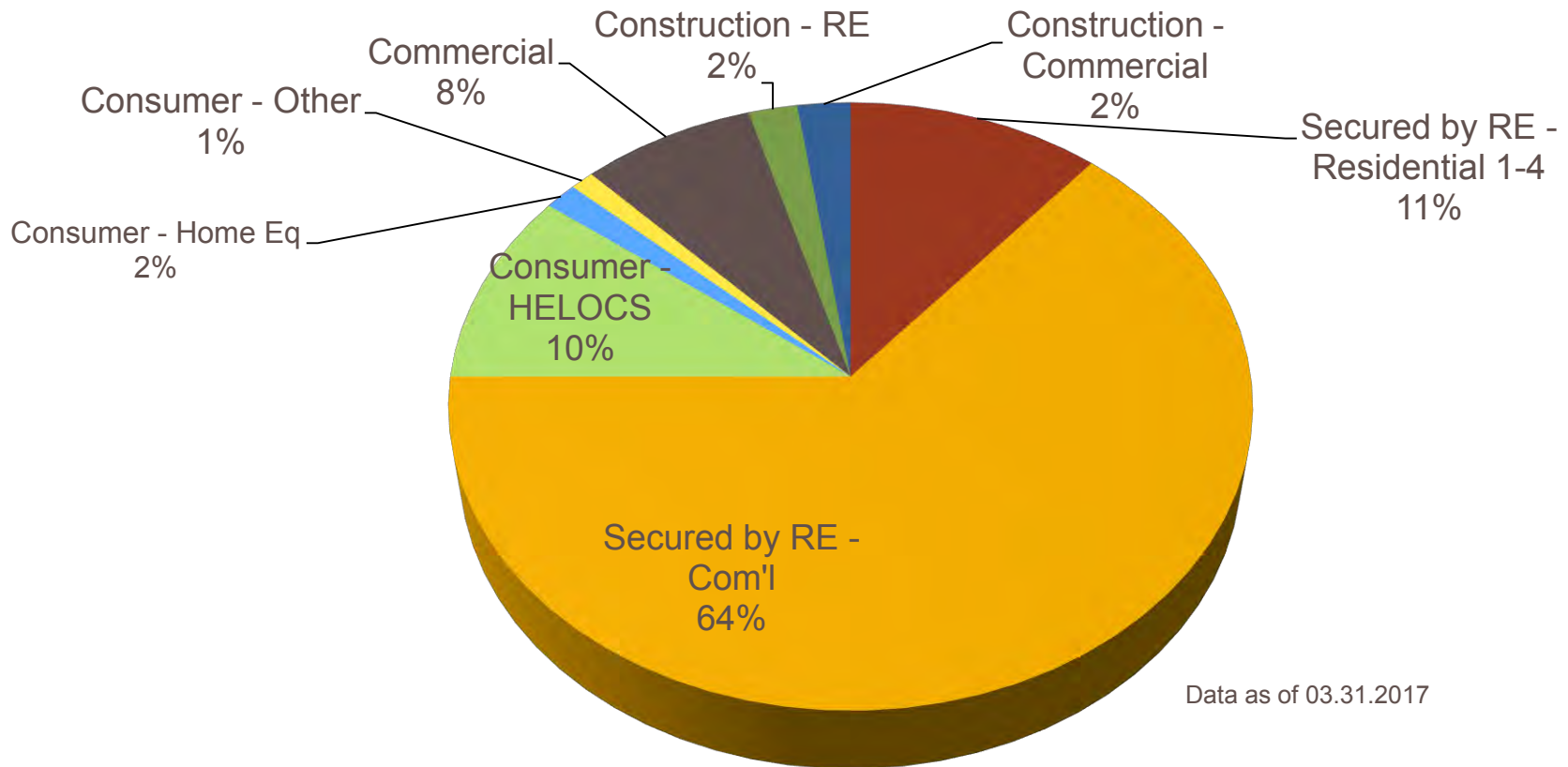
## SORTED BY ZIP CODE

Rank	Institution Name	State (Hdqtrd)	Charter	Deposit (\$000)	Market Share
1	Wells Fargo Bank, National Association	SD	Federal	8,700,167	24.56%
2	Bank of America, National Association	NC	Federal	4,135,930	11.68%
3	Rabobank, National Association	CA	Federal	3,785,681	10.69%
<b>4</b>	<b>Tri Counties Bank</b>	<b>CA</b>	<b>State</b>	<b>3,376,219</b>	<b>9.53%</b>
5	JP Morgan Chase Bank, National Association	OH	Federal	2,487,052	7.02%
6	U.S. Bank National Association	OH	Federal	1,610,128	4.55%
7	Umpqua Bank	OR	State	1,476,048	4.17%
8	Bank of the West	CA	State	1,100,271	3.11%

Source: FDIC Summary of Deposits, June 2016



# 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
  - \$101 million in CRE & C&I production in Q1 resulted in \$9 million in net growth

# COMMERCIAL BANKING *continued*

- Agricultural lending
  - Improving drought conditions
  - Ag prices weaker
- Loans <\$1,000,000 served through alternate channel
  - Business Relationship Managers
  - Credit scoring combined with traditional underwriting
- SBA 7A program now offered

