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TRUSTCO BANK CORP N Y
Form 8-K
October 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): October 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, 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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TrustCo Bank Corp NY

Item 2.02. Results of Operations and Financial Condition

On October 16, 2007, TrustCo Bank Corp NY ("TrustCo") issued a press release with third quarter and year to date results for the period ending September 30, 2007. 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 16, 2007, for the period ending September 30, 2007, regarding third quarter and year to date results.

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 16, 2007

TrustCo Bank Corp NY
(Registrant)

By: /s/ Robert T. Cushing

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 October 16, 2007, for the period ending September 30, 2007, regarding third quarter and year to date results.	5 - 12

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

Subsidiary: Trustco Bank

NASDAQ -- TRST

Contact: Kevin T. Timmons

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Vice President/Treasurer
(518) 381-3607

FOR IMMEDIATE RELEASE:

TrustCo Announces Third Quarter 2007 Results

Glenville, New York - October 16, 2007

TrustCo Bank Corp NY (TrustCo, Nasdaq: TRST) today announced that net income for the third quarter of 2007 was \$10.6 million compared to \$11.2 million for the comparable 2006 quarter. Diluted earnings per share were \$0.141 for the third quarter of 2007, compared to \$0.149 for the same period in 2006. Return on average equity and return on average assets were 18.45% and 1.26%, respectively for the third quarter of 2007 compared to 18.15% and 1.48% for the third quarter of 2006.

For the first nine months of 2007 net income was \$31.1 million and resulted in diluted earnings per share of \$0.413, as compared to the first nine months of 2006 which resulted in net income of \$36.0 million and diluted earnings per share of \$0.479. Return on average equity and return on average assets were 18.07% and 1.27%, respectively, for the first nine months of 2007, and 19.81% and 1.63% for the comparable period in 2006.

Compared to prior year results, the decline in net income in both the 2007 quarter and year-to-date periods is primarily a result of a decline in the Company's net interest margin, brought about by the inverted yield curve, and higher costs related to the expansion of the branch network. Also, for the nine month periods, the Company recognized a credit to the provision for loan losses of \$3.6 million for 2006 and zero in 2007. This decline was another contributing factor in the reduction in year-to-date net

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income for 2007 compared to 2006.

TrustCo continued to report impressive growth in both deposits and loans. For the quarter ended September 30, 2007, average deposits were up \$361.7 million or 13.7% compared to the third quarter of 2006. Average loans showed similar results, rising \$235.2 million or 14.3% compared to the same period in 2006. Much of the growth can be attributed to the Company's branch expansion initiative. During the third quarter of 2007, TrustCo opened four offices to bring the total to 105. Current plans call for the expansion program to continue into 2008 with new branches planned in the markets currently served. Robert J. McCormick, President and Chief Executive Officer noted that, "We are pleased with the early results of our expansion program but are mindful that achieving our profit goals will take time and continued hard work."

Mr. McCormick also noted "Press reports continue to cover the fallout related to 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 has never been involved in this type of lending. We have always believed that mortgage loans are our most important asset and growth is never an excuse to sacrifice credit quality. While the news continues to report stories of mortgage lenders closing down or having to dramatically restructure their businesses, TrustCo continues to make mortgages

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to credit worthy applicants. In fact, the declining number of competitors in the mortgage business may possibly create opportunities for our Company."

Nonperforming loans continue at low levels and reserve coverage of those loans remains strong. At the end of the third quarter, nonperforming loans were equal to 0.46% of total loans, while the allowance for loan losses was 3.9 times nonperforming loans. At June 30, 2007, nonperforming loans were equal to 0.50% of total loans and the allowance was 3.8 times nonperforming loans. Both figures compare favorably to the industry. Looking at the most recent data available, as of June 30, 2007, the average ratio of nonperforming loans to total loans was 0.68% and the average of the allowance of loan losses to nonperforming loans was 2.3 times for all publically traded thrifts as reported by SNL Financial.

On August 21st the Board of Directors declared a quarterly cash dividend of \$0.16 per share, which shareholders received in early October. This dividend equates to an annualized yield of 5.86% based on the closing stock price for the third quarter.

TrustCo Bank Corp is a \$3.34 billion bank holding company and through its subsidiary, Trustco Bank, operates 105 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 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.

GLENVILLE, NY

FINANCIAL HIGHLIGHTS

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

	09/30/07		Three Months Ended 06/30/07
Summary of operations			
Net interest income (TE)	\$ 25,314		24,752
Provision (credit) for loan losses	-		-
Net securities transactions	226		3
Net trading gains (losses)	305		(2,844)
Noninterest income	4,220		3,987
Noninterest expense	13,597		13,458
Net income	10,640		8,107
Per common share			
Net income per share:			
- Basic	\$ 0.142		0.108
- Diluted	0.141		0.108
Cash dividends	0.160		0.160
Tangible Book value at period end	3.12		3.06
Market price at period end	10.93		9.88
At period end			
Full time equivalent employees	649		610
Full service banking offices	105		101
Performance ratios			
Return on average assets	1.26	%	0.98
Return on average equity (1)	18.45		14.13
Efficiency (2)	45.99		46.20
Net interest spread (TE)	2.66		2.63
Net interest margin (TE)	3.10		3.07
Dividend payout ratio	113.02		148.02
Capital ratios at period end (3)			
Total equity to assets	6.93	%	6.87
Tier 1 risk adjusted capital	13.44		13.29
Total risk adjusted capital	14.70		14.55
Asset quality analysis at period end			
Nonperforming loans to total loans	0.46	%	0.50
Nonperforming assets to total assets	0.27		0.28
Allowance for loan losses to total loans	1.82		1.90

