

- Deutsche Telekom's dealmaking regret

European banking's MVP is up for a pay review

They don't call **Andrea Orcel** the "Ronaldo of Bankers" for nothing.

Much like the Portuguese football star, the banker is known for pulling off big wins and collecting generous payouts in the process.

So two years into his role as chief executive of **UniCredit**, the bank's board is considering raising his €7.5mn salary by 20 to 30 per cent. But DD readers know that it wouldn't be a conversation about Orcel's pay without a little controversy.

After helping boost UniCredit's share price from €11 to €19 in less than two years and helping generate record profits in 2022, Orcel's gains [have been overshadowed](#) by a series of controversies that have raised questions over his leadership style and corporate governance at the Milan-based lender, the FT reports.



UniCredit boss Andrea Orcel © Bloomberg

The proposed pay rise, which would make Orcel one of the highest-paid European banking chiefs, will be submitted to investors on Wednesday just weeks after an inconclusive investigation into allegations of leaking from the board.

Dame **Jayne-Anne Gadhia** — the former chief executive of UK lender **Virgin Money** who joined UniCredit in 2021 — chose to step down as a non-executive director following the probe, four people with knowledge of the process said. Two people said the allegations had ultimately been withdrawn. Gadhia declined to comment.

Gadhia, the head of UniCredit's remuneration committee tasked with overseeing pay for senior executives, was interviewed by the lender's chair **Pier Carlo Padoan** and group legal officer **Gianpaolo Alessandro**, the people said, as part of the probe into the source of a series of media stories, including in the FT.

The leak inquiry is the latest controversy at the Milan-based lender since Orcel's arrival.

His refusal to swiftly cut ties with Russia [led to a clash](#) with the **European Central Bank** earlier in his tenure, while a collapsed takeover of state-owned lender **Monte dei Paschi di Siena** earned him [enemies in Rome](#).

This is, of course, not the first time there has been drama around Orcel's pay. He famously took Santander to court for withdrawing a 2018 offer they made him to take over as CEO. He was ultimately [awarded €43.5mn](#).

There's also the fact that he narrowly avoided a shareholder rebellion over his pay when starting at UniCredit. Still, Orcel does have his fair share of fans.

Some of his supporters argue that he should be paid more, pointing to UniCredit's performance since he took over.

UniCredit shareholders, [poised to receive a payout](#) of as much as €5.25bn thanks to its banner performance, are presumably happy with the way things are going. The bank is also [planning to boost](#) its bonus pool by 20 per cent, according to Bloomberg.

That's all to say that Orcel's performance means fewer people are likely to challenge him.

"Corporate governance, reputation and how Russia makes you look become secondary items on the agenda when you're making all this money," said one investor.

How the 'dumbest deal in history' actually paid off

When **Occidental Petroleum** boss **Vicki Hollub** orchestrated a \$10bn financing deal with **Warren Buffett** to buy **Anadarko Petroleum** in April 2019, it flabbergasted shareholders. One oil executive dubbed it "the dumbest deal in history".

Nearly four years later, to the shock of disgruntled Oxy shareholders, the takeover is [finally paying dividends](#).