

International Bancshares Corporation
Whistleblower Policy for Accounting and Auditing Related Matters and the
Provision of Consumer Financial Products or Services
(Amended and Restated November 2018)

It is International Bancshares Corporation's ("IBC") policy that its reported financial information be accurate and complete in all material respects, and that IBC comply with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices related to the same. It is also the policy of IBC that it provide consumer financial products and services in compliance with all applicable laws and regulations. This policy is to help ensure these goals, encourage proper individual conduct relating to such matters, and facilitate early reporting and detection of issues related to such matters before they result in serious consequences.

Any employee of IBC or any of its subsidiaries, or any supplier, customer, or any other person, who suspects wrongdoing or has a reasonable belief that conduct constituting (1) a securities law violation has occurred related to IBC's financial reporting and disclosures, accounting and auditing controls and procedures or securities law compliance, or (2) a violation of laws or regulations related to the provision of consumer financial products and services has occurred, may, and is encouraged to, submit a complaint regarding such matters pursuant to the process outlined in this policy.

IBC's Audit Committee has established the following procedures for (1) the confidential and, if desired, anonymous submission of complaints or concerns regarding such matters, and (2) the receipt, retention and treatment of such complaints or concerns. IBC shall provide ongoing education and training to its directors, officers and employees regarding such procedures and the other matters addressed by this policy.

Scope of Matters Covered by These Procedures

These procedures relate to good faith complaints or concerns relating to any questionable conduct related to IBC's financial reporting and disclosures, accounting and auditing controls and procedures, securities law compliance, or the provision of consumer financial products or services ("Complaints"), including, without limitation, the following:

- Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of IBC;
- Fraud or deliberate error in the recording and maintaining of financial records of IBC;
- Deficiencies in or noncompliance with IBC's internal accounting controls;
- Any misrepresentation or false statement to or by a senior officer or accountant of IBC regarding a matter contained in the financial records, financial reports or audit reports of IBC;

- Deviation from full and fair reporting of IBC's financial condition as required by applicable law;
- Securities fraud and/or violations of any rule or regulation of the Securities and Exchange Commission or federal law relating to fraud against shareholders; or
- Violations of any rule or regulation applicable to the provision of consumer financial products or services.

Submission and Receipt of Complaints

All Complaints will be kept confidential except to the extent IBC determines disclosure is required in connection with an ensuing evaluation or investigation or in order to comply with applicable law. In the event of any such required disclosure, IBC will use reasonable efforts to disclose only that information regarding the Complaint that is legally required to be disclosed and to obtain reliable assurance that confidential treatment will be accorded such information. The Complaint may, at the discretion of the person submitting the Complaint, be submitted anonymously.

Complaints may be submitted either through IBC's Hotline toll-free 1 800 894-6076 or to William J. Cuellar, Executive Vice President and Senior Auditor IBC Internal Audit Services, by mail, telephone, facsimile or email pursuant to Mr. Cuellar's contact information below:

William J. Cuellar
IBC Bank Internal Audit Services
8770 Tesoro Dr.
San Antonio, Texas 78217
Ph: 210-829-3219
Fax: 210-829-3236
E-mail: wcuellar@ibc.com

Any employee who receives information from any source related to the concerns covered by this policy should immediately submit the information received as provided above.

Each Complaint will be logged on IBC's Whistleblower Complaint/Hotline Matrix Log and include the date and time the Complaint was received, the identity of the submitter (if not anonymous), which of IBC's locations and personnel are involved, a summary of the Complaint submitted, the periodic actions taken to investigate and/or resolve the Complaint and the final resolution of such Complaint.

Complaints

To facilitate IBC's treatment of and responses to Complaints, each Complaint should be based on the reasonable belief of the person submitting the Complaint and should contain as much specific information as possible to permit IBC to assess the nature, depth and urgency of the matters involved in such Complaint. Complaints with unspecified wrongdoings or broad allegations without verifiable evidentiary support will greatly diminish IBC's ability to conduct a proper and

thorough investigation and resolve issues related to such Complaint. To the extent reasonably feasible, submitters are encouraged to include the following in their Complaints:

- As much detail as possible about the alleged event, matter or issue giving rise to the Complaint;
- The date, time, location and person(s) involved;
- Any documents in the submitter's possession relating to the Complaint;
- The method used to accomplish, the alleged event, matter or issue giving rise to the Complaint;
- The identity of anyone who may know about the alleged event, matter or issue giving rise to the Complaint, including the names of anyone to whom the submitter has spoken or reported the alleged event, matter or issue giving rise to the Complaint;
- Any additional information, documentation or other evidence available to support the Complaint; and
- If possible, a method to respond to the submitter in order to request additional information without compromising the submitter's desire for anonymity, as applicable.

Treatment of Complaints

Upon receipt of a Complaint, IBC's Executive Vice President and Senior Auditor IBC Internal Audit Services will acknowledge, when possible, receipt of the Complaint to the submitter. IBC's Audit Committee will be made aware of all Complaints made at its next regularly scheduled meeting unless the nature of the Complaint dictates otherwise. All Complaints will be reviewed and, if appropriate, investigated under the direction of IBC's Audit Committee and will be recorded on the Whistleblower Complaint/Hotline Matrix Log. IBC's Audit Committee will cause such Matrix Log to be periodically updated to reflect the status of the actions being taken concerning the Complaint.

