

Corporate Governance and Initial Public Offerings: Case of Croatia

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Abstract : This paper empirically investigates the performance of Croatian initial public offerings (IPOs) throughout 20 years period, from 1996 until 2016. 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 the development of corporate governance. Furthermore, the paper discusses the relationship between internal and external corporate governance mechanisms in companies that initialize entering the financial markets. The paper will provide a synthesis of evidence of IPO-s in Croatia based on in-depth case studies of 13 cases of IPO-s. The major findings of the paper include identification of reasons for conducting IPO-s and calculation of underpricing effect and change of market capitalization. To the best of the author's knowledge, the results of the paper provide the analytical framework for understanding the impact of IPOs on the corporate governance system in transition countries.

Keywords : corporate governance, Croatia, initial public offering, transition economy

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