



**International Bancshares  
Corporation**

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October 8, 2019

*Via email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov) (Subject: File Number S7-11-19)*

To: Vanessa A. Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

Re: RIN 3235-AL 78, File Number S7-11-19, Request for Comment on Proposed Rule Regarding Modernization of Regulation S-K Items 101, 103, and 105

Dear Secretary Countryman:

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. We appreciate the opportunity to provide input on the SEC’s proposed rule modernizing certain business and financial disclosure requirements in Regulation S-K, as set forth in Release Numbers 33-10668 and 34-86614.

**I. Comments on Principles-Based Philosophy**

Generally speaking, IBC believes that moving towards a more principles-based disclosure in Items 101 and 103 would reduce the amount of irrelevant and repetitive information currently provided in disclosures. It would allow registrants to tailor disclosures according to their specific circumstances, thus providing a focus on materiality and substance over quantity. Additionally, where applicable, IBC also supports cross-references and/or hyperlinks to information that is located in multiple sections within a disclosure document. IBC thinks these changes would help reduce redundancies in filings and allow investors to focus on the material developments within a business that affect their decision-making process.

**II. Response to Disclosure of General Development of Business**

Regarding Item 101(a), IBC believes it is unnecessary to prescribe a disclosure timeframe on the general development of a registrant’s business and supports eliminating the current five-year timeframe for this disclosure in its entirety. A five-year timeframe does not necessarily elicit the most relevant disclosure for every registrant and, in some instances, may compartmentalize a registrant’s response. A principles-based approach to this disclosure would allow a registrant to

customize the information in the most appropriate manner for describing material developments, which may require a timeframe of more or less than five years.

### **III. Response to Disclosure Regarding Narrative Description of Business**

With respect to Item 101(c), the current list of 13 enumerated items are well-suited for disclosures made by manufacturing companies, but are not necessarily relevant for service-oriented industries. A principles-based approach to this disclosure would allow registrant's to provide information that is material to the facts and circumstances surrounding its specific business. The current list of 13 enumerated items should remain as an example-only of the types of disclosures that a registrant may provide, but should not be mistaken for being a checklist.

### **IV. Response to Disclosure Regarding Legal Proceedings**

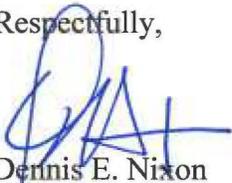
As noted in Section I above, IBC supports any revision that reduces redundant information or eliminates overly burdensome and unnecessary information not pertinent to an investment decision within a disclosure document; therefore, IBC agrees with the proposed change to Item 103, which would allow hyperlinks to legal proceeding disclosures that are located elsewhere in the document.

### **V. Response to Disclosure Regarding Risk Factors**

With respect to the SEC's proposed change to Item 105, IBC does not think it is beneficial to require a summary of significant risk factors when such list exceeds 15 pages. IBC believes that a summary would omit the context in which risk factors arise and could lull investors into making an assessment through the prism of the registrant's risk profile, rather than that of the investor. Notwithstanding the foregoing, IBC does support changing the standard from discussion of the "most significant" risk factors to the "material" risk factors. A materiality standard would focus the disclosure on risks that a reasonable investor deems important.

Thank you for this opportunity to share our views.

Respectfully,



Dennis E. Nixon  
President

International Bancshares Corporation