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TRUSTCO BANK CORP N Y
Form 8-K
April 18, 2006

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 18, 2006
(April 18, 2006)

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

New York
(State or other jurisdiction of incorporation)

0-10592
(Commission File Number)

14-1630287
(IRS Employer Identification No.)

5 Sarnowski Drive, Glenville, New York 12302
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (518) 377-3311

TrustCo Bank Corp NY

Item 2.02. Results of Operations and Financial Condition

On April 18, 2006, TrustCo Bank Corp NY ("TrustCo") issued a press release with first quarter results for the period ending March 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

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99(a)

Press Release dated April 18, 2006,
for the period ending March 31, 2006,
regarding first quarter 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: April 18, 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
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99(a)	Press release dated April 18, 2006, highlighting first quarter 2006 results.	5 - 10

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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

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Administrative Vice President
(518) 381-3693

FOR IMMEDIATE RELEASE

TRUSTCO ANNOUNCES FIRST QUARTER RESULTS

Glenville, New York - April 18, 2006 - TrustCo Bank Corp NY (TrustCo, Nasdaq: TRST) today announced first quarter results for 2006. Net income for the first three months of 2006 was \$12.4 million, compared to \$14.9 million for 2005. Diluted earnings per share were \$0.164 for the first quarter compared to \$0.197 for 2005. Excluding the affect of non-core income, the first quarter results indicate that TrustCo's first quarter 2006 results of \$12.5 million were up slightly over 2005. These non-core income items were the result of securities transactions and the sale of real estate. Robert J. McCormick, President and Chief Executive Officer commented, "We are pleased by these core operating results and look forward to building on them for the remainder of 2006."

The first quarter of 2006 was a challenging period for the banking industry due to the flattening/inversion of the interest rate yield curve in the U.S. economy. This has resulted in there being little margin between short-term deposit and long-term lending rates. This in turn puts pressure on overall earnings. "Despite this, we maintained a steady level of core earnings in the first quarter, which is a significant accomplishment. Perhaps most important is that during these times we continue to outperform our industry peers," McCormick said.

Return on average assets and return on average shareholders' equity were 1.73% and 21.61% for the first quarter of 2006 compared to 2.13% and 26.83% for the comparable period in 2005. Mr. McCormick indicated, "Though these returns are less than the outstanding results of 2005, we expect that they will reflect extremely well when compared to other banks. For 2005, as an example, the national average for our peer group was a return on average assets of 1.06% and return on average equity of 12.23%. We are confident that our results for the first quarter will continue to rank TrustCo as one of the top performing banks nationally."

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TrustCo continues to show significant growth in the average balance of our loan portfolio, which increased \$244.3 million or 19.5% for the first quarter of 2006 compared to 2005. This growth came from both our residential real estate and commercial loan portfolios. Furthermore, as a result of continued improvement in virtually all of TrustCo's credit quality indicators, we realized a negative provision for loan losses of \$1.8 million in the first quarter of 2006 and \$1.5 million in the comparable period in 2005. Also during the quarter, the average balance of deposits increased by \$47.6 million. Mr. McCormick said, "We have focused considerable attention within the Company at growing the loan and deposit balances across all our markets."

During the quarter, Trustco opened four offices: three in Florida, and one in Upstate New York. Mr. McCormick commented, "Continuing our expansion plans combined with expense control will help us grow out of these challenging times."

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Our Board of Directors has again declared a quarterly cash dividend of \$0.16 per share, which you received in early April. This equates to an annual dividend of \$0.64 per share and represents a significant return to our shareholders. Mr. McCormick said, "It continues to be our belief that excess capital should be returned to shareholders in the form of dividends. We also believe it is prudent to retain sufficient capital to support our growth goals and remain well-capitalized for regulatory purposes."

TrustCo is a \$2.9 billion bank holding company and through its subsidiary, Trustco Bank, operates 82 offices in New York, Vermont, and Florida. In addition, the Bank operates a full service Trust Department. The common shares of TrustCo are traded on the Nasdaq National Market tier 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 forward-looking statements, which speak only as of the date made. Readers are advised that various risk factors, including, but not limited to: (1) credit risk, (2) interest rate risk, (3) competition, (4) changes in the regulatory environment, and (5) changes in general business and economic trends, could cause the actual results or circumstances for future periods to differ materially from those anticipated or projected in the forward-looking statements.