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Coverage ratio (4) 3.9 X 3.8

- (1) Average equity excludes the effect of accumulated other comprehensive income (loss).
- (2) Calculated as noninterest expense (excluding other real estate owned income/expense, specialized consulting and any one-time charges) divided by taxable equivalent net interest income plus noninterest income (excluding net securities transactions, net 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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FINANCIAL HIGHLIGHTS, Continued

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

	Nine Months Ended	
	09/30/07	09/30/06
Summary of operations		
Net interest income (TE)	\$ 74,573	77,113
Provision (credit) for loan losses	-	(3,575)
Net securities transactions	229	(264)
Net trading gains	906	-
Noninterest income	12,310	11,381
Noninterest expense	39,761	35,610
Net income	31,061	35,969
Per common share		
Net income per share:		
- Basic	\$ 0.414	0.480
- Diluted	0.413	0.479
Cash dividends	0.480	0.480
Tangible Book value at period end	3.12	3.16
Market price at period end	10.93	10.84
Performance ratios		
Return on average assets	1.27	1.63
Return on average equity (1)	18.07	19.81
Efficiency (2)	45.22	40.46
Net interest spread (TE)	2.67	3.17
Net interest margin (TE)	3.11	3.57
Dividend payout ratio	115.91	99.84

- (1) Average equity excludes the effect of accumulated other comprehensive income (loss).
- (2) Calculated as noninterest expense (excluding other real estate owned

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income/expense, specialized consulting and any one-time charges) divided by taxable equivalent net interest income plus noninterest income (excluding net securities transactions, net trading gains and losses and one-time income items).

TE = Taxable equivalent.

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(dollars in thousands)
(Unaudited)

	09/30/07	12/31/06
ASSETS		
Loans, net	\$ 1,876,753	1,720,000
Trading securities	450,513	450,513
Securities available for sale	580,099	1,040,000
Held to maturity securities	25,000	25,000
Federal funds sold and other short-term investments	274,396	240,000
	-----	-----
Total earning assets	3,206,761	3,010,000
Cash and due from banks	48,275	40,000
Bank premises and equipment	28,656	20,000
Other assets	57,495	70,000
	-----	-----
Total assets	\$ 3,341,187	3,160,000
	=====	=====
LIABILITIES		
Deposits:		
Demand	\$ 258,978	250,000
Interest-bearing checking	275,839	290,000
Savings accounts	619,251	660,000
Money market	358,131	310,000
Certificates of deposit (in denominations of \$100,000 or more)	370,990	290,000
Other time deposits	1,101,221	970,000
	-----	-----
Total deposits	2,984,410	2,790,000
Short-term borrowings	93,865	90,000
Long-term debt	36	36
Other liabilities	28,060	20,000
	-----	-----
Total liabilities	3,106,371	2,920,000
SHAREHOLDERS' EQUITY	234,816	230,000
	-----	-----
Total liabilities and equity	\$ 3,341,187	3,160,000

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shareholders' equity	\$ 3,341,187	3,16
	=====	=====
Number of common shares outstanding, in thousands	75,140	7

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CONSOLIDATED STATEMENTS OF INCOME

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

	09/30/07	Three Months Ended 06/30/07
Interest income		
Loans	\$ 31,039	29,566
Investments	12,851	11,126
Federal funds sold and other short term investments	4,949	6,856
	-----	-----
Total interest income	48,839	47,548
Interest expense		
Deposits	23,342	22,577
Borrowings	942	989
	-----	-----
Total interest expense	24,284	23,566
	-----	-----
Net interest income	24,555	23,982
Provision (credit) for loan losses	-	-
	-----	-----
Net interest income after provision for loan losses	24,555	23,982
Net securities transactions	226	-
Trading gains (losses)	305	(2,841)
Noninterest income	4,220	3,987
Noninterest expense	13,597	13,458
	-----	-----
Income before income taxes	15,709	11,670
Income tax expense	5,069	3,563
	-----	-----
Net income	\$ 10,640	8,107
	=====	=====
Net income per share:		
- Basic	\$ 0.142	0.108
- Diluted	\$ 0.141	0.108

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Avg equivalent shares outstanding, in thousands:		
- Basic	75,166	75,040
- Diluted	75,267	75,068

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CONSOLIDATED STATEMENTS OF INCOME

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

	Nine Months Ended	
	09/30/07	09/30/06
Interest income		
Loans	\$ 89,236	76,517
Investments	37,188	42,204
Federal funds sold and other short term investments	15,244	6,772
	-----	-----
Total interest income	141,668	125,493
Interest expense		
Deposits	66,485	47,964
Borrowings	2,925	2,731
	-----	-----
Total interest expense	69,410	50,695
Net interest income	72,258	74,798
Provision (credit) for loan losses	-	(3,575)
	-----	-----
Net interest income after provision for loan losses	72,258	78,373
Net securities transactions	229	(264)
Trading gains	906	-
Noninterest income	12,310	11,381
Noninterest expense	39,761	35,610
	-----	-----
Income before income taxes	45,942	53,880
Income tax expense	14,881	17,911
	-----	-----
Net income	\$ 31,061	35,969
	=====	=====
Net income per share:		
- Basic	\$ 0.414	0.480
- Diluted	\$ 0.413	0.479

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Avg equivalent shares outstanding, in thousands:

- Basic	75,054	74,896
- Diluted	75,130	75,155