

UniCredit SpA**UniCredit sounds out Orcel and Thiam as chief executive hunt narrows**

Italian lender assembles a shortlist to replace Jean Pierre Mustier



Tidjane Thiam, left, and Andrea Orcel. A shortlist of candidates to lead UniCredit will be presented to the board on Wednesday
© FT montage; Bloomberg

Stephen Morris, Silvia Sciorilli Borrelli and Owen Walker AN HOUR AGO

UniCredit has approached some of Europe's top available bankers including Andrea Orcel, Tidjane Thiam and Martin Blessing as it looks to appoint a new chief executive after a dispute over the Italian lender's future.

The board has been sounding out candidates and will make a decision within the next four weeks, according to people familiar with the process. They face a tight timetable after the incumbent, Jean Pierre Mustier, resigned last month in a disagreement over strategy.

Mr Orcel, the former head of UBS's investment bank, is one of the frontrunners. However, in order to win approval from regulators he would likely first have to disentangle himself from a [€112m lawsuit](#) against Santander, said two people familiar with the process. The controversial Italian dealmaker is suing the Spanish bank after it withdrew its offer for him to be CEO in a dispute over pay and profile.

Former Credit Suisse chief executive Mr Thiam — who the Financial Times reported this week is preparing to launch a [\\$250m](#) special purpose acquisition company — has not decided whether to pursue the role despite being one of the board's preferred candidates, the people said.

UniCredit declined to comment. Mr Thiam, Mr Orcel and Mr Blessing could not immediately be reached for comment.

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Lando Sileoni, secretary-general of bank union FABI

Mr Mustier fell out with the board after insisting on prioritising wider European expansion, whereas non-executives insisted he double down on Italy.

The Frenchman also initially resisted the government's demands that UniCredit buy struggling, state-owned peer Monte dei Paschi di Siena. Mr Mustier announced on December 1 he would step down by April's annual general meeting.

Mr Blessing — the former Commerzbank chief executive who ran UBS's wealth management unit until 2019 — is in talks, as well as ex-Bank of America dealmaker Diego De Giorgi, said the people familiar with the situation.

Internally, co-CEO of commercial banking Niccolò Ubertalli is viewed as a strong contender. Mediobanca's chief Alberto Nagel, whose company is advising Monte dei Paschi, has also been approached.

Marina Natale, the chief executive of Italian publicly-backed asset manager AMCO and UniCredit's former chief financial officer; Matteo del Fante, who runs Poste Italiane, have also been contacted about the role.

Incoming chairman Pier Carlo Padoan — the former finance minister who oversaw the bailout of Monte dei Paschi — is the key figure in the search, which is being assisted by headhunter Spencer Stuart.

The bank's appointments committee convened on Tuesday to discuss the fewer than 10 candidates under consideration and would report to the main board on Wednesday with a shortlist, one of the people said. The board aims to make a final decision by February 10.

The next CEO will also have a tough task charting a strategic course between the desires of the Italian government and the demands of UniCredit's international investors, who are already unhappy with the way Mr Mustier's exit was handled.

Shareholders have been pressing the board to choose a candidate with global and commercial banking experience, as well as a focus on strategic transformation. Given UniCredit is Italy's only globally systemic financial institution, experience of working with the ECB is also viewed as an important attribute.

One top-10 shareholder in UniCredit said Mr Orcel was their preferred candidate as he “ticks most of the boxes”, adding: “Any CEO coming into that situation needs to know their way around global regulators.”

Mr Orcel has a close relationship with UniCredit, having orchestrated the €21bn merger between Credito Italiano and UniCredito in 1998 that formed the group. UniCredit also moved as a client to UBS with Mr Orcel when he switched from Merrill Lynch in 2012.

However, the board would prefer someone with commercial lending experience, not just investment banking. Bank union leader Lando Sileoni, secretary-general of FABI, told the FT: “We want a non-aggressive Italian who will not close branches and announce thousands of redundancies after the MPS deal.”

Another obstacle for the board is the relatively low level of pay they can offer. Mr Mustier earned €1.2m in 2019 at UniCredit, far less than European peers such as recently departed UBS CEO Sergio Ermotti, who was paid SFr13.8m (€13m), and Carlo Messina, chief executive of fierce local rival Intesa Sanpaolo, who is paid €4.3m.

In order to attract suitable candidates, UniCredit is considering offering significantly more than Mr Mustier’s final salary. The Frenchman took a pay cut last April to show solidarity during the first lockdown in Italy, leaving his fixed pay at €900,000.

Still, if favoured candidate Mr Orcel were to take the job he would potentially forfeit millions in deferred pay still owed to him by UBS by joining a rival.

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