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TRUSTCO BANK CORP N Y  
Form 8-K  
July 18, 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): July 18, 2006

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

|   |                     |  |
|---|---------------------|--|
| NEW YORK  | 0-10592             | 14-1630287                               |
| State or Other Jurisdiction<br>of Incorporation or Organization | Commission File No. | I.R.S. Employer<br>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))

TrustCo Bank Corp NY

Item 2.02. Results of Operations and Financial Condition

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On July 18, 2006, TrustCo Bank Corp NY ("TrustCo") issued a press release with year to date and second quarter results for the period ending June 30, 2006. 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.<br>----- | Description<br>-----   |
|------------------------------|--|
| 99(a)                        | Press release dated July 18, 2006, for the period ending June 30, 2006, regarding year to date and second 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: July 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.<br>----- | Description<br>-----               | Page<br>----- |
|------------------------------|------------------------------------|---------------|
| 99(a)                        | Press release dated July 18, 2006, | 5 - 12        |

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highlighting year to date and second quarter 2006 results.

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TRUSTCO  
Bank Corp NY

Exhibit 99 (a)  
News Release

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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 Second Quarter Results

Glenville, New York - July 18, 2006 TrustCo Bank Corp NY (TrustCo, Nasdaq: TRST) today announced results for the second quarter of 2006 and for the first six months of the year. Net income for the second quarter of 2006 was \$12.4 million, compared to \$15.0 million for 2005. Diluted earnings per share were \$0.165 for the second quarter compared to \$0.199 for the second quarter of 2005. Return on average assets and return on average equity were 1.69% and 21.44% for the second quarter of 2006 compared to 2.11% and 26.52% for the second quarter of 2005. For 2006 the second quarter net income represents an increase of \$58 thousand over the net income for the first quarter. Though down from a year ago, we are encouraged by this upward trend for net income in the second quarter.

Net income for the six months ending June 30, 2006 was \$24.8 million, or \$0.330 in diluted earnings per share, compared to \$29.9 million, or \$0.396 in diluted earnings per share, for the six month period ending June 30, 2005.

Robert J. McCormick, President and Chief Executive Officer, commented, "As we have previously discussed, the flat or inverted interest rate yield curve continues. This has resulted in there being little or no margin between short-term and long-term interest rates, which in turn places a downward pressure on earnings. Our initiative to grow out of these downward pressures is continuing to show momentum. As of June 30, 2006, total loans have increased \$275.9 million and total deposits have increased \$143.8 million compared to June 30, 2005. The increases in deposits and loans have come from all the markets we serve, and we are pleased with these results."

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Trustco recently opened its New City office, which is located in Rockland County, New York. This is their 84th branch with approximately four additional openings planned during the third quarter of 2006.

TrustCo is a \$3.0 billion bank holding company and through its subsidiary, Trustco Bank, operates 84 offices in New York, New Jersey, Vermont, 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  
GLENVILLE, NY

### FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share data)

|                                    | 06/30/06  | Three Months Ended<br>03/31/06 |
|------------------------------------|-----------|--------------------------------|
| Summary of operations              |           |                                |
| Net interest income (TE)           | \$ 25,704 | 26,245                         |
| Provision (credit) for loan losses | (1,775)   | (1,800)                        |
| Net securities transactions        | -         | (288)                          |
| Noninterest income                 | 3,917     | 3,593                          |
| Noninterest expense                | 11,986    | 11,925                         |
| Net income                         | 12,424    | 12,366                         |
| Per common share                   |           |                                |
| Net income per share:              |           |                                |
| - Basic                            | \$ 0.166  | 0.165                          |

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|  |        |       |
|--|--------|-------|
| - Diluted                                | 0.165  | 0.164 |
| Cash dividends                           | 0.160  | 0.160 |
| Tangible Book value at period end        | 2.86   | 2.96  |
| Market price at period end               | 11.02  | 12.17 |
| At period end                            |        |       |
| Full time equivalent employees           | 532    | 530   |
| Full service banking offices             | 84     | 82    |
| Performance ratios                       |        |       |
| Return on average assets                 | 1.69 % | 1.73  |
| Return on average equity (1)             | 21.44  | 21.61 |
| Efficiency (2)                           | 41.48  | 39.82 |
| Net interest spread (TE)                 | 3.15   | 3.33  |
| Net interest margin (TE)                 | 3.56   | 3.70  |
| Dividend payout ratio                    | 96.28  | 96.83 |
| Capital ratios at period end (3)         |        |       |
| Total equity to assets                   | 7.89 % | 7.99  |
| Tier 1 risk adjusted capital             | 15.45  | 16.07 |
| Total risk adjusted capital              | 16.72  | 17.34 |
| Asset quality analysis at period end     |        |       |
| Nonperforming loans to total loans       | 0.32 % | 0.22  |
| Nonperforming assets to total assets     | 0.17   | 0.12  |
| Allowance for loan losses to total loans | 2.63   | 2.88  |
| Coverage ratio (4)                       | 8.3 X  | 12.8  |

