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TRUSTCO BANK CORP N Y
Form 8-K
October 17, 2006

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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): October 17, 2006

TrustCo Bank Corp NY
(Exact name of registrant as specified in its charter)

NEW YORK	0-10592	14-1630287
State or Other Jurisdiction of Incorporation or Organization	Commission File No.	I.R.S. Employer Identification Number

5 SARNOWSKI DRIVE, GLENNVILLE, NEW YORK 12302
(Address of principal executive offices)

(518) 377-3311
(Registrant's Telephone Number,
Including Area Code)

NOT APPLICABLE
(Former Name or Former Address, if Changed Since Last Report)

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:

- 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))

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Item 2.02. Results of Operations and Financial Condition

On October 17, 2006, TrustCo Bank Corp NY ("TrustCo") issued a press release with third quarter and year to date results for the period ending September 30, 2006. Attached is a copy of the press release labeled as Exhibit 99(a).

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

Reg S-K Exhibit No. -----	Description -----
99(a)	Press release dated October 17, 2006, for the period ending September 30, 2006, regarding third quarter and year to date results.

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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.

Dated: October 17, 2006

TrustCo Bank Corp NY
(Registrant)

By:/s/ Robert T. Cushing

Robert T. Cushing
Executive Vice President and
Chief Financial Officer

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Exhibits Index

The following exhibits are filed herewith:

Reg S-K Exhibit No. -----	Description -----	Page -----
99(a)	Press release dated October 17, 2006, for the period ending September 30, 2006, regarding third quarter and year to date	5 - 12

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results.

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TRUSTCO
Bank Corp NY

Exhibit 99 (a)
News Release

5 Sarnowski Drive, Glenville, New York, 12302
(518) 377-3311 Fax: (518) 381-3668

Subsidiary: Trustco Bank

NASDAQ -- TRST

Contact: Robert M. Leonard
Administrative Vice President
(518) 381-3693

FOR IMMEDIATE RELEASE

TrustCo Announces Third Quarter Results

Glenville, New York - October 17, 2006 TrustCo Bank Corp NY (TrustCo, Nasdaq: TRST) today announced results for the third quarter of 2006 and for the first nine months of the year. Net income for the third quarter of 2006 was \$11.2 million, compared to \$15.7 million for 2005. Diluted earnings per share were \$0.149 for the third quarter 2006 compared to \$0.208 for the third quarter of 2005. Return on average assets and return on average equity were 1.48% and 18.89% for the third quarter of 2006 compared to 2.20% and 27.38% for the third quarter of 2005.

Robert J. McCormick, President and Chief Executive Officer, said, "This is a difficult period in the banking industry and TrustCo is not immune. The flat or inverted yield curve continues to have a negative impact on earnings, however, unlike many of our peers, TrustCo has a growth plan that continues to show impressive results. As of September 30, 2006, total loans have increased \$290.5 million or 20.8% and deposits have increased \$164.9 million or 6.6% compared to September 30, 2005."

Net income for the nine months ending September 30, 2006 was \$36.0 million or \$0.479 in diluted earnings per share compared to \$45.6 million or \$0.605 in diluted earnings per share for the nine months ending September 30, 2005. The year-to-date 2005 results included pretax nonrecurring gains of \$2.0 million from the sale of the former operations center and the sale of the credit card portfolio, \$5.7 million of net security gains in 2005 as compared to \$264 thousand of net security losses in 2006 and \$4.8 million of a credit from the allowance for loan losses in 2005 as compared to a credit of \$3.6 million in 2006.

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Our efficiency ratio performance was 40.46% for the first nine months of 2006 compared to 37.48% for the same period in 2005. We continually strive to deliver superior quality service to our customers at the lowest possible cost, an effort that has been central to our management philosophy for many years.

Mr. McCormick stated: "We are proud to announce that during the third quarter

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of 2006 we opened our Pittsfield, Massachusetts office. This is our 89th branch overall and our first in Massachusetts. We will look to add a few additional offices in the Western Massachusetts area should opportunities arise. During the third quarter, we also opened an office in Airmont, NY (Rockland County) and three in Florida, bringing our total in the Sunshine State to seventeen with additional openings planned for the fourth quarter of 2006."

US Banker, an industry publication, recently listed the top 100 performing Mid-Tier Savings Banks in the Country. TrustCo ranked fourth best. Mr. McCormick said: "It is gratifying to be continually ranked as one of the top managed Savings Banks in the Nation."

