

**DOMAGOJ HRUŠKA**

Faculty of Economics and Business, University of Zagreb, Croatia

**DRAŽEN MILKOVIĆ**

University Hospital Centre Zagreb, Croatia

**MAJA DARABOŠ LONGIN**

Faculty of Economics and Business, University of Zagreb, Croatia

## **INITIAL PUBLIC OFFERINGS AND CORPORATE GOVERNANCE IN CROATIA**

### **Abstract:**

This paper empirically investigates the performance of Croatian initial public offerings (IPOs) throughout 20 years period. Besides financial benefit in the form of raising capital, IPOs also play a role in an increased public awareness of the company. By proving the comprehensive evaluation of reasons and consequences of IPO initiatives in Croatia we give analytic evidence on the influence of this corporate action on development of corporate governance. Furthermore, the paper discusses relation between internal and external corporate governance mechanisms in companies that initialize entering the financial markets for the first time, providing us with the analytical framework of understanding the impact on IPOs on corporate governance system in transition countries.

### **Keywords:**

Corporate governance, Initial Public Offering, Croatia, Transition Economies

**JEL Classification:** G10, G34, M10