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TRICO BANCSHARES /
Form 8-K
January 26, 2005

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):

January 26, 2005

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 January 26, 2005 TriCo Bancshares announced their quarterly earnings for the period ended December 31, 2004. 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

99.1 Press release dated January 26, 2005

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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: January 26, 2005

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
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99.1	Press release dated January 26, 2005

PRESS RELEASE
For Immediate Release

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

TRICO BANCSHARES ANNOUNCES RECORD ANNUAL AND QUARTERLY EARNINGS
FOR THE PERIODS ENDED DECEMBER 31, 2004

CHICO, Calif. - (January 26, 2005) - TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced record annual earnings of \$20,182,000 for the year ended December 31, 2004. This represents a 19.5% increase when compared with earnings of \$16,888,000 for the year ended December 31, 2003. Diluted earnings per share for the year ended December 31, 2004 increased 15.9% to \$1.24 from \$1.07 for the year ended December 31, 2003. Total assets of the Company increased \$157 million (10.7%) to \$1.626 billion at December 31, 2004 versus \$1.469 billion at December 31, 2003. Total loans of the Company increased \$192 million (19.6%) to \$1.173 billion at December 31, 2004 versus \$981 million at December 31, 2003. Total deposits of the Company increased \$112 million (9.1%) to \$1.349 billion at December 31, 2004 versus \$1.237 billion at December 31, 2003.

Net income for the quarter ended December 31, 2004 increased 14.4% to \$5,355,000 from \$4,683,000 in the quarter ended December 31, 2003. Diluted earnings per share increased 13.8% to \$0.33 in the quarter ended December 31, 2004 from \$0.29 in the quarter ended December 31, 2003.

Richard Smith, President and Chief Executive Officer commented, "We are very

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pleased with the results TriCo achieved during the quarter and year ended December 31, 2004. During this time of considerable uncertainty about the economy, interest rates, and increased regulatory and compliance requirements, our team members were able to achieve record financial results for our Company. Almost all aspects of the Company's performance were strong in 2004 including very strong loan growth while maintaining strong credit quality. Our net interest margin remained well above our peers, and our operating efficiency continued to improve."

The increase in earnings for the quarter ended December 31, 2004 over the year-ago quarter was due to a \$1,543,000 (9.0%) increase in net interest income to \$18,673,000, and a \$500,000 decrease in provision for loan loss to \$300,000, which were partially offset by a \$873,000 (6.0%) increase in noninterest expense to \$15,332,000. The increase in net interest income was due to the loan growth noted above, which was partially offset by a decrease in fully tax-equivalent net interest margin to 5.28% during the quarter ended December 31, 2004 versus 5.41% in the year-ago quarter. The \$500,000 decrease in provision for loan loss was mainly due to the high credit quality of the loan portfolio and its continued improvement. The \$873,000 increase in noninterest expense was mainly due to a \$524,000 (6.8%) increase in salaries and benefits expense to \$8,265,000 as a result of regular salary increases, incentive compensation related to the loan and deposit growth noted above, and the opening of branches in Folsom, Turlock and Woodland in December 2003, April 2004, and November 2004, respectively, and a \$336,000 (5.3%) increase in other noninterest expenses to \$6,724,000.

Mr. Smith continued, "We plan to continue to differentiate ourselves from the competition by offering high levels of service and convenience to our markets with more branch locations, and extended weekday, weekend and holiday hours. In February 2005, we expect to open our forty-sixth and newest branch inside the Raley's supermarket at 765 South Highway 65 in Lincoln, California. We currently anticipate that we will continue to grow within the Central Valley of California by maximizing revenue growth and new customer opportunities within this region. As always, we remain focused on shareholder value which we measure primarily through earnings per share and growth in earnings per share."

As previously announced on March 11, 2004, the Board of Directors of TriCo Bancshares approved a two-for-one stock split of its common stock at its meeting held on March 11, 2004. The stock split was effected in the form of a stock dividend and provided each stockholder of record at the close of business on April 9, 2004 one additional share for every share of TriCo common stock held on that date. Shares resulting from the split were distributed on April 30, 2004. As of December 31, 2004, the Company had 15,723,317 common shares outstanding. All per share amounts for prior periods have been restated to reflect the stock split.