TrustCo is a \$3.0 billion bank holding company and through its subsidiary, Trustco Bank, operates 89 offices in New York, New Jersey, Vermont, Massachusetts, and Florida. In addition, the Bank operates a full service Trust Department. The common shares of TrustCo are traded on the Nasdaq Global Market of the Nasdaq Stock Market under the symbol TRST.

Except for the historical information contained herein, the matters discussed in this news release and other information contained in TrustCo's Securities and Exchange Commission filings may express "forward-looking statements." Those "forward-looking statements" may involve risk and uncertainties, including statements containing future events or performance and assumptions and other statements of historical facts.

TrustCo wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The following important factors, among others, in some cases have affected and in the future could affect TrustCo's actual results, and could cause TrustCo's actual financial performance to differ materially from that expressed in any forward-looking statement: (1) credit risk, (2) interest rate risk, (3) competition, (4) changes in the regulatory environment, and (5) changes in local market area and general business and economic trends. The foregoing list should not be construed as exhaustive, and the Company disclaims any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events.

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TRUSTCO BANK CORP NY
GLENNVILLE, NY

FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share data)

	09/30/06	Three Months Ended 06/30/06	09/30
Summary of operations			
Net interest income (TE)	\$ 25,164	25,704	
Provision (credit) for loan losses	-	(1,775)	
Net securities transactions	24	-	
Noninterest income	3,871	3,917	
Noninterest expense	11,699	11,986	
Net income	11,179	12,424	

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Per common share		
Net income per share:		
- Basic	\$ 0.149	0.166
- Diluted	0.149	0.165
Cash dividends	0.160	0.160
Tangible Book value at period end	3.03	2.86
Market price at period end	10.84	11.02
At period end		
Full time equivalent employees	556	532
Full service banking offices	89	84
Performance ratios		
Return on average assets	1.48 %	1.69
Return on average equity (1)	18.89	21.44
Efficiency (2)	40.09	41.48
Net interest spread (TE)	3.03	3.15
Net interest margin (TE)	3.46	3.56
Dividend payout ratio	107.12	96.28
Capital ratios at period end (3)		
Total equity to assets	7.81 %	7.89
Tier 1 risk adjusted capital	15.11	15.45
Total risk adjusted capital	16.38	16.72
Asset quality analysis at period end		
Nonperforming loans to total loans	0.38 %	0.32
Nonperforming assets to total assets	0.22	0.17
Allowance for loan losses to total loans	2.53	2.63
Coverage ratio (4)	6.7 X	8.3

- (1) Average equity excludes the effect of the market value adjustment for securities available for sale.
- (2) Calculated as noninterest expense (excluding ORE income/expense and any nonrecurring charges) divided by taxable equivalent net interest income plus noninterest income (excluding net securities transactions).
- (3) Capital ratios exclude the effect of the market value adjustment for securities available for sale.
- (4) Calculated as allowance for loan losses divided by total nonperforming loans.

TE = Taxable equivalent.

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FINANCIAL HIGHLIGHTS, Continued

	Nine Months Ended	
	09/30/06	09/30/05
Summary of operations		
Net interest income (TE)	\$ 77,113	81,159
Provision (credit) for loan losses	(3,575)	(4,760)
Net securities transactions	(264)	5,683
Noninterest income	11,381	14,676
Noninterest expense	35,610	33,653
Net income	35,969	45,611

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Per common share

Net income per share:

- Basic	\$	0.480	0.608
- Diluted		0.479	0.605
Cash dividends		0.480	0.450
Tangible Book value at period end		3.03	3.07
Market price at period end		10.84	12.53

Performance ratios

Return on average assets		1.63 %	2.15
Return on average equity (1)		20.63	26.91
Efficiency (2)		40.46	37.48
Net interest spread (TE)		3.17	3.65
Net interest margin (TE)		3.57	3.92
Dividend payout ratio		99.84	73.96

- (1) Average equity excludes the effect of the market value adjustment for securities available for sale.
- (2) Calculated as noninterest expense (excluding ORE income/expense and any nonrecurring charges) divided by taxable equivalent net interest income plus noninterest income (excluding net securities transactions).

TE = Taxable equivalent.

