

INTERNATIONAL BANCSHARES CORP
Form 10-Q
November 07, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the quarterly period ended September 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from to

Commission file number 000-09439

INTERNATIONAL BANCSHARES CORPORATION

(Exact name of registrant as specified in its charter)

Texas

74-2157138

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1200 San Bernardo Avenue, Laredo, Texas 78042-1359

(Address of principal executive offices)

(Zip Code)

(956) 722-7611

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date

Class	Shares Issued and Outstanding
Common Stock, \$1.00 par value	65,963,840 shares outstanding at November 3, 2016

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

INTERNATIONAL BANCSHARES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Condition (Unaudited)

(Dollars in Thousands)

	September 30, 2016	December 31, 2015
Assets		
Cash and cash equivalents	\$ 248,897	\$ 273,053
Investment securities:		
Held to maturity (Market value of \$2,400 on September 30, 2016 and \$2,400 on December 31, 2015)	2,400	2,400
Available for sale (Amortized cost of \$4,378,080 on September 30, 2016 and \$4,196,034 on December 31, 2015)	4,427,570	4,199,372
Total investment securities	4,429,970	4,201,772
Loans	5,886,662	5,950,914
Less allowance for probable loan losses	(63,970)	(66,988)
Net loans	5,822,692	5,883,926
Bank premises and equipment, net	510,649	516,716
Accrued interest receivable	28,956	31,572
Other investments	506,569	468,791
Identified intangible assets, net	57	153
Goodwill	282,532	282,532
Other assets	107,091	114,354
Total assets	\$ 11,937,413	\$ 11,772,869

INTERNATIONAL BANCSHARES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Condition, continued (Unaudited)

(Dollars in Thousands)

	September 30, 2016	December 31, 2015
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Demand—non-interest bearing	\$ 3,209,143	\$ 3,149,618
Savings and interest bearing demand	3,082,637	3,020,222
Time	2,254,535	2,366,413
Total deposits	8,546,315	8,536,253
Securities sold under repurchase agreements	732,899	827,772
Other borrowed funds	627,000	505,750
Junior subordinated deferrable interest debentures	161,416	161,416
Other liabilities	122,499	76,175
Total liabilities	10,190,129	10,107,366
Shareholders' equity:		
Common shares of \$1.00 par value. Authorized 275,000,000 shares; issued 95,888,369 shares on September 30, 2016 and 95,866,218 shares on December 31, 2015	95,888	95,866
Surplus	169,039	