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TRICO BANCSHARES /
Form 8-K
April 27, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):

April 26, 2007

TriCo Bancshares
(Exact name of registrant as specified in its charter)

California	0-10661	94-2792841
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(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

63 Constitution Drive, Chico, California 95973

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (530) 898-0300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02: Results of Operations and Financial Condition

On April 26, 2007 TriCo Bancshares announced its quarterly earnings for the period ended March 31, 2007. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01: Exhibits

(c) Exhibits

99.1 Press release dated April 26, 2007

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRICO BANCSHARES

Date: April 26, 2007

By: /s/ Thomas J. Reddish

Thomas J. Reddish, Executive Vice
President and Chief Financial Officer
(Principal Financial and Accounting
Officer)

INDEX TO EXHIBITS

Exhibit No. -----	Description -----
99.1	Press release dated April 26, 2007

PRESS RELEASE
For Immediate Release

Contact: Thomas J. Reddish
Executive Vice President & CFO
(530) 898-0300

TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

CHICO, Calif. - (April 26, 2007) - TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced quarterly earnings of \$6,444,000 for the quarter ended March 31, 2007. This represents a 1.4% decrease when compared with earnings of \$6,535,000 for the quarter ended March 31, 2006. Diluted earnings per share for the quarter ended March 31, 2007 decreased 2.5% to \$0.39 from \$0.40 for the quarter ended March 31, 2006. Total assets of the Company increased \$36,795,000 (2.0%) to \$1,866,321,000 at March 31, 2007 versus \$1,829,526,000 at March 31, 2006. Total loans of the Company increased \$95,506,000 (6.8%) to \$1,495,614,000 at March 31, 2007 versus \$1,400,108,000 at March 31, 2006. Total deposits of the Company increased \$9,458,000 (0.6%) to \$1,536,849,000 at March 31, 2007 versus \$1,527,391,000 at March 31, 2006.

Richard Smith, President and Chief Executive Officer, commented, "Our results for the first quarter of 2007 are reflective of the continued challenging interest rate environment and competitive pressures. Also, while we are happy to report that we are not involved in subprime lending, we also believe that the slowdown in real estate value appreciation and real estate activity in general is affecting both wholesale and retail banking growth rates. We are optimistic about the prospects of our Company as we continue to add customers and expand our franchise in a profitable manner despite this challenging environment."

The decrease in earnings from the year-ago quarter was primarily due to a

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\$538,000 (3.3%) increase in noninterest expense to \$16,960,000, offset by a \$198,000 (0.9%) increase in fully tax-equivalent net interest income to \$21,666,000 and a \$152,000 (2.4%) increase in noninterest income for the quarter ended March 31, 2007.

The \$198,000 (0.9%) increase in net interest income (FTE) from the year-ago quarter was due to a \$45,797,000 (2.8%) increase in average balances of earning assets to \$1,692,574,000 and a 0.09% decrease in net interest margin (FTE) to 5.12%.

The \$152,000 (2.4%) increase in noninterest income from the year-ago quarter was mainly due to a \$131,000 (16.0%) increase in ATM fees and interchange revenue to \$949,000 and an \$85,000 (2.4%) increase in service charges on deposit accounts to \$3,559,000. The increase in these areas is mainly due to the expansion of the Company's ATM network and growth in number of customers.

The \$538,000 (3.3%) increase in noninterest expense from the year-ago quarter was due to a \$586,000 (6.4%) increase in salaries and benefits expense to \$9,742,000 that was partially offset by a \$48,000 (0.7%) decrease in other noninterest expenses. The increase in salaries and benefits expense was mainly due to annual salary increases, and a 4.1% increase in average full time equivalent staff made up primarily of new employees at the Company's recently opened branches. The decrease in other noninterest expense was mainly due to a \$223,000 (64%) decrease in intangible amortization to \$123,000 that was partially offset by a \$117,000 provision for losses related to unfunded commitments. The decrease in intangible amortization was due to the core deposit intangible related to the purchase of several branches in 1997 becoming fully amortized in the fourth quarter of 2006.

The provision for loan losses was \$482,000 for the three months ended March 31, 2007 compared to \$500,000 for the year-ago quarter. Net loan charge-offs during the quarter ended March 31, 2007 were \$501,000 compared to \$82,000 in the year-ago quarter. Nonperforming loans, net of government agency guarantees, were \$5,991,000 at March 31, 2007 compared to \$4,512,000 and \$4,048,000 at December 31, 2006 and March 31, 2006, respectively. The Company's allowance for losses at March 31, 2007, which consists of the allowance for loan losses and the reserve for unfunded commitments, was \$18,861,000 or 1.26% of total loans outstanding and 315% of nonperforming loans.

As of March 31, 2007, the Company had repurchased 394,371 shares of its common stock under its stock repurchase plan announced on July 31, 2003 and amended on April 9, 2004, which left 105,629 shares available for repurchase under the plan.

In addition to the historical information contained herein, this press release contains certain forward-looking statements. The reader of this press release should understand that all such forward-looking statements are subject to various uncertainties and risks that could affect their outcome. The Company's actual results could differ materially from those suggested by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, variances in the actual versus projected growth in assets, return on assets, loan losses, expenses, rates charged on loans and earned on securities investments, rates paid on deposits, competition effects, fee and other noninterest income earned as well as other factors. This entire press release should be read to put such forward-looking statements in context and to gain a more complete understanding of the uncertainties and risks involved in the Company's business.

