

North Valley Bancorp (NASDAQ: NOVB; Redding, CA) has agreed to merge with TriCo Bancshares (NASDAQ: TCBK; Chico, CA)

Deal Value: \$178.4 million

Sandler O'Neill served as financial advisor and provided a fairness opinion to North Valley Bancorp in this transaction. This transaction represents Sandler O'Neill's 110th bank or thrift transaction nationwide since January 1, 2011. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

Since January 1, 2011, Sandler O'Neill has advised on 24 bank or thrift transactions in the western region with an aggregate deal value of \$5.1 billion, more than any other investment bank during that time period.¹

TriCo Bancshares (NASDAQ: TCBK, "TriCo") and North Valley Bancorp (NASDAQ: NOVB, "North Valley") today jointly announced that the companies have agreed to combine their two leading northern California bank franchises in a transaction valued at approximately \$178.4 million.

Based on financial information as of September 30, 2013, the combined company will have approximately \$3.5 billion in assets, \$3.1 billion in deposits, \$2.2 billion in gross loans and approximately 80 branches throughout California -- stretching from Bakersfield in the south to Crescent City in the north.

Under the terms of the merger agreement, North Valley stockholders will receive a fixed exchange ratio of 0.9433 shares of TriCo common stock in exchange for each share of North Valley common stock. In total, North Valley shareholders will own approximately 28.6% of the common stock of the combined company. Based on TriCo's closing stock price of \$27.66 on January 17, the merger consideration is valued at approximately \$26.09 per North Valley share. North Valley option holders will receive cash, net of applicable taxes withheld, for the value of their unexercised stock options as determined prior to closing.

The transaction is expected to be completed by mid-year 2014 subject to approval by each company's shareholders, regulatory approvals and other customary closing conditions. The agreement was unanimously approved by the Board of Directors of each company. Three independent members of North Valley's current Board of Directors will be invited to join TriCo's Board of Directors.

Financial Highlights

	<u>TCBK</u>	<u>NOVB</u>
Total Assets	\$2,632	\$912
Net Loans	\$1,621	\$500
Deposits	\$2,293	\$780
Equity	\$245	\$95
LTM ROAA (%)	1.04%	0.36%

Notes:

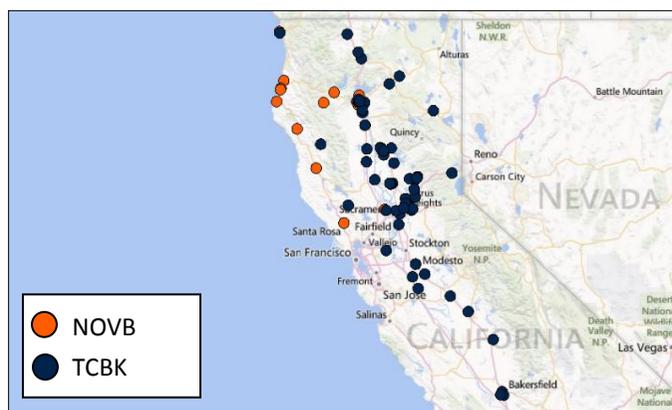
¹Includes bank & thrift transactions since January 1, 2011; Excludes terminated transactions and self-advisory roles

Deal value excludes consideration to NOVB option holders (estimated to be \$3.4mm)

Dollars in millions; financial data as of September 30, 2013

Source: SNL Financial

Pro Forma Branch Network



Sandler O'Neill Contacts:

PETER BUCK
Managing Director
(415) 978-5051

ADAM KEEFER
Associate Director
(415) 978-5057

ANDREW HIRAI
Analyst
(415) 978-5054