

Edgar Filing: TRICO BANCSHARES / - Form 8-K

TRICO BANCSHARES /  
Form 8-K  
July 29, 2009

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):

July 28, 2009

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

California	0-10661	94-2792841
-----	-----	-----
(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 July 28, 2009 TriCo Bancshares announced its quarterly earnings for the period ended June 30, 2009. 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 July 28, 2009

SIGNATURES

## Edgar Filing: TRICO BANCSHARES / - Form 8-K

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: July 29, 2009

By: /s/Richard P. Smith

-----  
Richard P. Smith, President  
and Chief Executive Officer

### INDEX TO EXHIBITS

Exhibit No.	Description
-----	-----
99.1	Press release dated July 28, 2009

PRESS RELEASE  
For Immediate Release

Contact: Richard P. Smith  
President & CEO (530) 898-0300

### CORRECTING and REPLACING TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

CHICO, Calif.--(BUSINESS WIRE)--This replaces an earlier version released on July 28, 2009 to correct that the Income before taxes for the three months ended June 30, 2009 was \$3,948 (sted \$1,436), as set forth in the Statement of Income Data.

The corrected release reads:

### TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced quarterly earnings of \$2,512,000 for the quarter ended June 30, 2009. This represents a 10.5% increase when compared with earnings of \$2,274,000 for the quarter ended June 30, 2008. Diluted earnings per share for the quarter ended June 30, 2009 increased 14.3% to \$0.16 from \$0.14 for the quarter ended June 30, 2008. The increase in earnings from the prior year quarter was due to a \$285,000 increase in net interest income to \$23,146,000, a \$950,000 decrease in the provision for loan losses to \$7,850,000, and a \$716,000 increase in noninterest income to \$7,996,000 that were partially offset by a \$1,500,000 increase in noninterest expense to \$19,344,000. The \$1,500,000 increase in noninterest expense was primarily due to a \$1,205,000 increase in FDIC insurance assessments of which \$933,000 related to an FDIC special assessment recorded in the second quarter of 2009. This special assessment is equivalent to \$0.03 diluted earnings per share for the quarter ended June 30, 2009.

Total assets of the Company increased \$107,351,000 (5.4%) to \$2,087,841,000 at June 30, 2009 from \$1,980,490,000 at June 30, 2008. Total loans of the Company increased \$8,911,000 (0.6%) to \$1,552,235,000 at June 30, 2009 from \$1,543,324,000 at June 30, 2008. Total deposits of the Company increased \$226,332,000 (15.0%) to \$1,737,385,000 at June 30, 2009 from \$1,511,053,000 at June 30, 2008. Diluted earnings per share for the six months ended June 30, 2009 and 2008 were \$0.34 and \$0.39, respectively, on earnings of \$5,394,000 and \$6,322,000, respectively.

## Edgar Filing: TRICO BANCSHARES / - Form 8-K

Net interest income on a fully tax-equivalent (FTE) basis during the second quarter of 2009 increased \$259,000 (1.1%) from the same period in 2008 to \$23,288,000. The increase in net interest income (FTE) was due to an \$114,411,000 (6.3%) increase in average balances of interest-earning assets to \$1,933,633,000 that was partially offset by a 0.24% decrease in net interest margin (FTE) to 4.82% from the second quarter of 2008.

The Company provided \$7,850,000 for loan losses in the second quarter of 2009 versus \$8,800,000 in the second quarter of 2008. In the second quarter of 2009, the Company recorded \$7,000,000 of net loan charge-offs versus \$3,902,000 of net loan charge-offs in the second quarter of 2008. At June 30, 2009, the sum of the Company's allowance for loan losses of \$33,624,000 and the reserve for unfunded commitments of \$3,140,000 represented 85% of non-performing loans net of government agency guarantees. Non-performing loans, defined as non-accruing loans and accruing loans delinquent 90 days or more, net of government guarantees at June 30, 2009, increased \$9,013,000 (26.2%) to \$43,373,000 from \$34,360,000 at March 31, 2009.

Noninterest income for the second quarter of 2009 increased \$716,000 (9.8%) from the second quarter of 2008, mainly due to a \$632,000 (200%) increase in gain on sale of loans to \$948,000. Also contributing to this increase in noninterest income was a \$173,000 (4.4%) increase in service charges on deposit accounts to \$4,136,000 and a \$103,000 (61.3%) increase in the change in value of mortgage servicing rights to \$271,000. The increases in service charges on deposit accounts and ATM fees and interchange revenue were primarily due to an increased number of customers. The improvement in change in value of mortgage servicing rights was primarily due to a slowdown in refinance activity at the end of the quarter ended June 30, 2009 that extends the estimated life of existing mortgages and enhances the value of the related mortgage servicing rights. The following table summarizes the components of noninterest income for the quarters ended June 30, 2009 and 2008 (dollars in thousands).