As warranted, the Complaints will be promptly investigated in a manner that is as discreet as the circumstances reasonably permit. Complaints may be submitted anonymously. IBC shall maintain the confidentiality or anonymity of anyone submitting a Complaint except to the extent IBC determines disclosure is required in connection with an ensuing evaluation or investigation or in order to comply with applicable law. In the event of any such required disclosure, IBC will use reasonable efforts to disclose only that information regarding the Complaint, including, without limitation, the identity of the person submitting the Complaint, that is legally required to be disclosed and to obtain reliable assurance that confidential treatment will be accorded such information.

In some cases it may not be possible to proceed with or properly conduct an investigation unless the submitter's identity is revealed due to the difficulty of interviewing anonymous complainants

and evaluating the credibility of their Complaints. Therefore, submitters are encouraged, but not required, to disclose their identities when submitting Complaints. Persons making Complaints should also be aware that their identities might be revealed for reasons outside IBC's control. The identities of other persons subject to or participating in any inquiry or investigation relating to a Complaint will be maintained in confidence subject to the same limitations, as previously set forth.

Normally, IBC's Executive Vice President and Senior Auditor IBC Internal Audit Services will conduct the investigation; however, IBC's Audit Committee reserves the right in its sole discretion, to name another individual, including an independent third party, to perform an investigation if circumstances deem it advisable (e.g., where a potential conflict of interest exists). The investigator shall gather such documents and materials and interview such individuals as reasonably necessary to complete the investigation. The results of any investigation conducted pursuant to this policy shall be reported to IBC's Audit Committee and Chief Executive Officer (unless clearly inappropriate due to the nature of the report). IBC's Audit Committee reserves the right to request, at any time, a briefing and any findings regarding any investigation of a Complaint. Upon completion of an investigation, IBC's Audit Committee shall review the results and determine the corrective action to be taken with respect to financial matters, if any, or direct any additional investigation in response to a Complaint. Any disciplinary recommendations will be sent to IBC's Human Resources department. Upon a Complaint's resolution or dismissal, IBC's Audit Committee shall cause a written response to be prepared regarding the Complaint, which shall be submitted to the Audit Committee for review and approved prior to sending it to the submitter (if the person's identity is known) and updating the Whistleblower Complaint/Fraud Hotline Matrix Log to reflect the conclusion of the matter.

The Audit Committee shall cause all Complaints, the Whistleblower Complaint/Hotline Matrix Log and any responses to any Complaints to be maintained as required by applicable law and IBC's policies and procedures.

Prohibition on Retaliatory or Discriminatory Behavior

IBC will not discharge, demote, suspend, threaten, harass, intimidate or in any manner discriminate or retaliate against an employee, former employee, applicant or an individual whose employment may be affected by IBC, based upon any lawful actions of the individual to provide, cause to be provided or is about to provide or cause to be provided, any information reasonably believed to constitute a violation of Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"); or Section 806 of the Sarbanes-Oxley Act of 2002, as amended; or who has testified or will testify at a proceeding regarding administration or enforcement of Dodd-Frank; or filed, instituted, or caused to be filed a proceeding under any federal consumer law; or objected to or refused to engage in any conduct reasonably believed to violate any standard subject to the jurisdiction of, or enforceable by, the Consumer Financial Protection Bureau.

Employees should be aware that making a Complaint in accordance with this policy does not extend immunity to an employee for such employee's complicity in the matters that are the subject of the Complaint or an ensuing investigation. Deliberately making a false report is also prohibited and against this policy; however, this is not meant to discourage or limit the rights of individuals

from making reports of alleged violations relating to accounting, internal controls or auditing matters. IBC recognizes that, in some instances, it may not be possible to determine whether a Complaint is warranted. Employees should not be reluctant to report information simply because they are uncertain of who will be believed and whether the allegation can be proved.

These procedures are in no way intended to limit the right of employees to report alleged violations relating to IBC's financial reporting and disclosures, accounting and auditing controls and procedures, or securities law compliance to proper governmental and regulatory authorities. However, employees are encouraged to also report any such concerns to IBC in accordance with this policy prior to or concurrent with reporting such concerns to any governmental or regulatory authority. Under rules adopted by the Securities and Exchange Commission ("SEC"), awards available to "whistleblowers" related to reporting of securities law violations may be increased if the person reporting such violations complied with the company's internal compliance procedures or decreased if such person interfered with such compliance procedures. Furthermore, for award determination purposes, a person who reports violations to IBC in accordance with this policy and subsequently reports to the SEC at any time within 120 days will be treated by the SEC as if such person reported to the SEC on the same date as he or she reported to IBC.

In the event an employee believes he or she is the subject of retaliatory or discriminatory behavior in violation of this policy, such employee should report such behavior immediately through IBC's Hotline toll-free 1 800 894-6076 or directly to William J. Cuellar as outlined above.

Policy Accessibility

Internally

Employees may access this policy at our corporate portal by selecting <http://ibconnect/Pages/default.aspx>.

Externally

The policy is accessible to anyone through IBC's Web site at www.ibc.com by selecting <https://www.ibc.com/en-us/Pages/default.aspx>.

Questions

Please contact William J. Cuellar, IBC's Corporate Auditor, at 210-829-3219, with any questions regarding this policy.