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# **Dancing the Viennese waltz or just making business? Policy of parent banks in CESEE countries.**

In this paper we investigate the lending growth of banks from Central, Eastern and South-Eastern Europe (CESEE) over 1995-2015 taking on board two emerging issues analyzed in the literature, namely the role of Vienna Initiative (De Haas et al. 2015) and the second home market hypothesis (Epstein 2014; Bonin and Louie 2016). We use panel regressions for more than 5000 bank-year observations controlling for macroeconomic environment and parent-subsidiary relations. Our findings indicate, that banks from Vienna Initiative countries represented different patterns than other banks in the region throughout the period. The lending growth was stimulated if a subsidiary represented higher ROE than its parent company, regardless the share in the financial group assets.

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