

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

TRICO BANCSHARES /

CIK: **356171** | IRS No.: **942792841** | State of Incorpor.: **CA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-10661** | Film No.: **05787851**
SIC: **6022** State commercial banks

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TRICO BANCSHARES
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CHICO CA 95973

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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 28, 2005

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 April 28, 2005 TriCo Bancshares announced its quarterly earnings for the period ended March 31, 2005. 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 28, 2005

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 29, 2005

By: /s/ Thomas J. Reddish

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

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release dated April 28, 2005

PRESS RELEASE
For Immediate Release

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

TRICO BANCSHARES ANNOUNCES QUARTERLY EARNINGS

CHICO, Calif. - (April 28, 2005) - TriCo Bancshares (NASDAQ: TCBK), parent company of Tri Counties Bank, today announced quarterly earnings of \$5,239,000 for the quarter ended March 31, 2005. This represents a 9.7% increase when compared with earnings of \$4,777,000 for the quarter ended March 31, 2004. Diluted earnings per share for the quarter ended March 31, 2005 increased 10.3% to \$0.32 from \$0.29 for the quarter ended March 31, 2004. Total assets of the Company increased \$204,249,000 (14.1%) to \$1,655,612,000 at March 31, 2005 versus \$1,451,363,000 at March 31, 2004. Total loans of the Company increased \$188,368,000 (19.0%) to \$1,182,433,000 at March 31, 2005 versus \$994,065,000 at March 31, 2004. Total deposits of the Company increased \$158,810,000 (12.8%) to \$1,398,749,000 at March 31, 2005 versus \$1,239,939,000 at March 31, 2004.

Richard Smith, President and Chief Executive Officer commented, "We are pleased with the performance of our company during the quarter ended March 31, 2005. Loan growth during this most recent quarter was good and consistent with the pattern we have seen during the first quarter of recent years. The credit quality of our loan portfolio remained excellent and continued to improve during this most recent quarter. Deposit growth of nearly thirteen percent from the year-ago quarter end and another quarter of double-digit growth in earnings per share when compared to the year-ago quarter are evidence that our growth strategy has been effective. We will continue to execute our growth strategy throughout the Central Valley of California as evidenced by the February 2005 opening of our full service branch in the Raley's supermarket at 765 South Highway 65 in Lincoln, California."

The improvement in results from the year-ago quarter was due to a \$1,609,000 (9.4%) increase in fully tax-equivalent (FTE) net interest income to \$18,756,000, and a \$513,000 (83.7%) decrease in provision for loan losses to \$100,000. These contributing factors were partially offset by a \$428,000 (7.4%) decrease in noninterest income to \$5,327,000 and a \$730,000 (5.1%) increase in noninterest expense to \$15,113,000 for the quarter ended March 31, 2005.

The \$1,609,000 increase in net interest income (FTE) was due to increased average balances of earning assets (up \$182,996,000 or 14.3% to \$1,464,028,000) offset by a 23 basis point decrease in net interest margin (FTE) to 5.12% in the quarter ended March 31, 2005 compared to 5.35% in the year-ago quarter. The decrease in net interest margin is mainly due to a 21 basis point decrease in average yield on loans from 6.90% in the quarter ended March 31, 2004 to 6.69% in the quarter ended March 31, 2005. While average loan balances increased \$196,246,000 (20.2%) from \$970,793,000 in the quarter ended March 31, 2004 to \$1,167,039,000 in the quarter ended March 31, 2005, most of this loan growth occurred in variable rate home equity and first mortgage loans, and short-term fixed rate auto loans. While these categories of loans have favorable yield performance should short-term interest rates continue to rise, new loans originated in these categories over the last twelve months had average yields less than the average yield of the existing loan portfolio.