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TRUSTCO BANK CORP NY
GLENVILLE, NY

FINANCIAL HIGHLIGHTS
(dollars in thousands, except per share data)

	03/31/06
Summary of operations	
Net interest income (TE)	\$ 26,245
Provision (credit) for loan losses	(1,800)
Net securities transactions	(288)
Noninterest income	3,593
Noninterest expense	11,925
Net income	12,366
Net income less non-core operating items (Non-GAAP) (1)	12,517

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Per common share	
Net income per share:	
- Basic	\$ 0.165
- Diluted	0.164
Cash dividends	0.160
Tangible Book value at period end	2.96
Market price at period end	12.17
At period end	
Full time equivalent employees	530
Full service banking offices	82
Performance ratios	
Return on average assets	1.73%
Return on average equity (2)	21.61
Efficiency (3)	39.82
Net interest spread (TE)	3.33
Net interest margin (TE)	3.70
Dividend payout ratio	96.83
Capital ratios at period end (4)	
Total equity to assets	7.99%
Tier 1 risk adjusted capital	16.07
Total risk adjusted capital	17.34
Asset quality analysis at period end	
Nonperforming loans to total loans	0.22%
Nonperforming assets to total assets	0.12
Allowance for loan losses to total loans	2.88
Coverage ratio (5)	12.8X

- (1) Calculated as net income excluding the after-tax effect of the net gain on the sale of ORE of \$20 in 2006 and \$222 in 2005 (pretax gains of \$34 in 2006 and \$368 in 2005) and the after-tax net gain or loss from the sale of securities available for sale of \$171 loss in 2006 and \$2,207 gain in 2005 (pretax loss of \$288 in 2006 and pretax gain of \$3,652 in 2005). (Non-GAAP)
- (2) Average equity excludes the effect of the market value adjustment for securities available for sale.
- (3) 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).
- (4) Capital ratios exclude the effect of the market value adjustment for securities available for sale.
- (5) Calculated as allowance for loan losses divided by total nonperforming loans.

TE = Taxable equivalent.

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(dollars in thousands)

03/31/06

ASSETS

Loans, net	\$ 1,486,047
Securities available for sale	1,112,380
Federal funds sold and other short-term investments	199,469

Total earning assets	2,797,896
Cash and due from banks	44,248
Bank premises and equipment	22,539
Other assets	67,938

Total assets	\$ 2,932,621
	=====

LIABILITIES

Deposits:	
Demand	\$ 244,377
Interest-bearing checking	294,197
Savings	722,858
Money market	218,518
Certificates of deposit (in denominations of \$100,000 or more)	232,111
Other time deposits	867,629

Total deposits	2,579,690
Short-term borrowings	100,236
Long-term debt	80
Other liabilities	30,860

Total liabilities	2,710,866

SHAREHOLDERS' EQUITY

	221,755

Total liabilities and shareholders' equity	\$ 2,932,621
	=====
Number of common shares outstanding, in thousands	74,823

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

Three Months Ende

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	03/31/06	03/31/05
Interest income		
Loans	\$ 24,351	19,351
Investments	13,866	11,866
Federal funds sold and other short term investments	2,492	3,492
	-----	-----
Total interest income	40,709	34,709
Interest expense		
Deposits	14,419	9,419
Borrowings	779	779
	-----	-----
Total interest expense	15,198	10,198
	-----	-----
Net interest income	25,511	24,511
Provision (credit) for loan losses	(1,800)	(1,800)
	-----	-----
Net interest income after provision (credit) for loan losses	27,311	26,311
Net securities transactions	(288)	3,288
Noninterest income	3,593	3,593
Noninterest expense	11,925	11,925
	-----	-----
Income before income taxes	18,691	22,691
Income tax expense	6,325	7,325
	-----	-----
Net income	\$ 12,366	14,366
	=====	=====
Net income per share:		
- Basic	\$ 0.165	0.165
- Diluted	\$ 0.164	0.164
Avg equivalent shares outstanding, in thousands:		
- Basic	74,871	74,871
- Diluted	75,263	75,263

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CONSOLIDATED AVERAGE STATEMENTS OF FINANCIAL CONDITION
(in thousands)

	Three Months Ended	
	03/31/06	03/31/05
Total assets	\$ 2,898,342	2,842,312
Shareholders' equity	225,030	228,538
Total loans	1,495,867	1,251,553
Securities available for sale	1,099,024	874,115
Interest-earning assets	2,819,811	2,754,905
Interest-bearing deposits	2,311,333	2,279,234

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Interest-bearing liabilities	2,403,167	2,361,805
Demand deposits	241,903	226,403

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