International Bancshares Corporation (IBOC)

Updated April 26th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$72	**5 Year Annual Expected Total Return:**	11.3%	**Market Cap:**	$4.43 B
Fair Value Price:	$77	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	08/14/26[1]
% Fair Value:	94%	**5 Year Valuation Multiple Estimate:**	1.4%	**Dividend Payment Date:**	08/28/26[2]
Dividend Yield:	2.0%	**5 Year Price Target**	$113	**Years Of Dividend Growth:**	17
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

International Bancshares Corporation (IBOC) is a financial holding company based in Laredo, Texas. Founded in 1966, International Bancshares is a multi-bank financial holding company that provides banking and financial services through its subsidiary banks in Texas and Oklahoma. International Bancshares has a diverse customer base, including individuals, small businesses, and large corporations. International Bancshares operates in several revenue segments, including commercial and retail banking, wealth management, insurance, and international trade finance.

On February 26th, 2026, the company announced results for the fourth quarter of 2025. IBOC reported Q4 GAAP EPS of $1.71, beating the market's estimates by $0.08.

International Bancshares Corporation delivered a steady full-year performance, with net income reaching approximately $412.3 million in 2025, reflecting a modest 0.8% increase compared to the prior year. The underlying driver remained clear—higher interest income supported by both balance sheet expansion and a favorable rate environment. Loan and investment portfolios continued to grow, pushing total assets to $16.6 billion, while net loans climbed to $9.3 billion and deposits reached $12.4 billion. In many ways, this was a continuation of IBOC's long-standing model: disciplined growth paired with conservative balance sheet management.

That said, the fourth quarter showed some softening. Net income declined to $106.9 million, down 7.1% year-over-year, reflecting rising funding costs as deposit rates increased. This is where the story gets a bit more nuanced. While asset yields benefited from higher rates, deposit competition is clearly tightening margins, forcing management to actively adjust pricing to retain and attract deposits. Even so, operational discipline remains intact, with management emphasizing cost control, liquidity oversight, and early-stage AI-driven efficiency initiatives heading into 2026. The tone is not defensive, it's measured, which arguably fits the current banking environment.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.03	$2.38	$3.27	$3.13	$2.63	$4.01	$4.79	$6.62	$6.57	$6.62	***$7.00***	***$10.29***
DPS	$0.60	$0.66	$0.75	$1.05	$1.10	$1.15	$1.20	$1.26	$1.32	$1.40	***$1.46***	***$2.35***
Shares[3]	66.3	66.8	66.6	65.7	63.9	63.5	62.8	62.1	62.3	62.3	***61.9***	***59.8***

The increase in interest income has been used in conjunction with cost management activities to streamline processes and boost operational efficiencies. To capture the risk of potential losses in the IBOC portfolio resulting from those uncertain economic conditions, management continued to monitor how economic conditions, including a potential recession, impact the loan portfolio and has factored those forecasts into the allowance for credit loss calculation. IBOC's loan portfolio includes commercial, real estate, personal, home improvement, automobile, and other installment and term loans. With interest rates rising, IBOC can charge higher interest rates on these loans, increasing net interest

[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] Shares in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

income. Furthermore, as a financial holding company, IBOC may also be able to invest in higher-yielding fixed-income securities, such as government bonds or corporate bonds, which could also boost its interest income.

Lastly, as interest rates remain high, depositors may demand higher returns on their savings, and IBOC may need to offer higher interest rates to remain competitive. Considering the current interest rate environment, we maintain our EPS estimate for 2026 of $7.00 with a projected annual EPS growth of 8.0% for the following years. This is lower than the company's CAGR of 14.0% since 2016, but leads to an EPS estimate of $10.29 by 2031. In addition, International Bancshares's DPS had a 10-year and five-year CAGR of 9.9% and 4.9%, respectively, and the company has consistently increased the dividend payments for the last 17 years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	14.3	15.7	12.6	12.5	12.0	10.7	9.1	6.9	9.1	10.0	***10.3***	***11.0***
Avg. Yld.	2.1%	1.8%	1.8%	2.7%	3.5%	2.7%	2.7%	2.8%	2.2%	2.1%	***2.0%***	***2.1%***

International Bancshares trades at a forward P/E of 10.3, which is in the middle of its long- and medium-term average P/E of 11.3 and 9.2, respectively. Considering the bank's resiliency, we have assumed a stable P/E of 11.0 to value the stock by 2031, suggesting a target price of $113.