The \$513,000 decrease in provision for loan losses was due to the continued excellent and improving credit quality of the Company's loan portfolio. Net loan charge-offs during the quarter were \$62,000. Nonperforming loans, net of government agency guarantees, were \$4,072,000 at March 31, 2005 compared to \$4,906,000 and \$5,265,000 at December 31, 2004 and March 31, 2004, respectively. The Company's allowance for losses, which consists of the allowance for loan losses and the reserve for unfunded commitments, was \$16,195,000 or 1.37% of total loans outstanding and 398% of nonperforming loans.

The \$428,000 decrease in noninterest income from the year-ago quarter was mainly due to a \$333,000 decrease in gain on sale loans to \$292,000, and a \$212,000 reduction in the increase in cash value of life insurance to \$220,000 in the quarter ended March 31, 2005. The decrease in gain on sale of loans was due to the continued slowdown in the mortgage refinance market, while the reduced increase in cash value of life insurance was due to lower earnings rates on the underlying insurance policies.

The \$730,000 increase in noninterest expense in the quarter ended March 31, 2005 was due to a \$202,000 increase in salaries and benefits expense to \$8,369,000, and a \$528,000 increase in other noninterest expense to \$6,744,000 from the year-ago quarter. The increase in salaries and benefits expense was mainly due to annual salary increases, and new employees at the Company's recently opened branches in Turlock (April 2004), Woodland (November 2004), and Lincoln (February 2005). Other categories of noninterest expense such as equipment, occupancy, ATM network charges, and other were also up, in part, due to these newly opened branches. Advertising and marketing expense was up \$151,000 (79%) to \$342,000 in the quarter ended March 31, 2005 compared to the year-ago quarter.

As of March 31, 2005, the Company had repurchased 236,400 shares of its common stock under its stock repurchase plan announced on July 31, 2003 and amended on April 9, 2004, which left 263,600 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 30-year history in the banking industry. Tri Counties Bank operates 32 traditional branch locations and 15 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 60 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>.

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

Three months ended				
March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
<S>	<C>	<C>	<C>	<C>

Statement of Income Data

Interest income	\$ 22,636	\$ 22,441	\$ 21,951	\$ 20,628	\$ 19,912
Interest expense	4,122	3,768	3,494	3,087	3,014
Net interest income	18,514	18,673	18,457	17,541	16,898
Provision (benefit) for loan losses	100	(183)	1,166	1,305	613
Noninterest income:					
Service charges and fees	4,062	4,266	4,434	4,910	4,081
Other income	1,265	1,470	1,927	2,032	1,672
Total noninterest income	5,327	5,736	6,361	6,942	5,755
Noninterest expense:					
Salaries and benefits	8,369	8,265	8,319	8,440	8,167
Intangible amortization	343	343	343	343	331
Provision for losses - unfunded commitments	100	483	134	(5)	37
Other expense	6,301	6,724	6,427	6,629	5,848
Total noninterest expense	15,113	15,815	15,223	15,407	14,383
Income before taxes	8,628	8,777	8,429	7,771	7,657
Net income	\$ 5,239	\$ 5,355	\$ 5,203	\$ 4,847	\$ 4,777
Share Data(1)					
Basic earnings per share	\$ 0.33	\$ 0.34	\$ 0.33	\$ 0.31	\$ 0.31
Diluted earnings per share	0.32	0.33	0.32	0.30	0.29
Book value per common share	8.87	8.79	8.64	8.20	8.28
Tangible book value per common share	\$ 7.57	\$ 7.45	\$ 7.33	\$ 6.87	\$ 6.92
Shares outstanding	15,733,517	15,723,317	15,697,817	15,639,897	15,635,522
Weighted average shares	15,729,725	15,712,605	15,672,300	15,639,556	15,616,540
Weighted average diluted shares	16,366,705	16,396,447	16,247,422	16,215,160	16,212,845
Credit Quality					
Non-performing loans, net of government agency guarantees	\$ 4,072	\$ 4,906	\$ 4,931	\$ 3,886	\$ 5,265
Other real estate owned	-	-	-	628	924
Loans charged-off	295	579	687	178	188
Loans recovered	\$ 233	\$ 120	\$ 74	\$ 110	\$ 62
Allowance for losses to total loans(2)	1.37%	1.37%	1.44%	1.44%	1.44%
Allowance for losses to NPLs(2)	398%	296%	329%	400%	272%
Allowance for losses to NPAs(2)	398%	296%	329%	344%	231%
Selected Financial Ratios					
Return on average total assets	1.29%	1.35%	1.34%	1.29%	1.33%
Return on average equity	14.83%	15.44%	15.57%	14.97%	14.80%
Average yield on loans	6.69%	6.82%	6.87%	6.82%	6.90%
Average yield on earning assets	6.25%	6.33%	6.35%	6.18%	6.30%
Average rate on earning liabilities	1.43%	1.35%	1.25%	1.14%	1.18%
Net interest margin (fully tax-equivalent)	5.12%	5.28%	5.35%	5.27%	5.35%
Total risk based capital ratio	11.9%	11.9%	12.4%	12.4%	11.5%
Tier 1 Capital ratio	10.8%	10.7%	11.0%	10.9%	10.3%