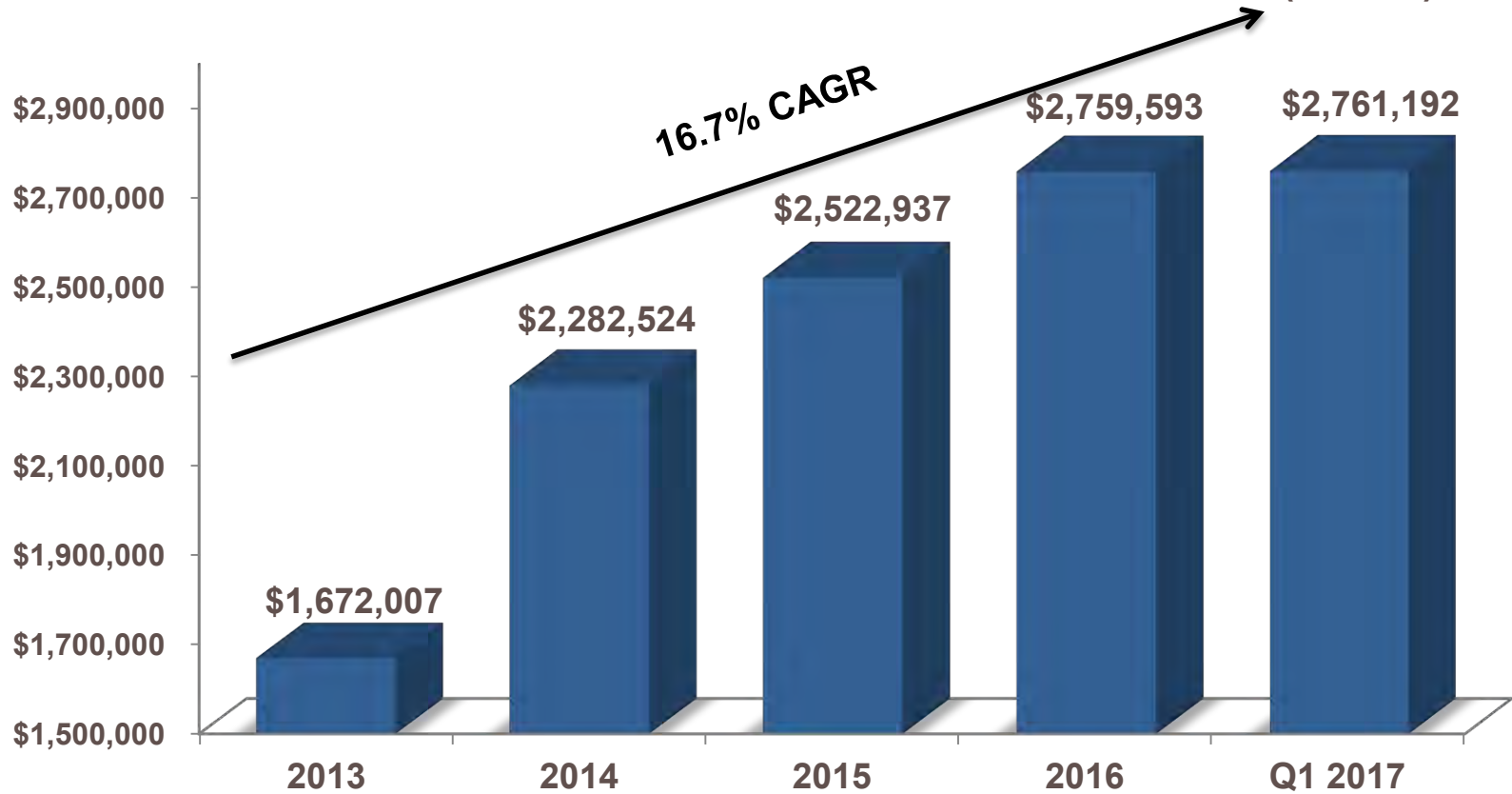
## CONSTRUCTION AND A&D

- Construction lending totals approx. \$124,542,000 outstanding with \$208,626,000 in commitments
- Residential construction approx. \$59,699,000
- Commercial construction approx. \$64,843,000
- Total construction, land development and land acquisition loans represent 4.5% of total loans outstanding

Data as of 03.31.2017

# TOTAL LOANS

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



Data as of 03.31.2017

# GROWTH OPPORTUNITIES

- Mergers and Acquisitions
  - 3 Branch purchase from Bank of America 2016
  - North Valley Bancorp 2014
  - Citizens Bank of Northern California 2011
  - Granite Community Bank 2010
  - North State National Bank 2003
  - 9 Branch purchase from Wells Fargo 1997
  - Sutter Butte Savings 1996
  - Country National Bank 1993
  - Branch purchase from Wells Fargo 1987
  - Shasta County Bank 1981

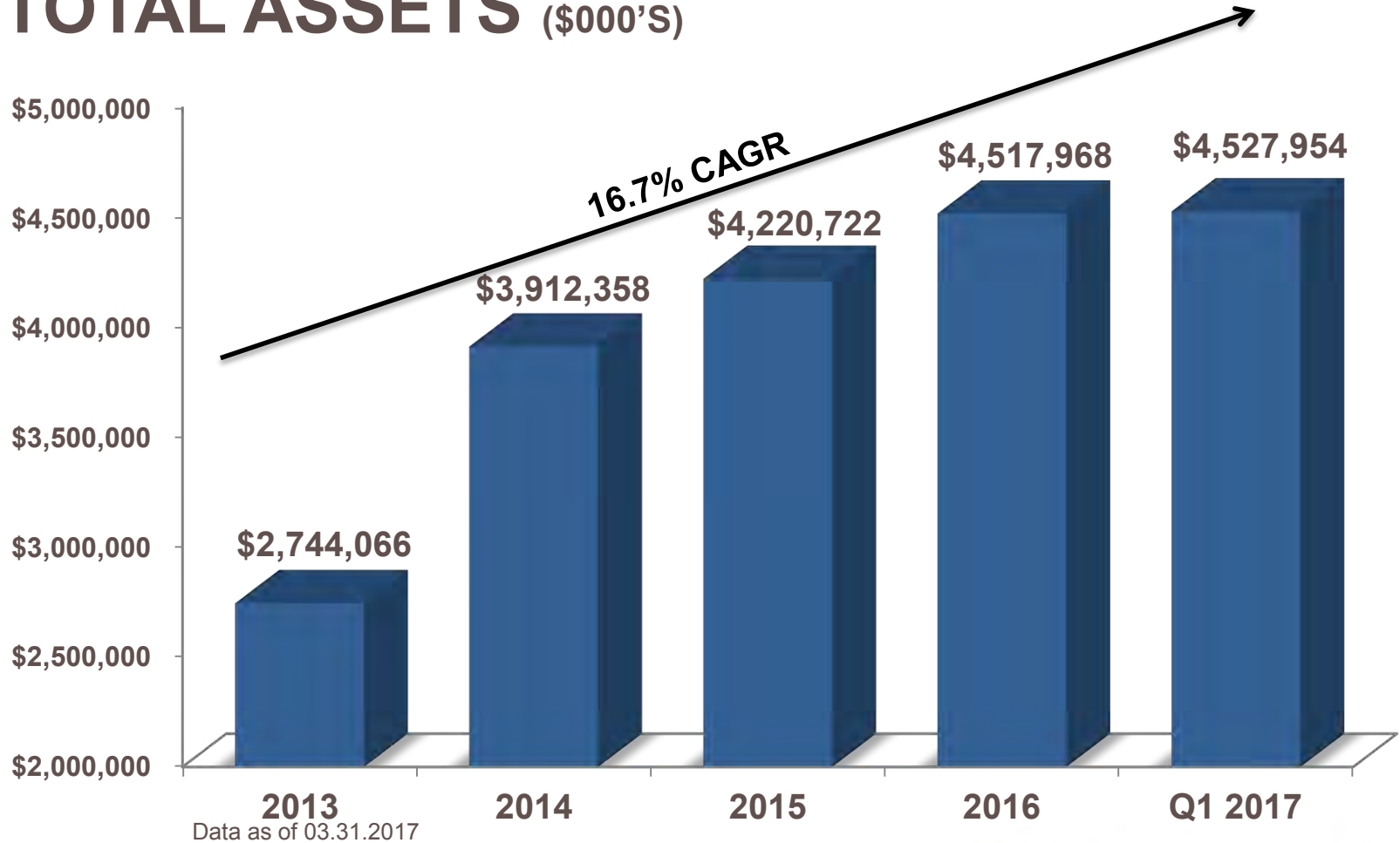
# WHAT KEEPS US UP AT NIGHT?

- Rising Rate Pricing Adjustments
- Interest Rate Risk
- Aggressive Competitors
- Compliance Regulations
  - The Cost of Compliance with New Regulations
- Will Washington DC make America great again?

