

INTERNATIONAL BANCSHARES CORP
Form 10-Q
August 07, 2018

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 June 30, 2018

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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	66,136,936 shares outstanding at August 3, 2018

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

INTERNATIONAL BANCSHARES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Condition (Unaudited)

(Dollars in Thousands)

	June 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	\$ 265,122	\$ 265,357
Investment securities:		
Held to maturity debt securities (Fair value of \$2,400 on June 30, 2018 and \$2,400 on December 31, 2017)	2,400	2,400
Available for sale debt securities (Amortized cost of \$3,822,194 on June 30, 2018 and \$4,196,263 on December 31, 2017)	3,720,566	4,124,185
Equity securities with readily determinable fair values	27,054	27,885
Total investment securities	3,750,020	4,154,470
Loans	6,439,420	6,348,172
Less allowance for probable loan losses	(62,853)	(67,687)
Net loans	6,376,567	6,280,485
Bank premises and equipment, net	511,337	514,454
Accrued interest receivable	35,762	34,456
Other investments	586,338	571,415
Goodwill	282,532	282,532
Other assets	181,317	81,529
Total assets	\$ 11,988,995	\$ 12,184,698

INTERNATIONAL BANCSHARES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Condition, continued (Unaudited)

(Dollars in Thousands)

	June 30, 2018	December 31, 2017
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Demand—non-interest bearing	\$ 3,437,023	\$ 3,243,255
Savings and interest bearing demand	3,230,386	3,245,131
Time	2,002,219	2,056,506
Total deposits	8,669,628	8,544,892
Securities sold under repurchase agreements	306,755	353,805
Other borrowed funds	852,950	1,195,225
Junior subordinated deferrable interest debentures	160,416	160,416
Other liabilities	119,516	91,380
Total liabilities	10,109,265	10,345,718