

MID-STATE BANCSHARES  
Form 8-K  
January 29, 2007

**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 25, 2007**

**MID-STATE BANCSHARES**

(Exact Name of registrant as specified in its charter)

**California**

(State or other jurisdiction  
of incorporation)

**000-23925**

(Commission  
File Number)

**77-0442667**

(IRS Employer  
Identification No.)

**1026 East Grand Avenue, Arroyo Grande, CA**

(Address of principal executive offices)

**93420**

(Zip Code)

Registrant's telephone number, including area code **(805) 473-7700**

**N/A**

(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:

- o Written communications Pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**SECTION 2 FINANCIAL INFORMATION**

**Item 2.02 Results of Operations and Financial Condition.**

On January 25, 2007 Mid-State Bancshares reported diluted earnings of \$0.38 per share for the fourth quarter of 2006 on net income of \$8.7 million. Results in the quarter continued to be impacted by increased non-interest expense compared to the prior year reflecting, primarily, increases in staffing for growth and compliance, benefit cost increases, adoption of Statement of Financial Accounting Standards (SFAS) No. 123(R), Share-Based Payments, and charges incurred related to the pending merger previously announced with Rabobank, N.A. The adoption of the new accounting statement alone reduced earnings by approximately \$429,000 after tax, or \$0.02 per share. Net income for the fourth quarter of 2005 was \$9.4 million, or \$0.41 per share.

For the full year 2006, net income was \$35.3 million, or \$1.55 per diluted share, compared to \$37.5 million and \$1.61 per share for 2005. Adoption of SFAS No. 123(R) reduced 2006 earnings by approximately \$1.7 million for the full year, or \$0.07 per share.

Please refer to the Press Release dated January 25, 2007, attached hereto and made a part hereof.

**SECTION 9 FINANCIAL STATEMENTS AND EXHIBITS**

**Item 9.01 - Financial Statements and Exhibits.**

**Exhibits**

**Exhibit**

<b>No.</b>	<b>Description</b>
99	Press Release announcing fourth quarter earnings dated January 25, 2007

**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 hereunto duly authorized.

**Registrant:** -

**MID-STATE BANCSHARES**

**Date:** January 25, 2007

**By:** /s/ James W. Lokey  
James W. Lokey  
President  
Chief Executive Officer

**By:** /s/ James G. Stathos  
James G. Stathos  
Executive Vice President  
Chief Financial Officer

**EXHIBIT INDEX**

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