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TRUSTCO BANK CORP N Y  
Form 8-K  
April 17, 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): April 17, 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, 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  
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On April 17, 2007, TrustCo Bank Corp NY ("TrustCo") issued a press release with the first quarter results for the period ending March 31, 2007. Attached is a copy of the press release labeled as Exhibit 99(a).

Item 9.01. Financial Statements and Exhibits  
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(c) Exhibits

Reg S-K Exhibit No. -----	Description -----
99(a)	Press release dated April 17, 2007, for the period ending March 31, 2007, regarding the 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 17, 2007

TrustCo Bank Corp NY  
(Registrant)

By: /s/ Robert T. Cushing  
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Robert T. Cushing  
Executive Vice President and  
Chief Financial Officer

Exhibits Index

The following exhibits are filed herewith:

Reg S-K Exhibit No.	Description	Page
99(a)	Press release dated April 17, 2007, for the period ending March 31, 2007, regarding the first quarter results.	5 - 11

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 First Quarter 2007 Results

Glenville, New York - April 17, 2007 TrustCo Bank Corp NY (TrustCo, Nasdaq: TRST) today announced that net income for the first quarter of 2007 was \$12.3 million compared to \$12.4 million for 2006. Diluted earnings per share were \$0.164 for the first quarters of 2007 and 2006. Return on average assets and

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return on average equity were 1.57% and 21.67% for the first quarter of 2007 compared to 1.73% and 20.75% for the first quarter of 2006.

First quarter results were positively affected by the recent adoption of a new accounting standard relative to fair value accounting for certain financial instruments. TrustCo selected the fair value option allowed by this new standard for \$517 million of longer duration, lower yielding US Agency securities from the available for sale portfolio. TrustCo recorded the January 1, 2007 unrealized loss on these securities as an \$8.6 million cumulative effect adjustment, net of tax, to undivided profits at that time. As provided by in this new accounting standard, this one time charge to undivided profits will not be recognized in current earnings. Commenting on the adoption of the new accounting standard, Robert J. McCormick, President and Chief Executive Officer stated, "We believe this was a unique opportunity for TrustCo which will have a positive impact on our ability to manage the interest rate risk of our balance sheet, shorten the duration of the investment portfolio, create additional liquidity and potentially benefit interest income, net income and earnings per share during the remainder of 2007 as well as future periods." As a result of these actions, TrustCo also recognized \$3.4 million of unrealized pretax trading gains during the first quarter which will be offset in the second quarter with realized trading losses of \$2.7 million as a result of the subsequent sale of these assets. Had TrustCo not adopted this new accounting standard in the first quarter, net income would have been \$10.2 million and diluted earnings per share would have been \$0.136 for the first quarter of 2007. Commenting on the first quarter results of \$10.2 million excluding the unrealized

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trading account gain, Mr. McCormick noted "We are delighted by this 9.4% increase in net income over the fourth quarter of 2006 and are encouraged about the results for the remainder of 2007."

The growth of TrustCo's deposits and loans continue to show impressive results. For the quarter ended March 31, 2007, average deposits were up \$269.0 million or 10.2% compared to March 31, 2006. Average loans also showed similar results up \$285.5 million or 19.1% compared to the same period in 2006. Much of the success can be attributed to the branch growth initiative. During the first quarter of 2007 TrustCo opened two offices to bring the total to 93 with many new branches planned in the markets currently served.

TrustCo has again been nationally recognized. In its April 2007 edition, the US Banker Magazine, a leading industry publication, listed the top 150 mid-tier banks in the country. TrustCo ranked 6th best. Commenting on this article, Mr. McCormick stated "In an era of shrinking interest rate margins, due to the flat or inverted yield curve, TrustCo continues to be ranked as one of the top banks in the nation. We have accomplished this through diligent expense controls and being ever mindful of asset quality."

Further Mr. McCormick noted "There has been a lot of talk in the news lately of banks and mortgage companies that have suffered losses due to their involvement in the subprime mortgage lending area. Subprime loans are mortgage loans to borrowers who do not qualify for conventional loans due to poor credit, employment issues, etc. Trustco Bank has never been involved in subprime lending. We have always believed that mortgage loans are our most important asset and growth is never an excuse to sacrifice credit quality."

Nonperforming loans continue at low levels. At the end of the first quarter nonperforming loans were 0.45% of total loans outstanding. In addition, the allowance for loan losses is 4.4 times nonperforming loans.

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The Board of Directors declared in February 2007 a quarterly cash dividend of \$0.16 per share, which shareholders received in early April. This dividend equates to an annualized yield of 6.75% based on the March 31, 2007 closing stock price.

