**Reviewer Comments**

**For author and editor**

**Dear Authors**

Thanks for your efforts.

The manuscript addresses an important topic by examining the impact of capital structure and gender diversity on the financial performance of European financial institutions. The use of a panel data framework and fixed effects regression is appropriate for this type of analysis, and the temporal scope of 2000–2022 allows for a robust examination of major economic events. However, there are areas that require further clarification and elaboration to enhance the rigor and coherence of the paper. Below are specific comments and suggestions for improvement.

**Title and Abstract**

1. The title could better reflect the dual focus on capital structure and gender diversity. Consider revising it to highlight both aspects explicitly. For example: *“Examining the Impact of Capital Structure and Gender Diversity on Firm Performance: A European Study.”*
2. The abstract provides a concise overview but lacks details about the magnitude of the impacts and the specific metrics used to measure financial performance. Including more quantitative results would strengthen its appeal.

**Introduction**

1. The introduction provides a good background, but it would benefit from a more detailed discussion of why gender diversity on boards was included as a variable in the analysis. How does it link to the capital structure and firm performance literature?
2. Clearly articulate the research gap this study addresses. While the abstract implies a gap, the introduction should explicitly state what prior studies have overlooked.

**Literature Review**

1. The literature review lacks critical engagement with existing studies. There should be more discussion of contrasting findings in the literature regarding capital structure and gender diversity to build a stronger theoretical foundation.
2. While the Eurozone debt crisis and COVID-19 are mentioned, the literature review does not adequately explain their relevance to capital structure and firm performance. Include studies that discuss these events' effects to ground your hypotheses.

**Methodology**

1. While the use of fixed effects regression is mentioned, a justification for this choice over other potential models, such as random effects or generalized method of moments (GMM), should be provided.

1. Consider explicitly modeling the economic events (e.g., using dummy variables for crisis periods) rather than treating them as contextual factors.

**Results and Discussion**

1. The results section would benefit from a more granular discussion of the coefficients and their implications. For instance, what does the positive relationship between capital ratios and financial performance imply for regulatory policies?
2. The finding that gender diversity does not significantly impact financial performance warrants further discussion. Could this be due to measurement issues or a need for sector-specific analysis?
3. While the paper mentions significant economic events, it does not explicitly analyze how these events influence the relationships between the studied variables. Addressing this would strengthen the discussion.

**Conclusion and Policy Implications**

1. The conclusion should include more actionable insights for policymakers and financial executives. For instance, what specific aspects of capital structure management should be prioritized?
2. A dedicated section on limitations would improve the transparency of the study. Highlight any potential biases in the dataset, methodology, or generalizability of findings.

**References**

1. Ensure that the references are up-to-date and comprehensive. Several recent studies on capital structure and board diversity in Europe should be included.
2. Verify the formatting of references to ensure consistency with the journal’s requirements.

**Language and Presentation**

1. The language is generally clear but could benefit from tightening to reduce verbosity. For example, sentences in the discussion section could be more concise.
2. Ensure that all tables and figures are clearly labelled, and their relevance to the narrative is explicitly stated in the text.
3. A few minor grammatical errors and stylistic inconsistencies were noted. A thorough proofreading is recommended.

**Thanks.**