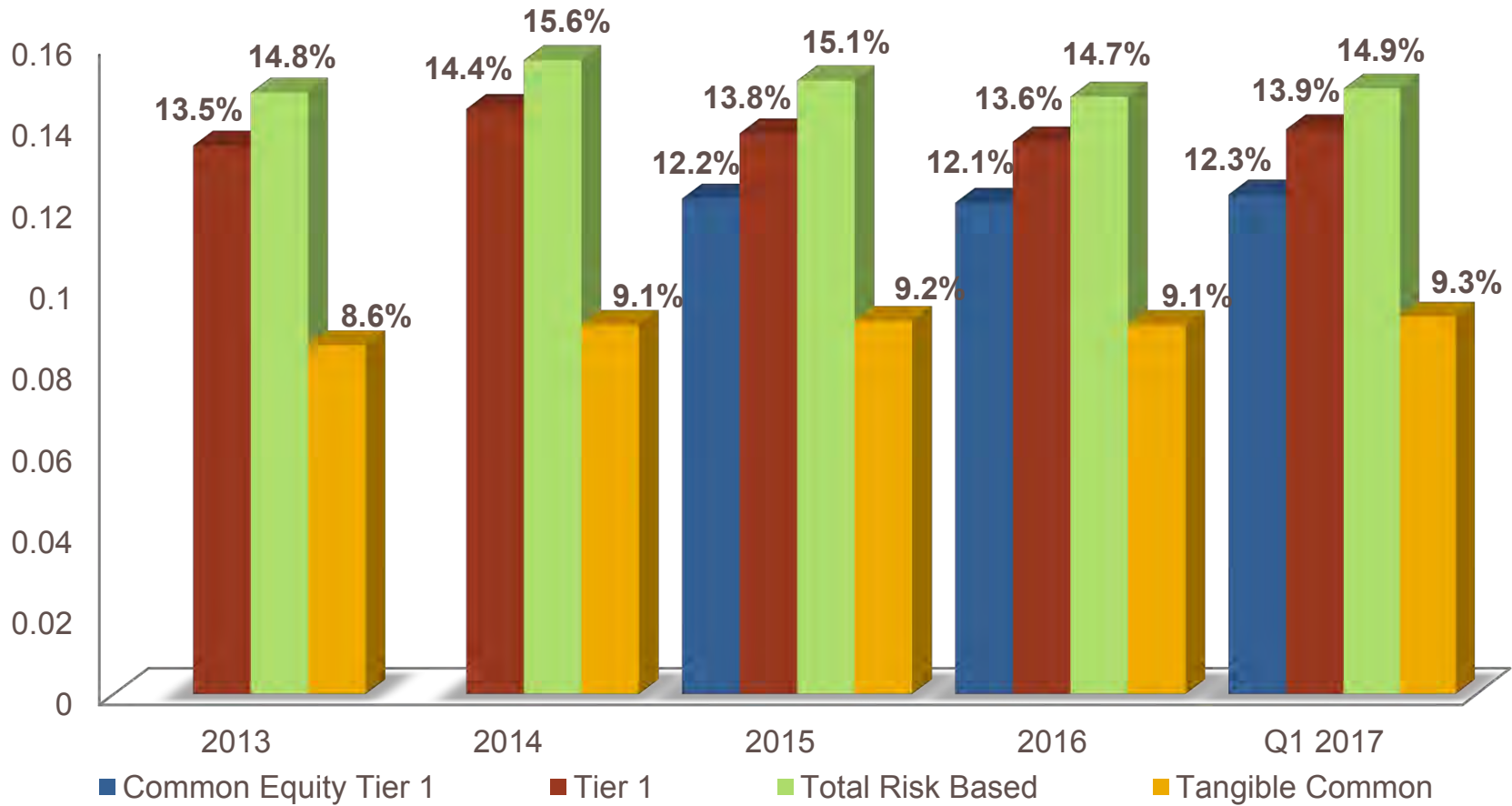
# FINANCIALS



# TOTAL ASSETS (\$000'S)

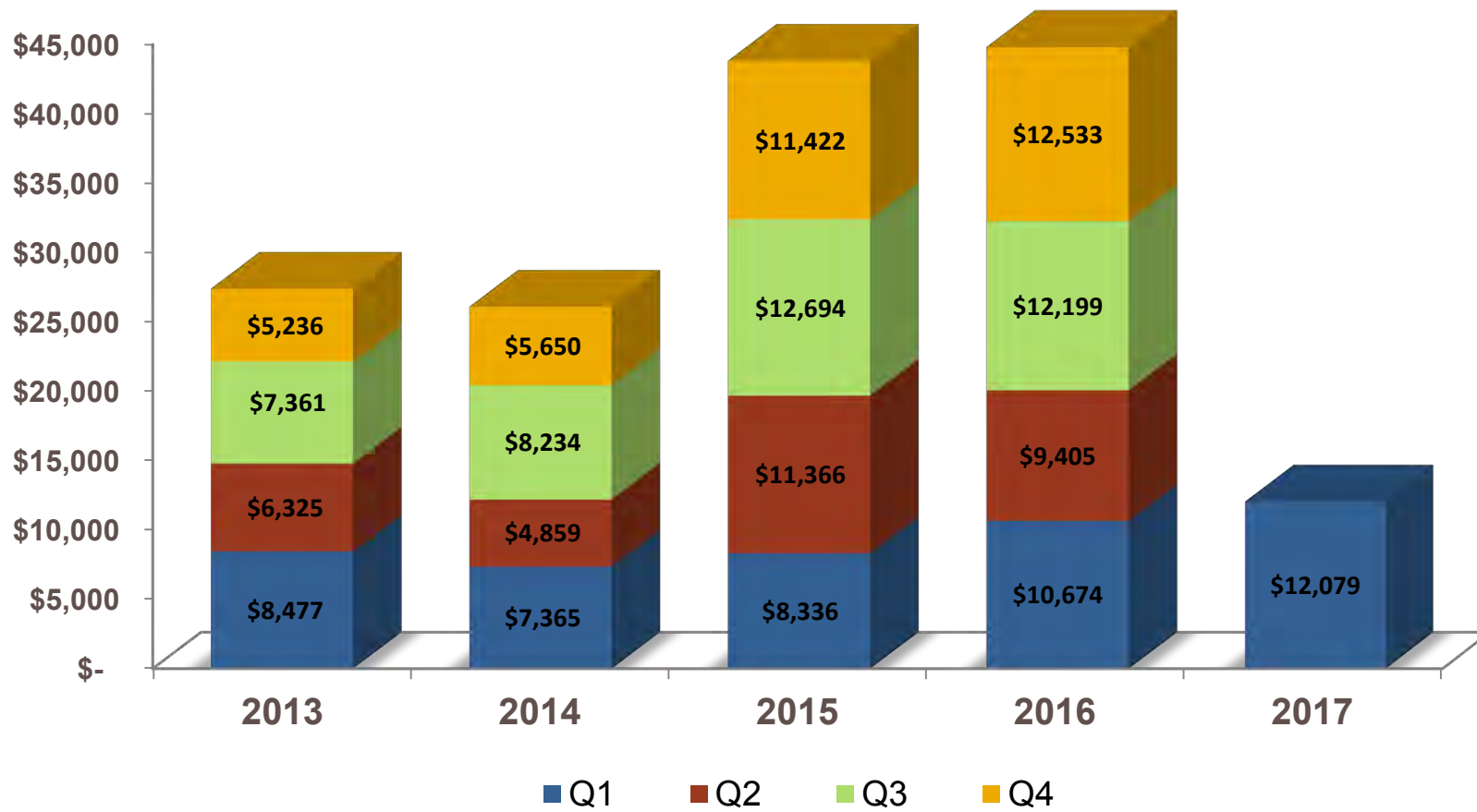


# CAPITAL RATIOS (\$000'S)



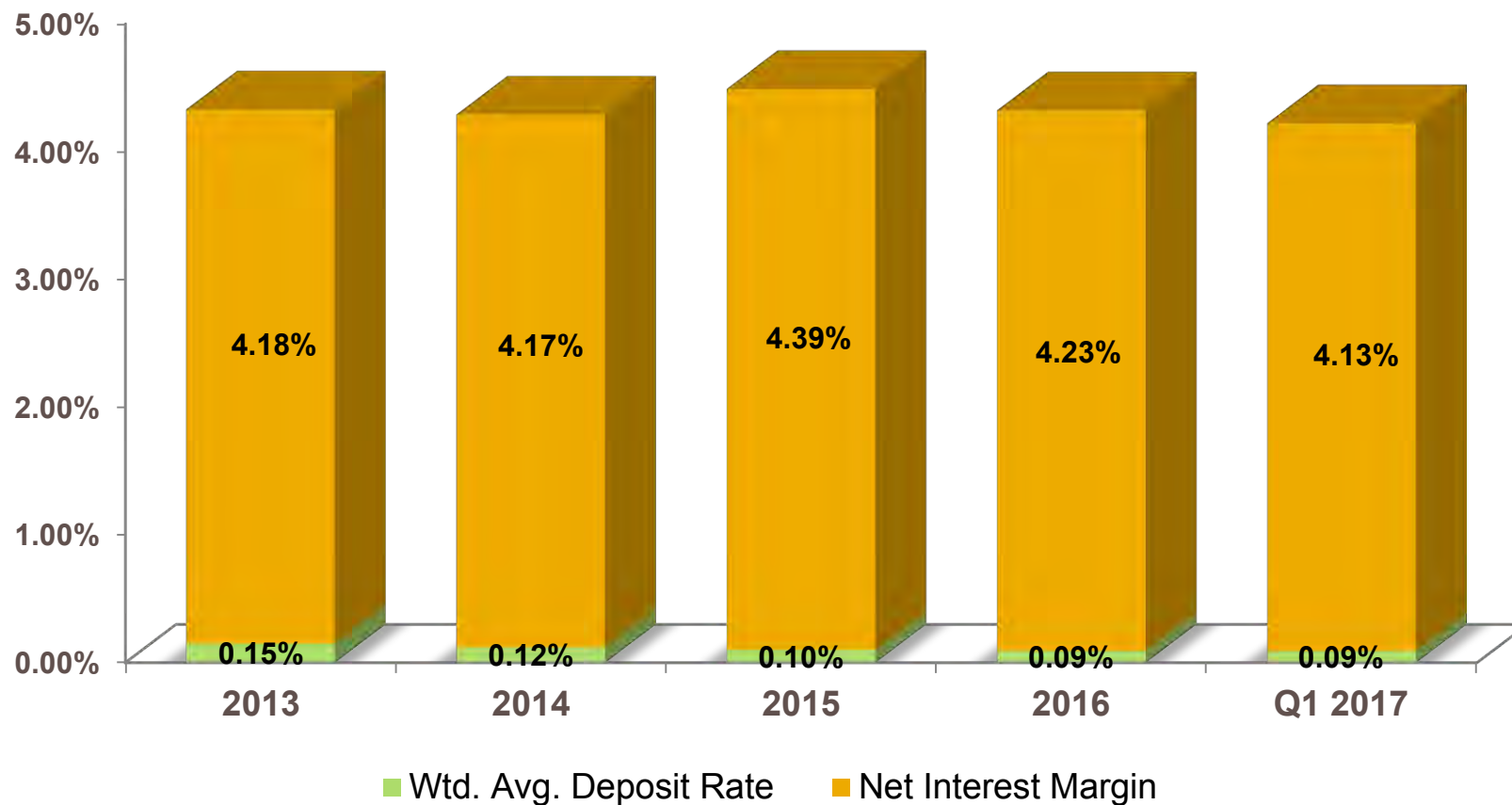
Data as of 03.31.2017