Safety, Quality, Competitive Advantage, & Recession Resiliency

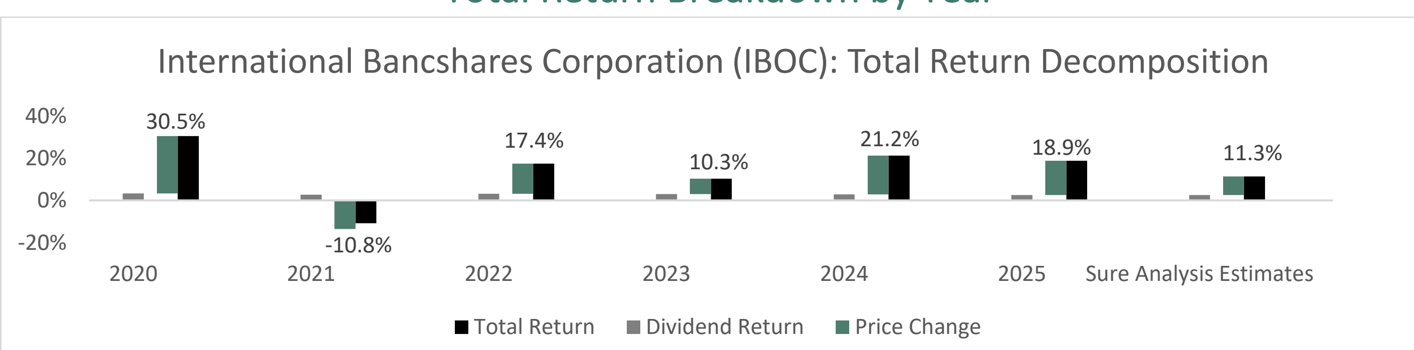
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	30%	28%	23%	34%	42%	29%	25%	19%	20%	21%	***21%***	***23%***

International Bancshares has a competitive advantage due to its strong presence in the Texas border region and Mexico, which allows it to serve a diverse and growing customer base. During the 2008 recession, IBOC demonstrated strong performance, with low loan losses and stable earnings, indicating its resilience to economic downturns. Additionally, IBOC has maintained a conservative approach to debt management, with a low debt-to-equity ratio, indicating a solid financial position and ability to weather market fluctuations. IBOC has consistently raised its dividend over the past 16 years, with a projected payout ratio of around 20% for this year, suggesting that the bank can potentially continue to increase its dividend distributions in the rising interest rate environment.

Final Thoughts & Recommendation

Looking ahead, International Bancshares is well-positioned to benefit from strong economy in the U.S. and the Texas border region, where the bank has a significant presence. Additionally, IBOC's exposure to the Mexican market provides an additional growth opportunity as the country continues to be a key trading partner with the U.S. and experiences economic growth. Thus, we maintain our buy rating premised upon the 11.3% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.0%, the 2.0% dividend yield, and multiple expansion.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

International Bancshares Corporation (IBOC)

Updated April 26th, 2026, by Yiannis Zourmpanos

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	508	506	527	578	589	538	594	675	833	834
SG&A Exp.	139	142	144	150	155	136	132	139	146	159
D&A Exp.	26	25	25	26	28	28	25	22	22	23
Net Profit	137	134	157	216	205	167	254	300	412	409
Net Margin	26.9%	26.4%	29.9%	37.3%	34.8%	31.1%	42.8%	44.5%	49.5%	49.0%
Free Cash Flow	184	164	183	208	282	298	281	369	447	460
Income Tax	70	63	64	57	55	44	68	82	112	100

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	11,773	11,804	12,185	11,872	12,113	14,029	16,046	15,501	15,070	15,740
Cash & Equivalents	273	269	265	317	257	1,997	3,209	2,088	651	353
Acc. Receivable	32	32	34	37	37	38	31	46	65	72
Goodwill & Int.	283	283	283	283	283	283	283	283	283	283
Total Liabilities	10,107	10,079	10,346	9,932	9,995	11,851	13,738	13,457	12,620	12,940
Long-Term Debt	667	894	1,356	866	761	571	571	146	120	119
Total Equity	1,666	1,725	1,839	1,940	2,118	2,178	2,308	2,045	2,448	2,797
LTD/E Ratio	0.40	0.52	0.74	0.45	0.36	0.26	0.25	0.07	0.05	0.04

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.1%	1.1%	1.3%	1.8%	1.7%	1.3%	1.7%	1.9%	2.7%	2.7%
Return on Equity	8.4%	7.9%	8.8%	11.4%	10.1%	7.8%	11.3%	13.8%	18.3%	15.6%
ROIC	5.3%	5.4%	5.4%	7.2%	7.2%	5.9%	9.0%	11.8%	17.3%	14.9%
Shares Out.	66.6	66.3	66.8	66.6	65.7	63.9	63.5	62.8	62.2	62.3
Revenue/Share	7.63	7.64	7.89	8.68	8.96	8.43	9.35	10.74	13.39	13.38
FCF/Share	2.76	2.48	2.73	3.13	4.29	4.67	4.43	5.87	7.18	7.38

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.