

INTERNATIONAL BANCSHARES CORPORATION
For the Annual Meeting of Shareholders
Called for May 21, 2012

The undersigned shareholder(s) of International Bancshares Corporation, a Texas corporation (the “Company”), hereby revoking all proxies previously granted appoint(s) Irving Greenblum, Daniel B. Hastings, Jr. and Leonard Salinas, and each of them, as Proxies, each with power to appoint his substitute, and hereby authorize(s) them to vote, as designated below, all the shares of the Company’s Common Stock which the undersigned may be entitled to vote at the Annual Meeting of Shareholders of the Company, to be held on Monday, **May 21, 2012 at 5:00 P.M.**, local time, and at any adjournment of such meeting, with all powers which the undersigned would possess if personally present:

1. ELECTION OF DIRECTORS. Nominees: I. Greenblum, R.D. Guerra, D.B. Hastings, Jr., D.B. Howland, I. Navarro, S. Neiman, P.J. Newman, D.E. Nixon, L. Norton, L. Salinas, A.R. Sanchez, Jr.

FOR, all nominees listed above ☐

FOR, all nominees listed above, except for the nominee(s) set forth on the line below ☐

WITHHOLD AUTHORITY, to vote for all nominees listed above ☐

(**INSTRUCTIONS:** To withhold authority to vote for any individual nominee, write that nominee’s name on the line provided below.)

The Board of Directors recommends a vote **FOR** all nominees.

2. PROPOSAL TO RATIFY THE APPOINTMENT OF McGladrey & Pullen, LLP as the independent auditors of the Company for the fiscal year ending December 31, 2012.

FOR ☐ **AGAINST** ☐ **ABSTAIN** ☐

The Board of Directors recommends a vote **FOR** the above ratification.

3. PROPOSAL TO CONSIDER AND APPROVE a non-binding advisory resolution to approve the compensation of the Company’s named executives as described in the Compensation, Discussion and Analysis and the tabular disclosure regarding named executive officer compensation in the Proxy Statement.

FOR ☐ **AGAINST** ☐ **ABSTAIN** ☐

The Board of Directors recommends a vote **FOR** the above proposal.

(Continued on reverse side)

4. PROPOSAL TO CONSIDER AND APPROVE a proposal to approve the 2012 International Bancshares Corporation Stock Option Plan adopted by the Board of Directors on April 5, 2012.

FOR ☐ AGAINST ☐ ABSTAIN ☐

The Board of Directors recommends a vote **FOR** the above proposal.

5. PROPOSAL TO CONSIDER AND APPROVE a shareholder proposal regarding the implementation of a majority vote standard in uncontested director elections.

FOR ☐ AGAINST ☐ ABSTAIN ☐

The Board of Directors recommends a vote **FOR** the above proposal.

6. In their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the meeting or any adjournment thereof. Any of the Proxies, or their respective substitutes, who shall be present and acting at the Annual Meeting shall have and may exercise all of the powers hereby granted.

EVERY PROPERLY SIGNED PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS MADE THEREON. IF NOT OTHERWISE SPECIFIED, THIS PROXY WILL BE VOTED "FOR" ALL THE NOMINEES AND FOR PROPOSALS 2 TO 5 ABOVE. THE DESIGNATED PROXIES WILL USE THEIR DISCRETION WITH RESPECT TO ANY MATTERS REFERRED TO IN SECTION 6.

The undersigned acknowledges receipt of the Notice of Annual Meeting of Shareholders and Proxy Statement of the Company dated April 20, 2012.

Dated: _____, 2012

Signature(s)

(Signature should agree with name of Stock Certificate as stenciled thereon. Executors, Administrators, Trustees, etc. should so indicate when signing).

THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS

**YOU MAY REVOKE THIS PROXY AT ANY TIME PRIOR TO ITS EXERCISE
RETURN YOUR PROXY IN THE ENCLOSED ENVELOPE**

I do _____ do not _____ plan to attend the Annual Meeting of Shareholders.