	Three months ended June 30,	
	2009	2008,
Service charges on deposit accounts	\$4,136	\$3,963
ATM fees and interchange revenue	1,222	1,168
Other service fees	553	527
Change in value of mortgage servicing rights	271	168
Gain on sale of loans	948	316
Commissions on sale of nondeposit investment products	492	525
Increase in cash value of life insurance	270	360
Other noninterest income	104	253
Total noninterest income	\$7,996	\$7,280

Noninterest expense for the second quarter of 2009 increased \$1,500,000 (8.4%) compared to the second quarter of 2008. Salaries and benefits expense increased \$424,000 (4.4%) in the second quarter of 2009 compared to \$9,645,000 in the second quarter of 2008, mainly due to annual salary increases, increased full time equivalent staff, and increased incentive compensation related to production of mortgage loans sold. Other noninterest expense increased \$1,076,000 (13.1%) in the second quarter of 2009 primarily due to a \$1,205,000 increase in FDIC insurance assessments. The following table summarizes the components of noninterest expense for the quarters ended June 30, 2009 and 2008

## Edgar Filing: TRICO BANCSHARES / - Form 8-K

(dollars in thousands).

	Three months ended June 30,	
	2009	2008
Base salaries, net of		
deferred loan origination costs	\$6,568	\$6,316
Incentive compensation	1,024	830
Benefits and other compensation costs	2,477	2,499
<b>Total salaries and benefits expense</b>	<b>10,069</b>	<b>9,645</b>
Occupancy	1,269	1,228
Equipment	905	998
Telecommunications	433	630
Data processing and software	686	596
Provisions for losses - unfunded commitments	400	550
ATM network charges	589	529
Professional fees	423	509
Advertising and marketing	514	434
Courier service	100	275
Postage	228	216
Intangible amortization	64	133
Operational losses	90	92
Assessments	1,288	83
Other	2,286	1,926
<b>Total other noninterest expense</b>	<b>9,275</b>	<b>8,199</b>
<b>Total noninterest expense</b>	<b>\$19,344</b>	<b>\$17,844</b>
Average full time equivalent staff	639	626
Noninterest expense to revenue (FTE)	61.83%	58.87%

As of June 30, 2009, the Company had repurchased 166,600 shares of its common stock under its stock repurchase plan announced on August 21, 2007, which left 333,400 shares available for repurchase under the plan. No shares were purchased during the quarter.

Richard Smith, President and Chief Executive Officer commented, "We are pleased with our accomplishments and results for this quarter. While economic conditions remain challenging, we continue to increase bank revenues, add significant numbers of new customers and increase our core deposits. Our consistent revenue generation is allowing us to provide for expected loan losses while we remain profitable during this deep recessionary period. While there are some signs of economic improvement in our markets, we believe high levels of unemployment and a generally poor business environment will continue in the near term."

In addition to the historical information contained herein, this press release may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, interest rate fluctuations, economic conditions in the Company's primary market area, demand for loans, regulatory and accounting changes, 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

## Edgar Filing: TRICO BANCSHARES / - Form 8-K

detailed in the Company's reports filed with the Securities and Exchange Commission which are incorporated herein by reference, including the Form 10-K for the year ended December 31, 2008. These reports and 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. Any forward-looking statement may turn out to be wrong and cannot be guaranteed. The Company does not intend to update any of the forward-looking statements after the date of this release.

