Abstract
We analyze the structure of the commercial banks in Mexico and the main indicators of profitability and operating efficiency in recent years. The aim is to clarify what are the determinants of the yields and operating conditions, as well as the links between them. In particular, we assess factors of market size and concentration, leverage, interest rate margins, operating margins, and net earnings. The results show significant differences between the banks according to their size: the commercial banks exhibit uneven growth. While the banks that generate the biggest earnings are the large and medium-sized ones, the first are efficient due to their wide net interest margins and operating margins, while the medium-sized banks derive their earnings from the turnover of their assets and high leverage. We also consider the changes that have occurred in the structure of this sector as a result of the financial liberalization, privatization and inflow of foreign capital that took place during the 1990s.

Keywords
Commercial banks, profitability, operating efficiency.