

INTERNATIONAL BANCSHARES CORP
Form 10-Q
August 05, 2013

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, 2013

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 x No o

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 x No o

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 x

Accelerated filer o

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

Smaller reporting company o

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

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

Class
Common Stock, \$1.00 par value

Shares Issued and Outstanding
67,197,575 shares outstanding at July 31, 2013

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

INTERNATIONAL BANCSHARES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Condition (Unaudited)

(Dollars in Thousands)

	June 30, 2013	December 31, 2012
Assets		
Cash and due from banks	\$ 238,924	\$ 283,100
Investment securities:		
Held-to-maturity (Market value of \$2,400 on June 30, 2013 and \$2,400 on December 31, 2012)	2,400	2,400
Available-for-sale (Amortized cost of \$5,213,646 on June 30, 2013 and \$5,423,189 on December 31, 2012)	5,189,977	5,525,015
Total investment securities	5,192,377	5,527,415
Loans	4,911,949	4,775,004
Less allowance for probable loan losses	(65,051)	(58,193)
Net loans	4,846,898	4,716,811
Bank premises and equipment, net	484,345	481,287
Accrued interest receivable	30,711	31,034
Other investments	366,476	372,739
Identified intangible assets, net	5,524	7,819
Goodwill	282,532	282,532
Other assets	149,126	179,936
Total assets	\$ 11,596,913	\$ 11,882,673

INTERNATIONAL BANCSHARES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Condition, continued (Unaudited)

(Dollars in Thousands)

	June 30, 2013	December 31, 2012
Liabilities and Shareholders Equity		
Liabilities:		
Deposits:		
Demand non-interest bearing	\$ 2,613,721	\$ 2,465,750
Savings and interest bearing demand	2,833,768	2,867,151
Time	2,746,235	2,954,312
Total deposits	8,193,724	8,287,213
Securities sold under repurchase agreements	1,025,071	1,129,679
Other borrowed funds	752,458	749,027
Junior subordinated deferrable interest debentures	190,726	190,726
Other liabilities	37,640	90,320
Total liabilities	10,199,619	10,446,965
Commitments and Contingent Liabilities (Note 10)		
Shareholders equity:		
Common shares of \$1.00 par value. Authorized 275,000,000 shares; issued 95,730,472 shares on June 30, 2013 and 95,724,517 shares on December 31, 2012	95,730	95,725
Surplus	163,567	163,287
Retained earnings	1,411,687	1,369,543
Accumulated other comprehensive (loss) income (including \$(6,352) and \$(6,811) of comprehensive loss related to other- than-temporary impairment for non-credit related issues)	(15,181)	65,662
	1,655,803	1,694,217
Less cost of shares in treasury, 28,537,180 shares on June 30, 2013 and 28,537,180 December 31, 2012	(258,509)	(258,509)
Total shareholders equity	1,397,294	1,435,708
Total liabilities and shareholders equity	\$ 11,596,913	\$ 11,882,673

See accompanying notes to consolidated financial statements.

INTERNATIONAL BANCSHARES CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income (Unaudited)

(Dollars in Thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Interest income:				
Loans, including fees	\$ 64,617	\$ 67,413	\$ 128,151	\$ 135,736
Investment securities:				