TriCo Bancshares and Tri Counties Bank are headquartered in Chico, California. Tri Counties Bank has a 34-year history in the banking industry. Tri Counties Bank operates 32 traditional branch locations and 25 in-store branch locations in 23 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 64 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 share data)

	Three months ended		
	June 30, 2009	March 31, 2009	December 31, 2008
Statement of Income Data			
Interest income	\$28,432	\$28,882	\$29,679
Interest expense	5,286	5,884	7,064
Net interest income	23,146	22,998	22,615
Provision for loan losses	7,850	7,800	5,450
Noninterest income:			
Service charges and fees	6,182	5,052	4,377
Other income	1,814	1,563	1,788
Total noninterest income	7,996	6,615	6,165
Noninterest expense:			
Base salaries net of deferred loan origination costs	6,568	6,576	6,394
Incentive compensation expense	1,024	588	794
Employee benefits and other compensation expense	2,477	2,625	2,368
Total salaries and benefits expense	10,069	9,789	9,556
Intangible amortization	64	134	135
Provision for losses - unfunded commitments	400	175	(800)
Other expense	8,811	7,103	7,841
Total noninterest expense	19,344	17,201	16,732
Income before taxes	3,948	4,612	6,598

Edgar Filing: TRICO BANCSHARES / - Form 8-K

Net income	\$2,512	\$2,882	\$4,241	
Share Data				
Basic earnings per share	\$0.16	\$0.18	\$0.27	
Diluted earnings per share	0.16	0.18	0.26	
Book value per common share	12.67	12.71	12.56	
Tangible book value per common share	\$11.66	\$11.69	\$11.54	
Shares outstanding	15,782,753	15,782,753	15,756,101	15,
Weighted average shares	15,782,753	15,774,624	15,750,857	15,
Weighted average diluted shares	15,997,437	16,019,488	16,068,456	15,
Credit Quality				
Non-performing loans, net of government agency guarantees	\$43,373	\$34,360	\$27,525	
Foreclosed assets, net of allowance	2,622	2,407	1,185	
Loans charged-off	7,308	3,001	2,780	
Loans recovered	\$308	\$385	\$332	
Allowance for losses to total loans(1)	2.37%	2.27%	1.90%	
Allowance for losses to NPLs(1)	85%	103%	110%	
Allowance for losses to NPAs(1)	80%	97%	105%	
Selected Financial Ratios				
Return on average total assets	0.48%	0.56%	0.85%	
Return on average equity	4.94%	5.70%	8.66%	
Average yield on loans	6.48%	6.52%	6.73%	
Average yield on interest-earning assets	5.91%	6.15%	6.48%	
Average rate on interest-bearing liabilities	1.42%	1.63%	2.07%	
Net interest margin (fully tax-equivalent)	4.82%	4.91%	4.95%	
Total risk based capital ratio	12.9%	12.7%	12.4%	
Tier 1 Capital ratio	11.6%	11.4%	11.2%	
(1)	Allowance for losses includes allowance for loan losses and reserve for unfunded commitments			

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

	Three months ended		
	June 30, 2009	March 31, 2009	December 31 2008
Balance Sheet Data			
Cash and due from banks	\$182,923	\$137,241	\$86,355
Securities, available-for-sale	252,104	279,122	266,561
Federal Home Loan Bank Stock	9,274	9,235	9,235
Loans			
Commercial loans	172,732	169,765	189,645
Consumer loans	486,548	499,168	514,448
Real estate mortgage loans	813,898	813,889	802,527
Real estate construction loans	79,057	84,134	84,229
Total loans, gross	1,552,235	1,566,956	1,590,849
Allowance for loan losses	(33,624)	(32,774)	(27,590)
Premises and equipment	18,208	18,537	18,841
Cash value of life insurance	47,365	47,095	46,815
Goodwill	15,519	15,519	15,519
Intangible assets	454	519	653
Other assets	43,383	36,902	35,952
Total assets	2,087,841	2,078,352	2,043,190

Edgar Filing: TRICO BANCSHARES / - Form 8-K

Deposits			
Noninterest-bearing demand deposits	358,618	371,639	401,247
Interest-bearing demand deposits	291,641	269,807	241,560
Savings deposits	431,424	426,001	380,799
Time certificates	655,702	659,259	645,664
Total deposits	1,737,385	1,726,706	1,669,270
Federal funds purchased	-	-	-
Reserve for unfunded commitments	3,140	2,740	2,565
Other liabilities	32,201	31,041	30,180
Other borrowings	73,898	76,081	102,005
Junior subordinated debt	41,238	41,238	41,238
Total liabilities	1,887,862	1,877,806	1,845,258
Total shareholders' equity	199,979	200,546	197,932
Accumulated other			
comprehensive gain (loss)	2,322	3,474	2,056
Average loans	1,555,778	1,566,350	1,565,343
Average interest-earning assets	1,933,633	1,887,121	1,840,915
Average total assets	2,088,875	2,049,193	1,995,239
Average deposits	1,735,434	1,688,704	1,625,574
Average total equity	\$203,596	\$202,126	\$195,828