# NET INCOME (\$'000'S)



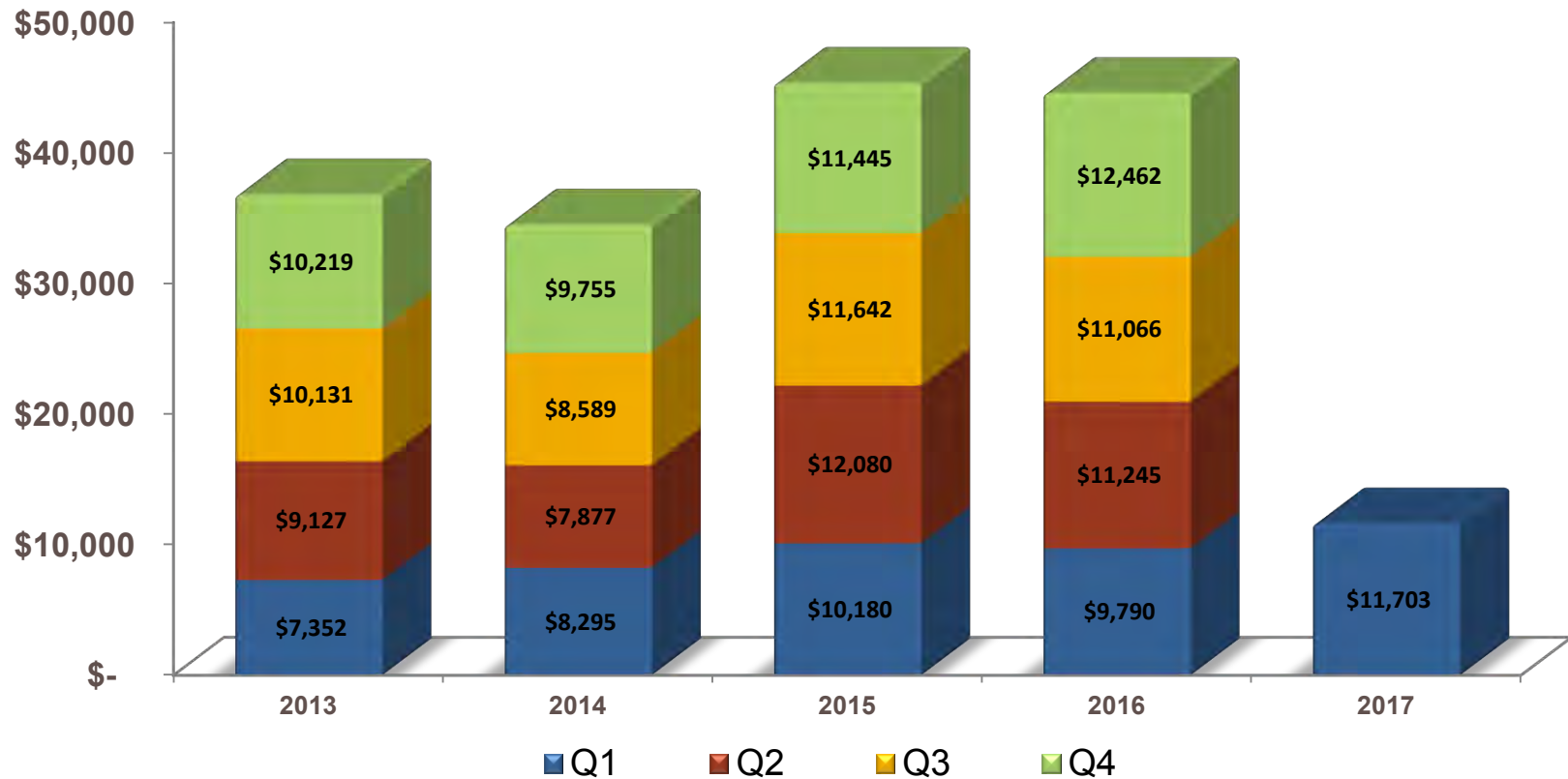
Data as of 03.31.2017

# NET INTEREST MARGIN



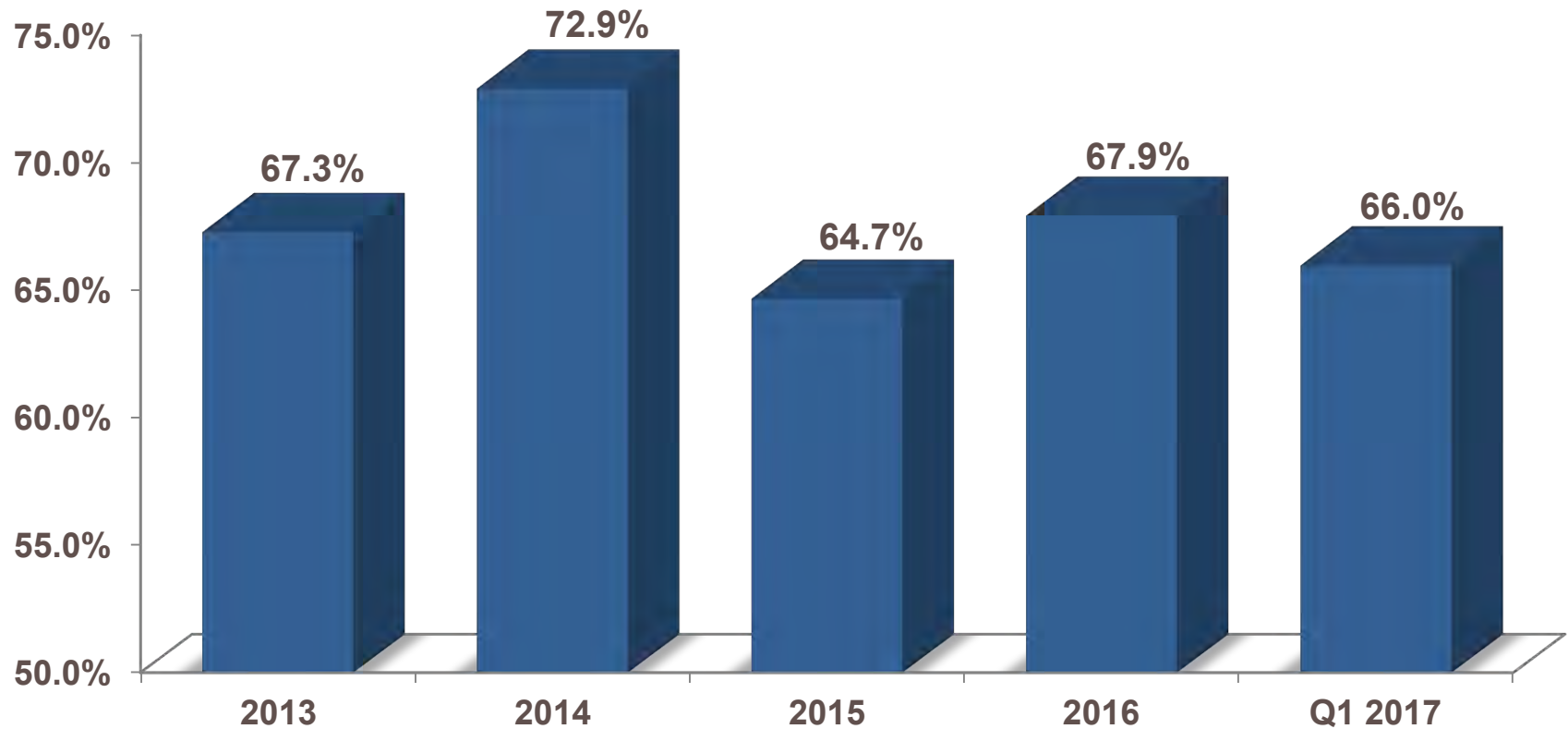
Data as of 03.31.2017

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