As previously announced the TrustCo Annual Meeting will be held May 14, 2007 at 10:00 am at Mallozzi's Restaurant and Banquet House in Rotterdam, New York.

TrustCo Bank Corp is a \$3.2 billion bank holding company and through its subsidiary, Trustco Bank, operates 95 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 Select Market under the symbol TRST.

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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.

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TRUSTCO BANK CORP NY  
GLENVILLE, NY

### FINANCIAL HIGHLIGHTS

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

	Three Months Ended	
	03/31/07	03/31/06
Summary of operations		
Net interest income (TE)	\$ 24,506	26,245
Provision (credit) for loan losses	-	(1,800)
Net securities transactions	-	(288)
Unrealized trading gains	3,445	-
Noninterest income	4,103	3,593
Noninterest expense	12,706	11,925
Net income	12,314	12,366
Per common share		
Net income per share:		
- Basic	\$ 0.164	0.165
- Diluted	0.164	0.164
Cash dividends	0.160	0.160
Tangible Book value at period end	3.20	3.08
Market price at period end	9.58	12.17

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At period end		
Full time equivalent employees	570	530
Full service banking offices	95	82
Performance ratios		
Return on average assets	1.57 %	1.73
Return on average equity (1)	21.67	20.75
Efficiency (2)	43.76	39.82
Net interest spread (TE)	2.73	3.33
Net interest margin (TE)	3.16	3.70
Dividend payout ratio	97.29	96.83
Capital ratios at period end (3)		
Total equity to assets	7.24 %	8.31
Tier 1 risk adjusted capital	14.02	16.81
Total risk adjusted capital	15.28	18.08
Asset quality analysis at period end		
Nonperforming loans to total loans	0.45 %	0.22
Nonperforming assets to total assets	0.26	0.12
Allowance for loan losses to total loans	1.96	2.38
Coverage ratio (4)	4.4 X	10.6

- (1) Average equity excludes the effect of accumulated other comprehensive income (loss).
- (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, unrealized trading gains and losses and one-time income items).
- (3) Capital ratios exclude the effect of accumulated other comprehensive income (loss).
- (4) 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)  
(Unaudited)

03/31/07

ASSETS

Loans, net	\$	1,764,931
Securities available for sale		505,663
Trading securities		505,690
Federal funds sold and other short-term investments		335,259
		-----
Total earning assets		3,111,543
Cash and due from banks		39,435

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Bank premises and equipment	24,966	
Other assets	68,921	
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Total assets	\$ 3,244,865	=====
LIABILITIES		
Deposits:		
Demand	\$ 249,034	
Interest-bearing checking	280,106	
Savings	657,762	
Money market	330,335	
Certificates of deposit (in denominations of \$100,000 or more)	332,134	
Other time deposits	1,032,432	
	-----	-----
Total deposits	2,881,803	
Short-term borrowings	97,064	
Long-term debt	51	
Other liabilities	25,967	
	-----	-----
Total liabilities	3,004,885	
SHAREHOLDERS' EQUITY	239,980	
	-----	-----
Total liabilities and shareholders' equity	\$ 3,244,865	=====
Number of common shares outstanding, in thousands	74,899	

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

	Three Months Ended	
	03/31/07	03/31/06
Interest income		
Loans	\$ 28,631	24,
Investment securities	13,211	13,
Federal funds sold and other short term investments	3,439	2,
	-----	-----
Total interest income	45,281	40,
Interest expense		
Deposits	20,566	14,
Borrowings	994	
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Total interest expense	21,560	15,
Net interest income	23,721	25,
Provision (credit) for loan losses	-	(1,
Net interest income after provision for loan losses	23,721	27,
Net securities transactions	-	(
Unrealized trading gains	3,445	
Noninterest income	4,103	3,
Noninterest expense	12,706	11,
Income before income taxes	18,563	18,
Income tax expense	6,249	6,
Net income	\$ 12,314	12,
Net income per share:		
- Basic	\$ 0.164	0.
- Diluted	\$ 0.164	0.
Avg equivalent shares outstanding, in thousands:		
- Basic	74,952	74,
- Diluted	75,054	75,

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

	Three Months Ended	
	03/31/07	03/31/0
Total assets	\$ 3,179,100	2,899,
Shareholders' equity	236,526	234,
Total loans	1,781,333	1,495,
Securities available for sale	528,483	1,099,
Trading securities	502,283	
Interest-earning assets	3,078,002	2,819,
Interest-bearing deposits	2,578,237	2,311,
Interest-bearing liabilities	2,676,174	2,403,
Demand deposits	244,005	241,



