

Banka Slovenije
in cooperation with
the Research Centre of the School of Economics and Business
invites you to a seminar

The Role of Biodiversity Risk in Shaping Bank Lending Decisions

Co-author and speaker:
Aida Ćehajić
Postdoctoral Researcher at Technical University of Munich

The paper is a joint work with Karoline Bax.

The seminar will be held in the
Great Hall of Banka Slovenije
on Thursday, 26 February 2026 at 14:00

Abstract:

In this study, the authors examine the extent to which banks incorporate firm-level biodiversity risk into their lending decisions, both in terms of loan pricing and loan volume adjustments. They use a comprehensive syndicated loan market dataset that captures lender-borrower relationships and allows for matching with firm-level biodiversity risk measures. Beyond employing existing biodiversity risk measures, the authors extend the methodology by developing a more granular text-based biodiversity risk measure. This novel metric is constructed using cosine similarity of textual embeddings, allowing for a nuanced assessment of biodiversity-related corporate disclosures. Furthermore, the authors explore potential transmission mechanisms through which biodiversity risk is reflected in lending decisions, analysing whether banks explicitly price biodiversity risk or adjust credit supply based on borrowers' exposure to biodiversity-related vulnerabilities. Authors examine whether bank location, UNEP-FI membership, and borrower characteristics, such as low ESG scores and environmental violations, affect lending behaviour. While they find clear evidence that banks penalize biodiversity risk through higher spreads and lower loan volumes, the underlying channels warrant further investigation.

About the speaker:

Aida Ćehajić is a postdoctoral researcher in the research group of the Chair of Financial Management and Capital Markets at the Technical University of Munich, TUM School of Management. Her research focuses on financial intermediation, with particular emphasis on banking, financial stability and sustainable banking, with a focus on nature-related and physical climate risks. She is a recipient of the 2024 Lamfalussy Research Fellowship from the European Central Bank. Previously, she worked at the University of Sarajevo and earned her PhD in 2022 from the University of Ljubljana.

How to sign up:

To sign up for the seminar, please send an email to seminar@bsi.si. You can sign up by Tuesday, 24 February 2026. The seminar will be held in English.