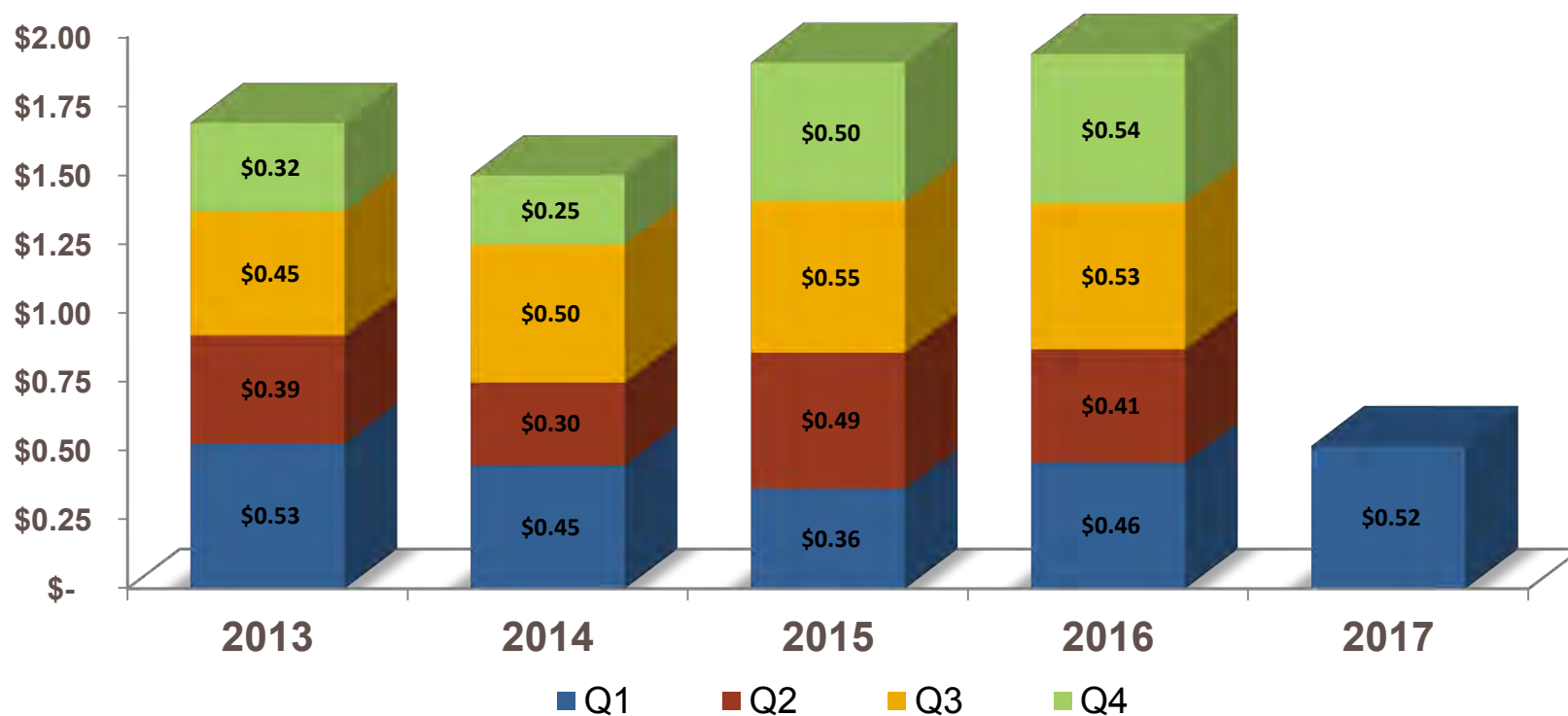
Data as of 03.31.2017

# EFFICIENCY RATIO (FULLY TAXABLE EQUIVALENT)



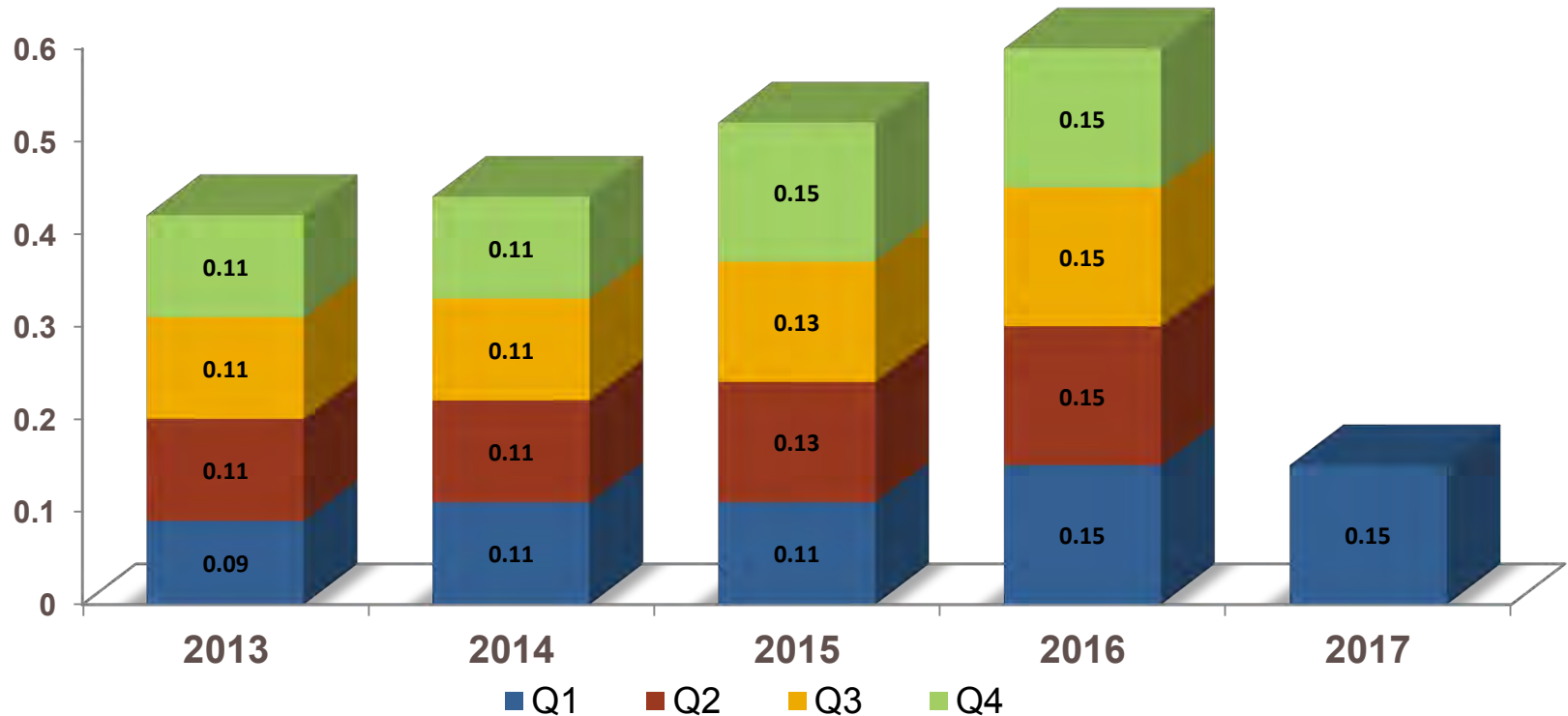
Data as of 03.31.2017

# DILUTED EARNINGS PER SHARE



Data as of 03.31.2017