</TABLE>

(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.

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

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

	Three months ended				
	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
<S>	<C>	<C>	<C>	<C>	<C>
Balance Sheet Data					
Cash and due from banks	\$ 77,365	\$ 70,037	\$ 64,318	\$ 65,512	\$ 55,568
Fed funds sold	181	-	-	-	-
Securities, available-for-sale	293,730	286,013	286,067	302,341	307,647
Federal Home Loan Bank Stock	6,781	6,781	6,719	6,642	4,830
Loans					
Commercial loans	125,354	140,332	151,998	146,262	131,759
Consumer loans	425,437	410,198	384,560	357,901	334,221
Real estate mortgage loans	556,059	544,373	527,808	518,696	465,429
Real estate construction loans	75,583	78,064	62,057	55,605	62,656

Total loans, gross	1,182,433	1,172,967	1,126,423	1,078,464	994,065
Allowance for loan losses	(14,563)	(14,525)	(15,167)	(14,614)	(13,377)
Premises and equipment	20,599	19,853	20,118	18,996	19,288
Cash value of life insurance	40,699	40,479	40,196	39,844	39,412
Goodwill	15,519	15,519	15,519	15,519	15,519
Intangible assets	5,065	5,408	5,070	5,412	5,755
Other assets	27,803	24,974	25,283	27,972	22,656
Total assets	1,655,612	1,627,506	1,574,546	1,546,088	1,451,363
Deposits					
Noninterest bearing demand deposits	312,738	311,275	298,319	282,292	260,299
Interest bearing demand deposits	238,787	230,763	224,619	224,552	222,986
Savings deposits	484,660	474,414	474,345	476,798	488,915
Time certificates	362,564	332,381	294,858	283,710	267,739
Total deposits	1,398,749	1,348,833	1,292,141	1,267,352	1,239,939
Fed funds purchased & repurchase agreements	20,700	46,400	57,300	66,000	16,300
Reserve for unfunded commitments	1,632	1,532	1,049	915	920
Other liabilities	25,483	23,219	19,971	19,397	21,194
Other borrowings	28,176	28,152	27,159	22,866	22,877
Junior subordinated debt	41,238	41,238	41,238	41,238	20,619
Total liabilities	1,515,978	1,489,374	1,438,858	1,417,768	1,321,849
Total shareholders' equity	139,634	138,132	135,688	128,320	129,514
Accumulated other comprehensive income (loss)	(2,242)	(352)	1,155	(1,984)	2,426
Average loans	1,167,039	1,142,483	1,098,442	1,029,425	970,793
Average interest earning assets	1,464,028	1,433,641	1,399,342	1,351,774	1,281,032
Average total assets	1,628,827	1,592,464	1,552,743	1,505,261	1,440,953
Average deposits	1,363,064	1,343,273	1,275,599	1,252,472	1,231,704
Average total equity	\$ 141,264	\$ 138,727	\$ 133,628	\$ 129,481	\$ 129,133

</TABLE>