TriCo Bancshares and Tri Counties Bank are headquartered in Chico, California. Tri Counties Bank has a 32-year history in the banking industry. Tri Counties Bank operates 32 traditional branch locations and 22 in-store branch locations in 22 California counties. Tri Counties Bank offers financial services and

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provides a diversified line of products and services to consumers and businesses, which include demand, savings and time deposits, consumer finance, online banking, mortgage lending, and commercial banking throughout its market area. It operates a network of 62 ATMs and a 24-hour, seven days a week telephone customer service center. Brokerage services are provided at the Bank's offices by the Bank's association with Raymond James Financial, Inc. For further information please visit the Tri Counties Bank web-site at <http://www.tricountiesbank.com>.

TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA (Unaudited. Dollars in thousands, except per share amounts) Three months end

	March 31, 2007	December 31, 2006	September 30, 2006
Statement of Income Data			
Interest income	\$30,661	\$31,545	\$31,421
Interest expense	9,216	9,821	9,576
Net interest income	21,445	21,724	21,845
Provision for loan losses	482	-	235
Noninterest income:			
Service charges and fees	5,061	4,940	5,056
Other income	1,539	1,687	1,593
Total noninterest income	6,600	6,627	6,649
Noninterest expense:			
Salaries and benefits	9,742	9,405	9,276
Intangible amortization	123	350	350
Provision for losses - unfunded commitments	117	-	-
Other expense	6,978	7,247	7,400
Total noninterest expense	16,960	17,002	17,026
Income before taxes	10,603	11,349	11,233
Net income	\$6,444	\$6,918	\$6,820
Share Data			
Basic earnings per share	\$0.41	\$0.44	\$0.43
Diluted earnings per share	0.39	0.42	0.42
Book value per common share	10.96	10.69	10.41
Tangible book value per common share	\$9.89	\$9.60	\$9.22
Shares outstanding	15,910,291	15,857,207	15,857,107
Weighted average shares	15,878,929	15,857,166	15,855,933
Weighted average diluted shares	16,415,845	16,396,320	16,365,858
Credit Quality			
Non-performing loans, net of government agency guarantees	\$5,991	\$4,512	\$4,523
Other real estate owned	187	-	-
Loans charged-off	739	498	368
Loans recovered	\$238	\$419	\$233
Allowance for losses to total loans(1)	1.26%	1.24%	1.25%
Allowance for losses to NPLs(1)	315%	416%	417%
Allowance for losses to NPAs(1)	305%	416%	417%
Selected Financial Ratios			
Return on average total assets	1.38%	1.46%	1.45%
Return on average equity	14.79%	16.23%	16.64%
Average yield on loans	7.63%	7.81%	7.82%

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Average yield on interest-earning assets	7.30%	7.43%	7.44%
Average rate on interest-bearing liabilities	2.85%	2.97%	2.86%
Net interest margin (fully tax-equivalent)	5.12%	5.13%	5.19%
Total risk based capital ratio	11.8%	11.3%	11.1%
Tier 1 Capital ratio	10.8%	10.3%	10.1%

(1) Allowance for losses includes allowance for loan losses and reserve for unfunded commitments

TRICO BANCSHARES - CONSOLIDATED FINANCIAL DATA (Unaudited. Dollars in thousands, except per share amounts) Three months ended

	March 31, 2007	December 31, 2006	September 30, 2006
Balance Sheet Data			
Cash and due from banks	\$75,263	\$102,220	\$78,281
Federal funds sold	-	794	1,387
Securities, available-for-sale	188,478	198,361	209,886
Federal Home Loan Bank Stock	8,442	8,320	8,206
Loans			
Commercial loans	142,083	153,105	153,705
Consumer loans	516,550	525,513	527,185
Real estate mortgage loans	687,088	679,661	661,962
Real estate construction loans	149,893	151,600	164,307
Total loans, gross	1,495,614	1,509,879	1,507,159
Allowance for loan losses	(16,895)	(16,914)	(16,993)
Premises and equipment	20,924	21,830	21,556
Cash value of life insurance	43,941	43,536	42,991
Goodwill	15,519	15,519	15,519
Intangible assets	1,543	1,666	3,361
Other assets	33,492	34,755	32,651
Total assets	1,866,321	1,919,966	1,904,004
Deposits			
Noninterest-bearing demand deposits	364,401	420,025	357,754
Interest-bearing demand deposits	235,497	230,671	229,143
Savings deposits	381,069	374,605	369,933
Time certificates	555,882	573,848	568,344
Total deposits	1,536,849	1,599,149	1,525,174
Federal funds purchased	38,000	38,000	106,500
Reserve for unfunded commitments	1,966	1,849	1,849
Other liabilities	32,524	30,383	28,254
Other borrowings	41,347	39,911	35,848
Junior subordinated debt	41,238	41,238	41,238
Total liabilities	1,691,924	1,750,530	1,738,863
Total shareholders' equity	174,397	169,436	165,141
Accumulated other comprehensive loss	(3,988)	(4,521)	(3,607)
Average loans	1,490,055	1,498,040	1,477,551
Average interest-earning assets	1,692,574	1,711,743	1,701,166
Average total assets	1,865,448	1,890,765	1,880,029
Average deposits	1,534,473	1,550,979	1,501,630
Average total equity	\$174,262	\$170,518	\$163,919