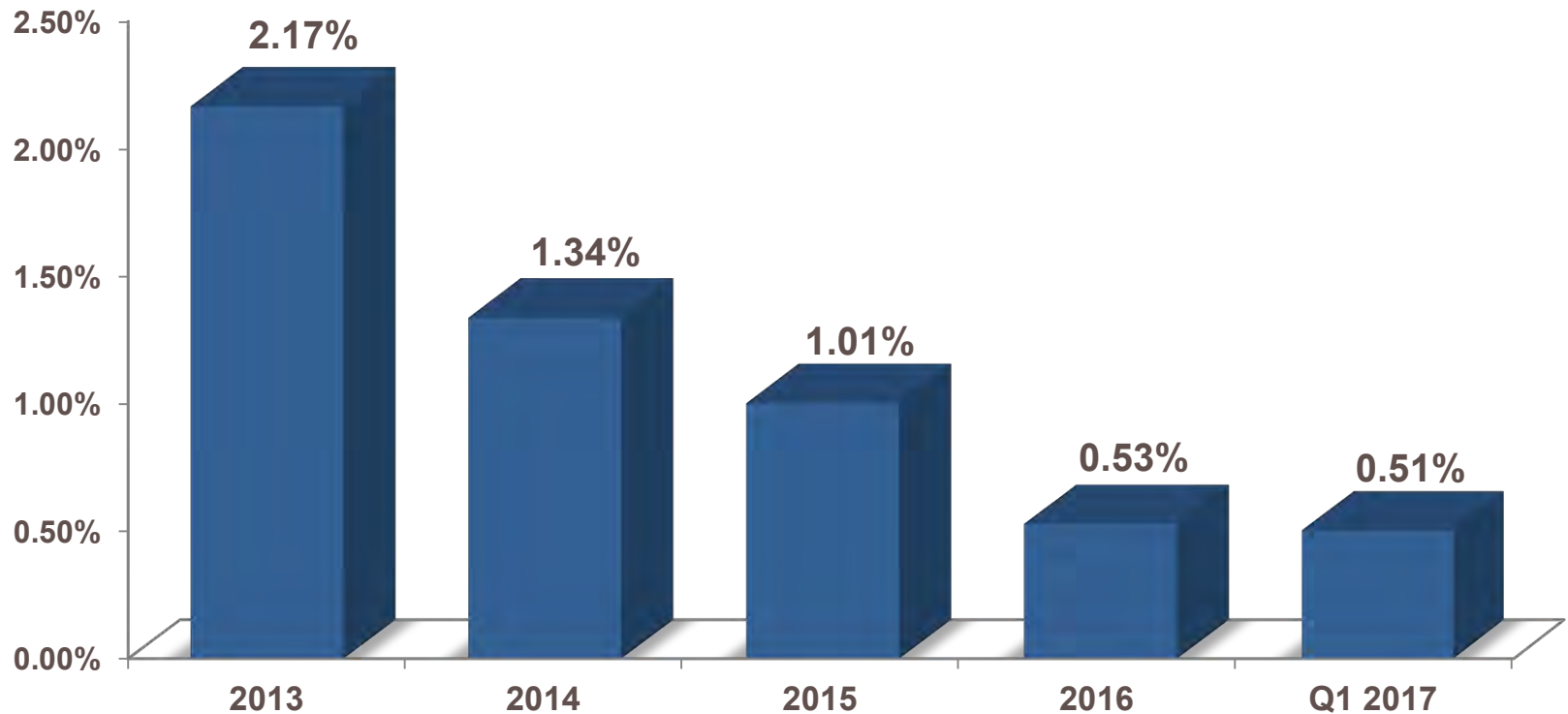
# DIVIDENDS PER SHARE



Data as of 03.31.2017

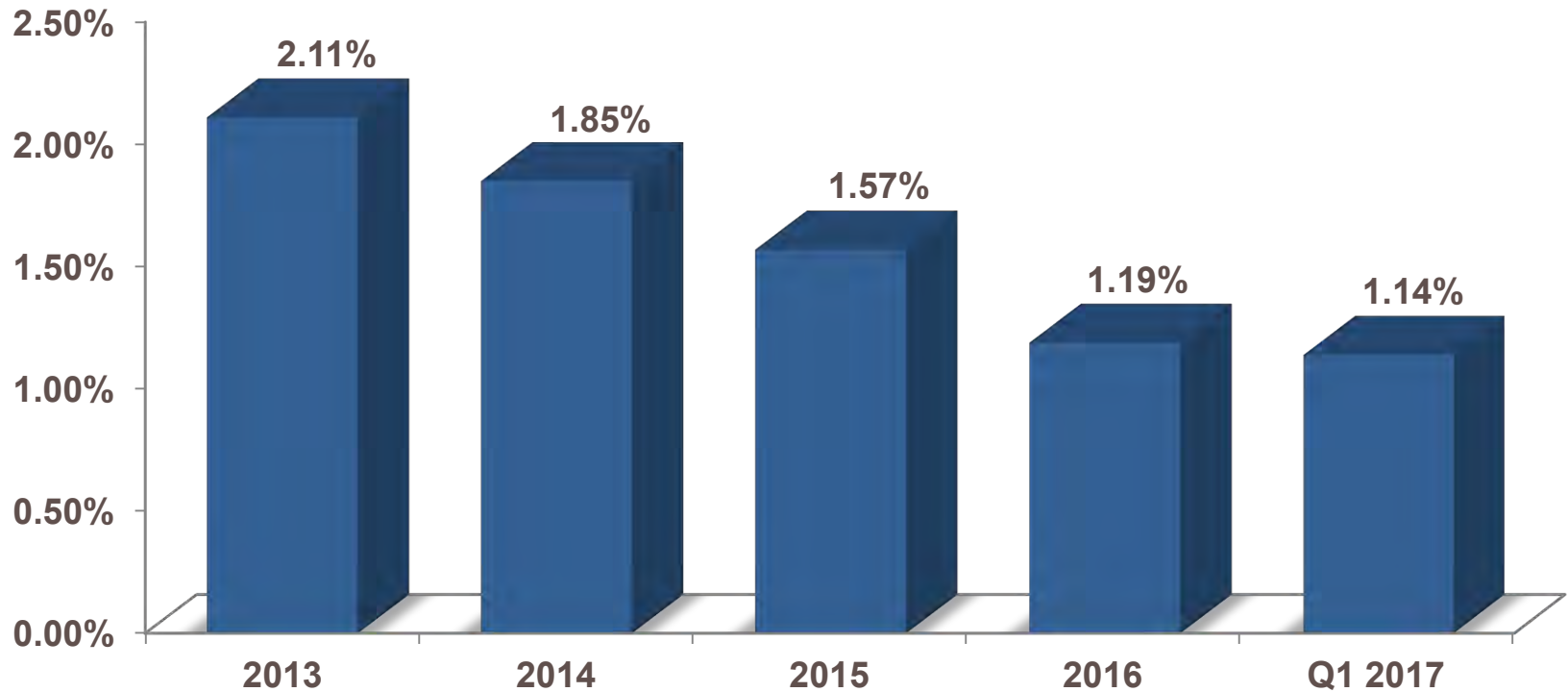


# NON-PERFORMING ASSETS TO TOTAL ASSETS



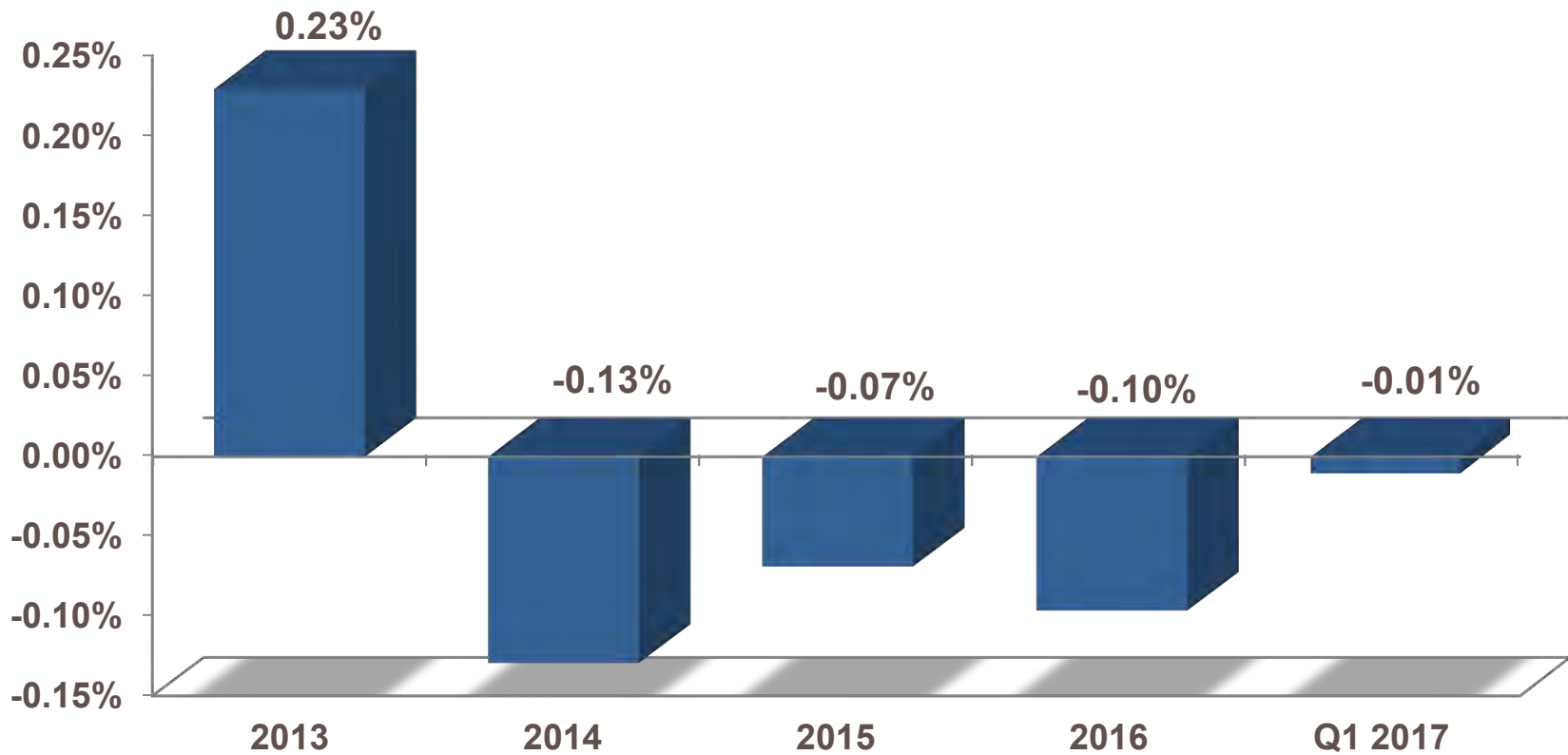