- (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

|                                    | Six Months Ended<br>06/30/06 | 06/30/05 |
|------------------------------------|------------------------------|----------|
| Summary of operations              |                              |          |
| Net interest income (TE)           | \$ 51,949                    | 53,452   |
| Provision (credit) for loan losses | (3,575)                      | (3,080)  |
| Net securities transactions        | (288)                        | 4,907    |
| Noninterest income                 | 7,510                        | 9,017    |
| Noninterest expense                | 23,911                       | 22,839   |
| Net income                         | 24,790                       | 29,892   |

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|                                   |          |       |
|-----------------------------------|----------|-------|
| Per common share                  |          |       |
| Net income per share:             |          |       |
| - Basic                           | \$ 0.331 | 0.399 |
| - Diluted                         | 0.330    | 0.396 |
| Cash dividends                    | 0.320    | 0.300 |
| Tangible Book value at period end | 2.86     | 3.12  |
| Market price at period end        | 11.02    | 13.06 |
| Performance ratios                |          |       |
| Return on average assets          | 1.71 %   | 2.12  |
| Return on average equity (1)      | 21.52    | 26.67 |
| Efficiency (2)                    | 40.65    | 38.13 |
| Net interest spread (TE)          | 3.24     | 3.61  |
| Net interest margin (TE)          | 3.63     | 3.87  |
| Dividend payout ratio             | 96.56    | 75.29 |

- (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)

|   | 06/30/06     | 12/31/05  |
|---|--------------|-----------|
| ASSETS  |              |           |
| Loans, net  | \$ 1,567,516 | 1,425,342 |
| Securities available for sale                       | 1,090,247    | 1,084,076 |
| Federal funds sold and other short-term investments | 171,708      | 257,196   |
|   | -----        | -----     |
| Total earning assets                                | 2,829,471    | 2,766,614 |
| Cash and due from banks                             | 43,561       | 55,667    |
| Bank premises and equipment                         | 22,669       | 21,734    |
| Other assets  | 72,088       | 68,744    |
|   | -----        | -----     |
| Total assets  | \$ 2,967,789 | 2,912,759 |
|   | =====        | =====     |
| LIABILITIES   |              |           |
| Deposits:   |              |           |
| Demand  | \$ 249,686   | 251,012   |
| Interest-bearing checking                           | 290,239      | 309,668   |

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|   |              |           |
|---|--------------|-----------|
| Savings   | 715,540      | 725,336   |
| Money market  | 266,181      | 190,560   |
| Certificates of deposit (in denominations of \$100,000 or more) | 234,608      | 225,611   |
| Other time deposits   | 875,437      | 860,300   |
|   | -----        | -----     |
| Total deposits  | 2,631,691    | 2,562,487 |
| Short-term borrowings   | 90,599       | 87,935    |
| Long-term debt  | 73           | 87        |
| Due to broker   | -            | -         |
| Other liabilities   | 31,266       | 33,589    |
|   | -----        | -----     |
| Total liabilities   | 2,753,629    | 2,684,098 |
| SHAREHOLDERS' EQUITY  | 214,160      | 228,661   |
|   | -----        | -----     |
| Total liabilities and shareholders' equity                      | \$ 2,967,789 | 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)

|   | 06/30/06  | Three Months Ended<br>03/31/06 |
|---|-----------|--------------------------------|
| Interest income                                     |           |                                |
| Loans   | \$ 25,470 | 24,351                         |
| Investments   | 14,201    | 13,866                         |
| Federal funds sold and other short term investments | 2,271     | 2,492                          |
|   | -----     | -----                          |
| Total interest income                               | 41,942    | 40,709                         |
| Interest expense                                    |           |                                |
| Deposits  | 16,056    | 14,419                         |
| Borrowings  | 962       | 779                            |
|   | -----     | -----                          |
| Total interest expense                              | 17,018    | 15,198                         |
|   | -----     | -----                          |
| Net interest income                                 | 24,924    | 25,511                         |

