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TRUSTCO BANK CORP N Y
Form 8-K
January 16, 2007

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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): January 16, 2007

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, GLENVILLE, 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))

TrustCo Bank Corp NY

Item 2.02. Results of Operations and Financial Condition

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On January 16, 2007, TrustCo Bank Corp NY ("TrustCo") issued a press release with fourth quarter and year to date results for the period ending December 31, 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 January 16, 2007, for the period ending December 31, 2006, regarding fourth 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: January 16, 2007

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 |
|---------------------|-------------|-------|
| ----- | ----- | ----- |

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99(a)

Press release dated January 16, 2007,
for the period ending December 31, 2006,
regarding fourth quarter and year to date
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 Fourth Quarter Results
Highlighted by Outstanding Loan and Deposit Growth

Glenville, New York - January 16, 2007 TrustCo Bank Corp NY (TrustCo, Nasdaq: TRST) today announced results for the fourth quarter of 2006 and for the full year. These results were highlighted by loans, which as of December 31, 2006 grew \$291.8 million or 20% compared to December 31, 2005. Deposits were also up for 2006 an impressive \$236.9 million or 9% compared to year-end 2005. Robert J. McCormick, President and Chief Executive Officer, commented, "It is gratifying to see such outstanding increases in both loans and deposits. This growth can be attributed to the new and existing markets we are now serving."

Net income for the full year 2006 was \$45.3 million compared to \$59.0 million for 2005. Diluted earnings per share were \$0.603 for 2006 compared to \$0.782 in diluted earnings per share for 2005. Return on average assets and return on average equity were 1.52% and 18.71% respectively for 2006 compared to 2.07% and 26.07% for 2005. Net income for the fourth quarter of 2006 was \$9.4 million compared to \$13.4 million for 2005. Diluted earnings per share were \$0.125 for the fourth quarter compared to \$0.178 for the fourth quarter of 2005.

Robert J. McCormick said, "The entire industry continues to suffer from the yield curve. As expected, 2006 was a challenging year for many banks, including ours. Margin compression along with one-time gains taken in 2005 placed downward pressure on earnings at our Company. While our 2006 results were down, they are still well ahead of industry averages."

During the fourth quarter, Trustco Bank opened two offices: (1) Chatham in Columbia County, New York and (2) North Clermont in Lake County, Florida. This brings our total number of offices to 91 with seventeen in Florida.

- More -

Robert J. McCormick said, "Looking forward to 2007 and beyond, TrustCo is well positioned for continued growth. Since we announced our growth initiative, we have added over 30 branch offices with an additional 25 branches pending. These new branch offices, mainly in downstate New York and Florida, should act as a catalyst for growth for years to come."

TrustCo is a \$3.2 billion bank holding company and through its subsidiary, Trustco Bank, operates 91 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.

TRUSTCO BANK CORP NY
GLENNVILLE, NY

FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share data)
(Unaudited)

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| | 12/31/06 | Three Months Ended 09/30/06 |
|--|-----------|--------------------------------|
| Summary of operations | | |
| Net interest income (TE) | \$ 24,257 | 25,164 |
| Provision (credit) for loan losses | - | - |
| Net securities transactions | (332) | 24 |
| Noninterest income | 4,074 | 3,871 |
| Noninterest expense | 13,452 | 11,699 |
| Net income | 9,356 | 11,179 |
| Per common share | | |
| Net income per share: | | |
| - Basic | \$ 0.125 | 0.149 |
| - Diluted | 0.125 | 0.149 |
| Cash dividends | 0.160 | 0.160 |
| Tangible Book value at period end | 3.19 | 3.03 |
| Market price at period end | 11.12 | 10.84 |
| At period end | | |
| Full time equivalent employees | 554 | 556 |
| Full service banking offices | 91 | 89 |
| Performance ratios | | |
| Return on average assets | 1.21 % | 1.48 |
| Return on average equity (1) | 15.39 | 18.89 |
| Efficiency (2) | 46.93 | 40.09 |
| Net interest spread (TE) | 2.84 | 3.03 |
| Net interest margin (TE) | 3.28 | 3.46 |
| Dividend payout ratio | 128.22 | 107.12 |
| Capital ratios at period end (3) | | |
| Total equity to assets | 7.67 % | 7.81 |
| Tier 1 risk adjusted capital | 14.88 | 15.11 |
| Total risk adjusted capital | 16.14 | 16.38 |
| Asset quality analysis at period end | | |
| Nonperforming loans to total loans | 0.40 % | 0.38 |
| Nonperforming assets to total assets | 0.23 | 0.22 |
| Allowance for loan losses to total loans | 2.02 | 2.53 |
| Coverage ratio (4) | 5.0 X | 6.7 |

(1) Average equity excludes the effect of accumulated other comprehensive income.

(2) Calculated as noninterest expense (excluding ORE income/expense, specialized consulting and any one-time charges) divided by taxable equivalent net interest income plus noninterest income (excluding net securities transactions and one-time income items).

(3) Capital ratios exclude the effect of accumulated other comprehensive income.

(4) Calculated as allowance for loan losses divided by total nonperforming loans.

TE = Taxable equivalent.

