

July 7, 2017

*Via email to rule-comments@sec.gov (Subject: File Number S7-02-17)*

To: Michael Seaman  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Re: RIN 3235-AL79, File Number S7-02-17, Request for Comment on Possible Changes to Industry Guide 3 (Statistical Disclosure by Bank Holding Companies)

Dear Mr. Seaman:

The following comments are submitted to the Securities and Exchange Commission (“SEC”) on behalf of International Bancshares Corporation (“IBC”), a publicly traded multi-bank financial holding company headquartered in Laredo, Texas. IBC holds five subsidiary banks serving Texas and Oklahoma. With approximately \$12 billion in total consolidated assets, IBC is the largest Hispanic-owned financial holding company in the continental United States. We appreciate the opportunity to provide input on the SEC’s request for comment as to the disclosures called for by Industry Guide 3, Statistical Disclosure by Bank Holding Companies.

#### **Timeframe for Review of Guide 3 Provisions**

As the SEC notes in the request, the financial services industry has changed significantly since Guide 3 was first published, and the Guide has not been updated to reflect subsequent industry developments and changes in accounting standards that impact reporting by bank holding companies. Our first comment therefore relates to the frequency with which the SEC reviews and updates Guide 3. The SEC observes that the last round of substantive changes to Guide 3 were made in 1986. We suggest that the SEC adopt a specific, reasonable timeframe for periodically reviewing and, as warranted, refreshing the provisions in the Guide, such as every five (5) years.

#### **Duplicative/Redundant Disclosure Requirements**

Turning to the substance of the disclosures specified by Guide 3, we understand that the goal of the SEC’s disclosure system is to ensure that investors receive the information they need to make informed decisions with regard to investment and voting. With this in mind, we caution against calling for the reporting of information that is duplicative, in that it is already reported elsewhere, or is easily accessible by investors from some other source, such as the quarterly Reports of Condition and Income (“call reports”) filed by a bank holding company’s bank subsidiaries.

As the SEC acknowledges in the request for comment, “A wide range of information is publicly available beyond what is called for by the Commission’s disclosure requirements and guidance.”

While, as the SEC states, “Because these reports [such as call reports] are prepared based on bank regulatory reporting requirements, the information they contain is not necessarily identical to the information in Commission filings,” they nonetheless do contain much of the same information. In addition to call reports, many of the proposed changes the SEC is considering are already covered in reports filed by bank holding companies to the Federal Reserve, or in footnote disclosures required by generally accepted accounting principles (GAAP). Investors that are monitoring registrants will already have access to call reports since they are public information. Furthermore, because there is already a form of XBRL under which the call reports are filed, such data can easily be pulled directly from the FDIC. Thus, we recommend against adding such information into Guide 3 as a duplicative reporting expectation or requirement.

In Question 86 and other questions, the SEC asks whether to impose requirements about activities in which bank holding company registrants engage that are not currently covered by Guide 3, such as commodities, asset management or broker-dealer activities. While these other activities may not be covered by Guide 3, they are already covered by other bank regulatory reporting requirements. And FASB Accounting Standards Codification (ASC) Topic 280, *Segment Reporting*, requires an analysis of business segments and requires that separate detailed disclosures and financial statements be included in footnote disclosures for the activities. Thus, through other channels, bank holding companies already are providing very robust information on activities such as those in the SEC’s examples.

As an overall matter, we suggest granularly reviewing the Guide 3 items in an attempt to eliminate duplication and avoid confusion. There is already a significant amount of data that is duplicated in footnotes and in Management’s Discussion and Analysis that serves to add bulk to reports without providing new information to investors.

In short, we suggest that the SEC carefully review the changes to be made to Guide 3 so as to clarify and streamline reporting expectations, but not to add duplicative and needlessly burdensome requirements.

Thank you for your consideration of our comments. We would be pleased to discuss them further at your convenience.

Sincerely,



Imelda Navarro  
Chief Financial Officer  
International Bancshares Corporation