As of January 26, 2004, the Company had purchased 222,600 shares of its common stock under its stock repurchase plan announced on July 31, 2003 and amended on April 9, 2004, which leaves 277,400 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

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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 29-year history in the banking industry. Tri Counties Bank operates 33 traditional branch locations and 12 in-store branch locations in 22 California counties. Tri Counties Bank offers financial services and 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 58 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 data) Three months ended

	December 31, 2004	September 30, 2004	June 30, 2004	Ma
Statement of Income Data				
Interest income	\$ 22,441	\$ 21,951	\$ 20,628	
Interest expense	3,768	3,494	3,087	
Net interest income	18,673	18,457	17,541	
Provision for loan losses	300	1,300	1,300	
Noninterest income:				
Service charges and fees	4,264	4,434	4,910	
Other income	1,472	1,927	2,032	
Total noninterest income	5,736	6,361	6,942	
Noninterest expense:				
Salaries and benefits	8,265	8,319	8,440	
Intangible amortization	343	343	343	
Other expense	6,724	6,427	6,629	
Total noninterest expense	15,332	15,089	15,412	
Income before taxes	8,777	8,429	7,771	
Net income	\$ 5,355	\$ 5,203	\$ 4,847	
Share Data(1)				
Basic earnings per share	\$ 0.34	\$ 0.33	\$ 0.31	
Diluted earnings per share	0.33	0.32	0.30	
Book value per common share	8.79	8.64	8.20	
Tangible book value per common share	\$ 7.45	\$ 7.33	\$ 6.87	
Shares outstanding	15,723,317	15,697,817	15,639,897	
Weighted average shares	15,712,605	15,672,300	15,639,556	
Weighted average diluted shares	16,396,447	16,247,422	16,215,160	
Credit Quality				
Non-performing loans, net of government agency guarantees	\$ 4,906	\$ 4,931	\$ 3,886	

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Other real estate owned	-	-	628
Loans charged-off	580	687	177
Loans recovered	\$ 120	\$ 74	\$ 110
Allowance for loan losses to total loans	1.37%	1.44%	1.44%
Allowance for loan losses to NPLs	327%	329%	400%
Allowance for loan losses to NPAs	327%	329%	344%
Selected Financial Ratios			
Return on average total assets	1.35%	1.34%	1.29%
Return on average equity	15.44%	15.57%	14.97%
Average yield on loans	6.82%	6.87%	6.82%
Average yield on earning assets	6.33%	6.35%	6.18%
Average rate on earning liabilities	1.35%	1.25%	1.14%
Net interest margin (fully tax-equivalent)	5.28%	5.35%	5.27%
Total risk based capital ratio	11.9%	12.4%	12.4%
Tier 1 Capital ratio	10.7%	11.0%	10.9%

(1) Share and per share data for all periods have been adjusted to reflect the 2-for-1 stock split announced March 11, 2004 payable on April 30, 2004 to shareholders of record on April 9, 2004.

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

	December 31, 2004	September 30, 2004	June 30, 2004	M
Balance Sheet Data				
Cash and due from banks	\$ 70,037	\$ 64,318	\$ 65,512	
Fed funds sold	-	-	-	
Securities, available-for-sale	292,974	292,966	309,163	
Loans				
Commercial loans	140,332	151,998	146,262	
Consumer loans	410,198	384,560	357,901	
Real estate mortgage loans	544,373	527,808	518,696	
Real estate construction loans	78,064	62,057	55,605	
Total loans, gross	1,172,967	1,126,423	1,078,464	
Allowance for loan losses	(16,057)	(16,216)	(15,529)	
Premises and equipment	19,853	20,118	18,996	
Cash value of life insurance	40,479	40,196	39,844	
Intangible assets	20,927	20,589	20,931	
Other assets	24,794	25,103	27,792	
Total assets	1,625,974	1,573,497	1,545,173	
Deposits				
Noninterest bearing demand deposits	311,275	298,319	282,292	
Interest bearing demand deposits	230,763	224,619	224,552	
Savings deposits	474,414	474,345	476,798	
Time certificates	332,381	294,858	283,710	
Total deposits	1,348,833	1,292,141	1,267,352	
Fed funds purchased & repurchase agreements	46,400	57,300	66,000	
Other liabilities	23,219	19,971	19,397	
Other borrowings	28,152	27,159	22,866	

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Junior subordinated debt	41,238	41,238	41,238
Total liabilities	1,487,842	1,437,809	1,416,853
Total shareholders' equity	138,132	135,688	128,320
Accumulated other comprehensive income (loss)	(352)	1,155	(1,984)
Average loans	1,142,483	1,098,442	1,029,425
Average interest earning assets	1,433,641	1,399,342	1,351,774
Average total assets	1,592,464	1,552,743	1,505,261
Average deposits	1,343,273	1,275,599	1,252,472
Average total equity	\$ 138,727	\$ 133,628	\$ 129,481