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| | Twelve Months Ended | |
|------------------------------------|---------------------|----------|
| | 12/31/06 | 12/31/05 |
| Summary of operations | | |
| Net interest income (TE) | \$ 101,370 | 107,948 |
| Provision (credit) for loan losses | (3,575) | (6,260) |
| Net securities transactions | (596) | 5,999 |
| Noninterest income | 15,455 | 19,290 |
| Noninterest expense | 49,062 | 46,232 |
| Net income | 45,325 | 58,989 |
| Per common share | | |
| Net income per share: | | |
| - Basic | \$ 0.605 | 0.787 |
| - Diluted | 0.603 | 0.782 |
| Cash dividends | 0.640 | 0.610 |
| Tangible Book value at period end | 3.19 | 3.05 |
| Market price at period end | 11.12 | 12.42 |
| Performance ratios | | |
| Return on average assets | 1.52 % | 2.07 |
| Return on average equity (1) | 18.71 | 26.07 |
| Efficiency (2) | 42.03 | 38.29 |
| Net interest spread (TE) | 3.08 | 3.61 |
| Net interest margin (TE) | 3.50 | 3.90 |
| Dividend payout ratio | 105.70 | 77.46 |

(1) Average equity excludes the effect of accumulated other comprehensive income.

(2) Calculated as noninterest expense (excluding ORE income/expense, specialized consulting and any one-time charges) divided by taxable equivalent net interest income plus noninterest income (excluding net securities transactions and one-time income items).

TE = Taxable equivalent.

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands)
(Unaudited)

| | 12/31/06 |
|---|--------------|
| ASSETS | |
| Loans, net | \$ 1,726,898 |
| Securities available for sale | 1,048,270 |
| Federal funds sold and other short-term investments | 243,449 |
| | ----- |
| Total earning assets | 3,018,617 |
| Cash and due from banks | 47,889 |
| Bank premises and equipment | 24,050 |

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| | | |
|---|----|--------------|
| Other assets | | 70,631 |
| | | ----- |
| Total assets | | \$ 3,161,187 |
| | | ===== |
| LIABILITIES | | |
| Deposits: | | |
| Demand | \$ | 259,401 |
| Interest-bearing checking | | 290,784 |
| Savings | | 662,310 |
| Money market | | 310,719 |
| Certificates of deposit (in denominations of \$100,000 or more) | | 299,813 |
| Other time deposits | | 976,356 |
| | | ----- |
| Total deposits | | 2,799,383 |
| Short-term borrowings | | 95,507 |
| Long-term debt | | 59 |
| Other liabilities | | 26,715 |
| | | ----- |
| Total liabilities | | 2,921,664 |
| SHAREHOLDERS' EQUITY | | 239,523 |
| | | ----- |
| Total liabilities and shareholders' equity | \$ | 3,161,187 |
| | | ===== |
| Number of common shares outstanding, in thousands | | 74,873 |

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

| | 12/31/06 | Three Months 09/30/06 |
|---|-----------|--------------------------|
| Interest income | | |
| Loans | \$ 27,883 | 26, |
| Investments | 13,691 | 14, |
| Federal funds sold and other short term investments | 2,140 | 2, |
| | ----- | ----- |
| Total interest income | 43,714 | 42, |
| Interest expense | | |
| Deposits | 19,264 | 17, |
| Borrowings | 981 | |
| | ----- | ----- |

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| | | |
|---|----------|-----|
| Total interest expense | 20,245 | 18, |
| Net interest income | 23,469 | 24, |
| Provision (credit) for loan losses | - | |
| Net interest income after provision for loan losses | 23,469 | 24, |
| Net securities transactions | (332) | |
| Noninterest income | 4,074 | 3, |
| Noninterest expense | 13,452 | 11, |
| Income before income taxes | 13,759 | 16, |
| Income tax expense | 4,403 | 5, |
| Net income | \$ 9,356 | 11, |
| Net income per share: | | |
| - Basic | \$ 0.125 | 0. |
| - Diluted | \$ 0.125 | 0. |
| Avg equivalent shares outstanding, in thousands: | | |
| - Basic | 74,941 | 74, |
| - Diluted | 75,139 | 75, |

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

| | Twelve Months Ended | |
|---|---------------------|-------|
| | 12/31/06 | 12/31 |
| Interest income | | |
| Loans | \$ 104,400 | 86 |
| Investments | 55,895 | 51 |
| Federal funds sold and other short term investments | 8,912 | 12 |
| Total interest income | 169,207 | 150 |
| Interest expense | | |
| Deposits | 67,228 | 43 |
| Borrowings | 3,712 | 2 |

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| | | |
|--|-----------|-------|
| Total interest expense | 70,940 | 45 |
| Net interest income | 98,267 | 104 |
| Provision (credit) for loan losses | (3,575) | (6) |
| | ----- | ----- |
| Net interest income after provision for loan losses | 101,842 | 110 |
| Net securities transactions | (596) | 5 |
| Noninterest income | 15,455 | 19 |
| Noninterest expense | 49,062 | 46 |
| | ----- | ----- |
| Income before income taxes | 67,639 | 89 |
| Income tax expense | 22,314 | 30 |
| | ----- | ----- |
| Net income | \$ 45,325 | 58 |
| | ===== | ===== |
| Net income per share: | | |
| - Basic | \$ 0.605 | 0 |
| - Diluted | \$ 0.603 | 0 |
| Avg equivalent shares outstanding, in thousands: | | |
| - Basic | 74,904 | 74 |
| - Diluted | 75,149 | 75 |