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|   |           |         |
|---|-----------|---------|
| Provision (credit) for loan losses                  | (1,775)   | (1,800) |
|   | -----     | -----   |
| Net interest income after provision for loan losses | 26,699    | 27,311  |
| Net securities transactions                         | -         | (288)   |
| Noninterest income                                  | 3,917     | 3,593   |
| Noninterest expense                                 | 11,986    | 11,925  |
|   | -----     | -----   |
| Income before income taxes                          | 18,630    | 18,691  |
| Income tax expense                                  | 6,206     | 6,325   |
|   | -----     | -----   |
| Net income  | \$ 12,424 | 12,366  |
|   | =====     | =====   |
| Net income per share:                               |           |         |
| - Basic   | \$ 0.166  | 0.165   |
| - Diluted   | \$ 0.165  | 0.164   |
| Avg equivalent shares outstanding, in thousands:    |           |         |
| - Basic   | 74,894    | 74,871  |
| - Diluted   | 75,112    | 75,263  |

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

|   | Six Months Ended |          |
|---|------------------|----------|
|   | 06/30/06         | 06/30/05 |
| Interest income                                     |                  |          |
| Loans   | \$ 49,821        | 40,970   |
| Investments   | 28,067           | 23,931   |
| Federal funds sold and other short term investments | 4,763            | 7,000    |
|   | -----            | -----    |
| Total interest income                               | 82,651           | 71,901   |
| Interest expense                                    |                  |          |
| Deposits  | 30,475           | 19,517   |
| Borrowings  | 1,741            | 816      |
|   | -----            | -----    |
| Total interest expense                              | 32,216           | 20,333   |
| Net interest income                                 | 50,435           | 51,568   |
| Provision (credit) for loan losses                  | (3,575)          | (3,080)  |
|   | -----            | -----    |
| Net interest income after                           |                  |          |



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|  |           |        |
|--|-----------|--------|
| provision for loan losses                        | 54,010    | 54,648 |
| Net securities transactions                      | (288)     | 4,907  |
| Noninterest income                               | 7,510     | 9,017  |
| Noninterest expense                              | 23,911    | 22,839 |
|  | -----     | -----  |
| Income before income taxes                       | 37,321    | 45,733 |
| Income tax expense                               | 12,531    | 15,841 |
|  | -----     | -----  |
| Net income                                       | \$ 24,790 | 29,892 |
|  | =====     | =====  |
| Net income per share:                            |           |        |
| - Basic  | \$ 0.331  | 0.399  |
| - Diluted  | \$ 0.330  | 0.396  |
| Avg equivalent shares outstanding, in thousands: |           |        |
| - Basic  | 74,883    | 74,972 |
| - Diluted  | 75,188    | 75,429 |

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CONSOLIDATED AVERAGE STATEMENTS OF FINANCIAL CONDITION  
(in thousands)

|                               | 06/30/06     | Three Months Ended<br>03/31/06 | 06/30/05  |
|-------------------------------|--------------|--------------------------------|-----------|
| Total assets                  | \$ 2,946,441 | 2,898,342                      | 2,946,441 |
| Shareholders' equity          | 215,412      | 225,030                        | 215,412   |
| Total loans                   | 1,567,535    | 1,495,867                      | 1,567,535 |
| Securities available for sale | 1,129,033    | 1,099,024                      | 1,129,033 |
| Interest-earning assets       | 2,882,392    | 2,819,811                      | 2,882,392 |
| Interest-bearing deposits     | 2,356,285    | 2,311,333                      | 2,356,285 |
| Interest-bearing liabilities  | 2,455,573    | 2,403,167                      | 2,455,573 |
| Demand deposits               | 247,029      | 241,903                        | 247,029   |
|                               |              |                                |           |
|                               |              | Six Months Ended<br>06/30/05   |           |
| Total assets                  | \$ 2,922,526 | 2,843,406                      | 2,922,526 |
| Shareholders' equity          | 220,194      | 228,332                        | 220,194   |
| Total loans                   | 1,531,898    | 1,275,550                      | 1,531,898 |
| Securities available for sale | 1,114,112    | 949,857                        | 1,114,112 |
| Interest-earning assets       | 2,851,642    | 2,762,772                      | 2,851,642 |
| Interest-bearing deposits     | 2,333,934    | 2,276,151                      | 2,333,934 |
| Interest-bearing liabilities  | 2,429,516    | 2,358,235                      | 2,429,516 |
| Demand deposits               | 244,480      | 229,789                        | 244,480   |