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (dollars in thousands)

	09/30/06	12/31/05
ASSETS		
Loans, net	\$ 1,646,202	1,425,342
Securities available for sale	1,104,614	1,084,076
Federal funds sold and other short-term investments	103,079	257,196
	-----	-----
Total earning assets	2,853,895	2,766,614
Cash and due from banks	49,324	55,667
Bank premises and equipment	23,848	21,734
Other assets	73,802	68,744
	-----	-----
Total assets	\$ 3,000,869	2,912,759
	=====	=====
LIABILITIES		
Deposits:		
Demand	\$ 243,984	251,012
Interest-bearing checking	276,264	309,668
Savings	682,272	725,336

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Money market	307,412	190,560
Certificates of deposit (in denominations of \$100,000 or more)	248,340	225,611
Other time deposits	890,991	860,300
	-----	-----
Total deposits	2,649,263	2,562,487
Short-term borrowings	91,705	87,935
Long-term debt	66	87
Other liabilities	32,332	33,589
	-----	-----
Total liabilities	2,773,366	2,684,098
SHAREHOLDERS' EQUITY	227,503	228,661
	-----	-----
Total liabilities and shareholders' equity	\$ 3,000,869	2,912,759
	=====	=====
Number of common shares outstanding, in thousands	74,828	74,776

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CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)

	09/30/06	Three Months Ended 06/30/06
Interest income		
Loans	\$ 26,696	25,470
Investments	14,137	14,201
Federal funds sold and other short term investments	2,009	2,271
	-----	-----
Total interest income	42,842	41,942
Interest expense		
Deposits	17,489	16,056
Borrowings	990	962
	-----	-----
Total interest expense	18,479	17,018
	-----	-----
Net interest income	24,363	24,924
Provision (credit) for loan losses	-	(1,775)
	-----	-----

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Net interest income after provision (credit) for loan losses	24,363	26,699
Net securities transactions	24	-
Noninterest income	3,871	3,917
Noninterest expense	11,699	11,986
	-----	-----
Income before income taxes	16,559	18,630
Income tax expense	5,380	6,206
	-----	-----
Net income	\$ 11,179	12,424
	=====	=====
Net income per share:		
- Basic	\$ 0.149	0.166
- Diluted	\$ 0.149	0.165
Avg equivalent shares outstanding, in thousands:		
- Basic	74,920	74,894
- Diluted	75,089	75,112

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CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share data)

	Nine Months Ended	
	09/30/06	09/30/05
Interest income		
Loans	\$ 76,517	63,195
Investments	42,204	37,620
Federal funds sold and other short term investments	6,772	9,519
	-----	-----
Total interest income	125,493	110,334
Interest expense		
Deposits	47,964	30,480
Borrowings	2,731	1,354
	-----	-----
Total interest expense	50,695	31,834
Net interest income	74,798	78,500
Provision (credit) for loan losses	(3,575)	(4,760)
	-----	-----
Net interest income after provision (credit) for loan losses	78,373	83,260

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Net securities transactions	(264)	5,683
Noninterest income	11,381	14,676
Noninterest expense	35,610	33,653
	-----	-----
Income before income taxes	53,880	69,966
Income tax expense	17,911	24,355
	-----	-----
Net income	\$ 35,969	45,611
	=====	=====
Net income per share:		
- Basic	\$ 0.480	0.608
- Diluted	\$ 0.479	0.605
Avg equivalent shares outstanding, in thousands:		
- Basic	74,896	74,958
- Diluted	75,155	75,433

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CONSOLIDATED AVERAGE STATEMENTS OF FINANCIAL CONDITION
(in thousands)

	09/30/06	Three Months 06/30/06
Total assets	\$ 2,988,221	2,946,44
Shareholders' equity	218,418	215,41
Total loans	1,649,303	1,567,53
Securities available for sale	1,121,706	1,129,03
Interest-earning assets	2,921,038	2,882,39
Interest-bearing deposits	2,401,564	2,356,28
Interest-bearing liabilities	2,496,810	2,455,57
Demand deposits	245,956	247,02
	Nine Months Ended	
	09/30/06	09/30/05
Total assets	\$ 2,944,666	2,840,06
Shareholders' equity	219,595	228,81
Total loans	1,571,464	1,305,18
Securities available for sale	1,116,671	999,51
Interest-earning assets	2,875,253	2,760,80
Interest-bearing deposits	2,356,726	2,268,03
Interest-bearing liabilities	2,452,195	2,350,28
Demand deposits	244,978	233,31

