

TRICO BANCSHARES /
Form 10-Q
November 09, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

for the quarterly period ended: September 30, 2012

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

for the transition period from to .

Commission File Number: 000-10661

TriCo Bancshares

(Exact Name of Registrant as Specified in Its Charter)

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CALIFORNIA
(State or Other Jurisdiction of

94-2792841
(I.R.S. Employer

Incorporation or Organization)

Identification Number)

63 Constitution Drive

Chico, California 95973

(Address of Principal Executive Offices)(Zip Code)

(530) 898-0300

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding for each of the issuer's classes of common stock, as of the latest practical date:

Common stock, no par value: 15,992,893 shares outstanding as of November 2, 2012

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FORWARD-LOOKING STATEMENTS

This report on Form 10-Q contains forward-looking statements about TriCo Bancshares (the "Company") that are subject to the protection of the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the current knowledge and belief of the Company's management ("Management") and include information concerning the Company's possible or assumed future financial condition and results of operations. When you see any of the words "believes", "expects", "anticipates", "estimates", or similar expressions, it may mean the Company is making forward-looking statements. A number of factors, some of which are beyond the Company's ability to predict or control, could cause future results to differ materially from those contemplated. The reader is directed to the Company's annual report on Form 10-K for the year ended December 31, 2011, and Part II, Item 1A of this report for further discussion of factors which could affect the Company's business and cause actual results to differ materially from those suggested by any forward-looking statement made in this report. Such Form 10-K and this report should be read to put any forward-looking statements in context and to gain a more complete understanding of the risks and uncertainties 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 forward-looking statement after the date of this report.

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****TRICO BANCSHARES****CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands, except share data; unaudited)

	At September 30, 2012	At December 31, 2011
Assets:		
Cash and due from banks	\$ 64,024	\$ 73,652
Cash at Federal Reserve and other banks	558,470	563,623
Cash and cash equivalents	622,494	637,275
Securities available-for-sale	183,432	229,223
Restricted equity securities	9,647	10,610
Loans held for sale	14,937	10,219
Loans	1,575,647	1,551,032
Allowance for loan losses	(44,146)	(45,914)
Total loans, net	1,531,501	1,505,118
Foreclosed assets, net	10,185	16,332
Premises and equipment, net	24,083	19,893
Cash value of life insurance	50,742	50,403
Interest receivable	7,638	7,312
Goodwill	15,519	15,519
Other intangible assets, net	1,144	1,301
Mortgage servicing rights	4,485	4,603
Indemnification asset	2,485	4,405
Other assets	37,189	43,384
Total assets	\$ 2,515,481	\$ 2,555,597
Liabilities and Shareholders' Equity:		
Liabilities:		
Deposits:		
Noninterest-bearing demand	\$ 592,529	\$ 541,276
Interest-bearing	1,609,110	1,649,260
Total deposits	2,201,639	2,190,536
Interest payable	1,139	1,674
Reserve for unfunded commitments	2,555	2,740
Other liabilities	32,449	30,427
Other borrowings	9,264	72,541
Junior subordinated debt	41,238	41,238

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Total liabilities	2,288,284	2,339,156
Commitments and contingencies (Note 18)		
Shareholders' equity:		
Common stock, no par value: 50,000,000 shares authorized; issued and outstanding:		
15,992,893 at September 30, 2012	85,088	
15,978,958 at December 31, 2011		84,079
Retained earnings	138,474	128,551
Accumulated other comprehensive income, net of tax	3,635	3,811
Total shareholders' equity	227,197	216,441
Total liabilities and shareholders' equity	\$ 2,515,481	\$ 2,555,597

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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(In thousands, except per share data; unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Interest and dividend income:				
Loans, including fees	\$ 25,530	\$ 21,987	\$ 76,251	\$ 65,444
Debt securities:				
Taxable	1,443	2,132	4,790	6,853
Tax exempt	108	134	323	410
Dividends	12	6	39	20
Interest bearing cash at Federal Reserve and other banks	372	213	1,170	646
Total interest and dividend income	27,465	24,472	82,573	73,373
Interest expense:				
Deposits	1,106	1,543	3,367	5,172
Other borrowings	395	610	1,602	1,803
Junior subordinated debt	333	312	1,003	934
Total interest expense	1,834	2,465	5,972	7,909
Net interest income	25,631	22,007	76,601	65,464
Provision for loan losses	532	5,069	7,899	17,631
Net interest income after provision for loan losses	25,099	16,938	68,702	47,833
Noninterest income:				
Service charges and fees	5,783	5,584	17,890	17,487
Gain on sale of loans	1,430	598	4,317	1,818
Commissions on sale of non-deposit investment products	803	542	2,464	1,550
Increase in cash value of life insurance	450	450	1,350	1,350
Bargain purchase gain		7,575		7,575
Other	661	(26)	1,948	2,544
Total noninterest income	9,127	14,723	27,969	32,324
Noninterest expense:				
Salaries and related benefits	12,362	11,930	37,614	33,438
Other	13,228	8,943	35,258	27,201
Total noninterest expense	25,590	20,873	72,872	60,639

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Income before income taxes	8,636	10,788	23,799	19,518
Provision for income taxes	3,616	4,318	9,527	7,477
Net income	\$ 5,020	\$ 6,470	\$ 14,272	\$ 12,041
Earnings per share:				
Basic	\$ 0.31	\$ 0.40	\$ 0.89	\$ 0.76
Diluted	\$ 0.31	\$ 0.40	\$ 0.89	