Data as of 03.31.2017

# ORIGINATED ALL TO TOTAL ORIGINATED LOANS



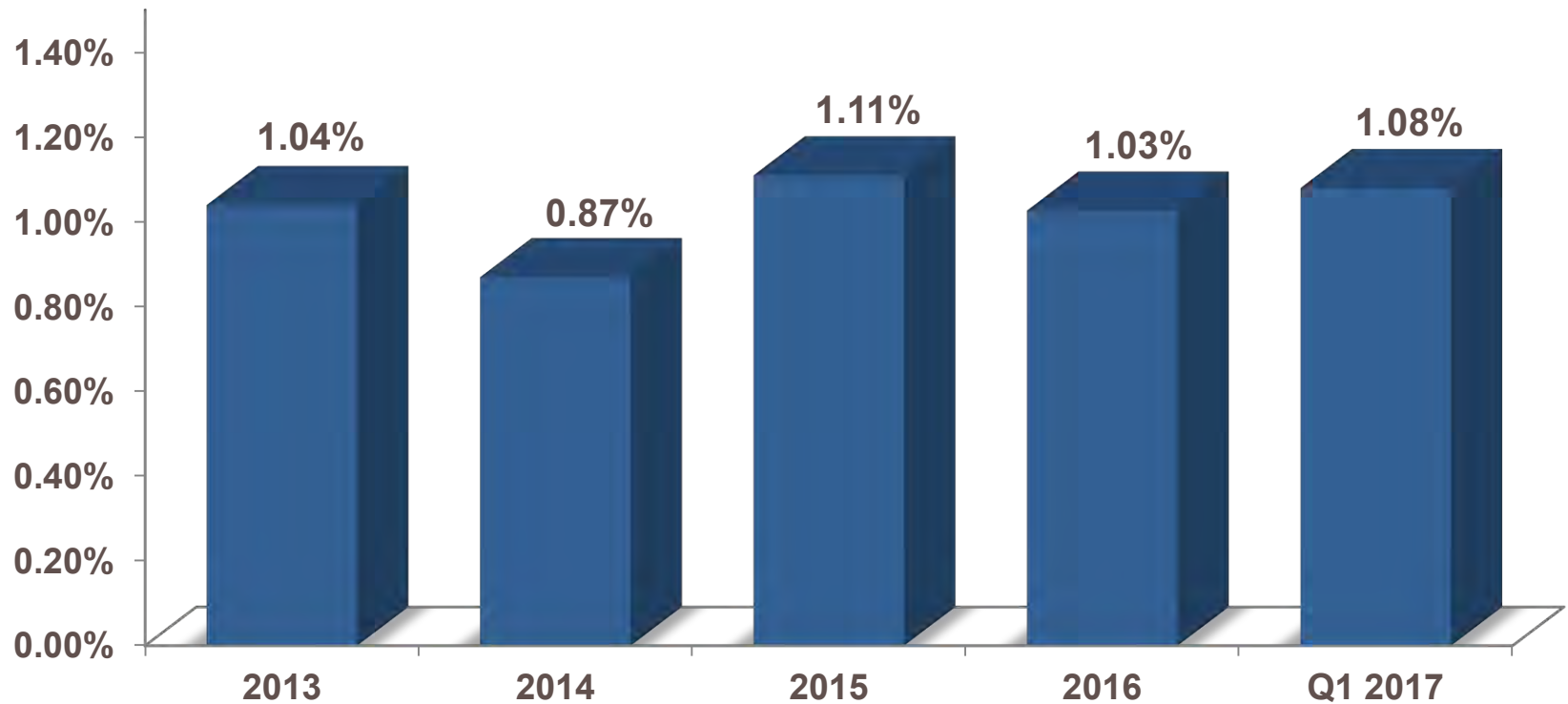
Data as of 03.31.2017

# ANNUALIZED NET CHARGE-OFFS TO AVERAGE LOANS



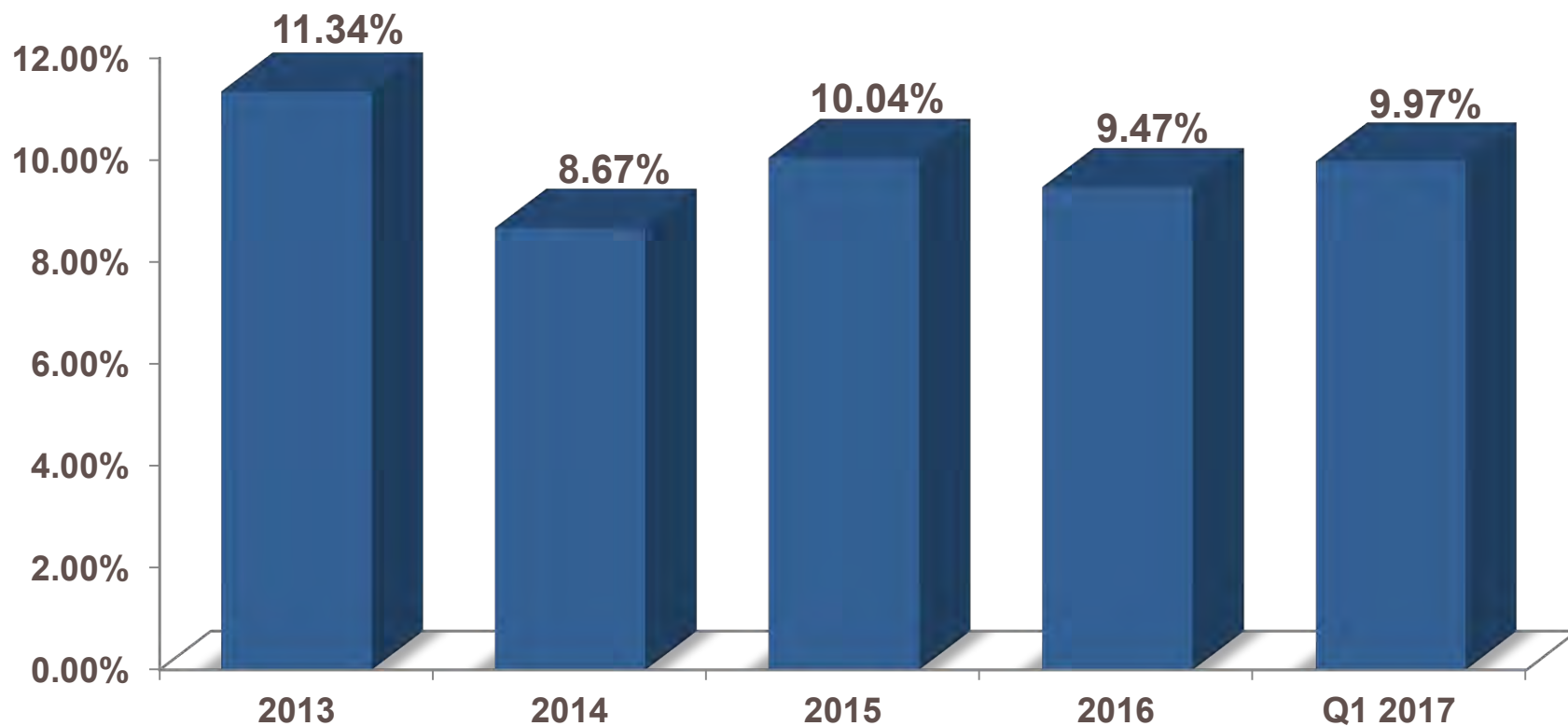
Data as of 03.31.2017

# RETURN ON AVERAGE ASSETS



Data as of 03.31.2017

# RETURN ON AVERAGE SHAREHOLDER'S EQUITY



Data as of 03.31.2017



# TRICO BANCSHARES IS COMMITTED TO:

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