

ESG & Sustainability

2025 Update

**Metropolitan
Commercial Bank.** 



About Our Company

Metropolitan Commercial Bank (MCB) has a 25-year history of supporting clients in developing their businesses and achieving financial growth. Headquartered in New York City, MCB offers personalized financial solutions to help clients build generational wealth through tailored banking services and a relationship-driven approach. As a full-service commercial bank, we deliver customized solutions through our three major initiatives:

- Innovative Banking Models
- Banking Solutions
- Comprehensive Digital Solutions

MCB recognizes the financial services market is ever-changing, particularly concerning Environmental, Social and Governance (ESG), technological and the regulatory environment. MCB is committed to staying ahead of the curve by responding, anticipating and recognizing trends in the industry. We consistently evaluate our operations to meet our stakeholders' needs. As technology evolves rapidly, MCB's relationship-focused, one-on-one personalized service remains at the core of how we operate. At MCB, our ESG initiative illustrates a strong commitment towards sustainable growth within the communities we serve.

In this factsheet, we will elaborate on MCB's response to the fast-evolving landscape and our initiatives to meet stakeholder and community needs.



The parent company of Metropolitan Commercial Bank, Metropolitan Bank Holding Corp., is a publicly traded company. The common stock of Metropolitan Bank Holding Corp. is listed on the New York Stock Exchange (MCB:NYSE).



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Governance

Metropolitan Bank Holding Corp. (the Company) and MCB's governance structure is designed to identify and manage risks in an effort to foster transparency and accountability across the organization. MCB maintains a robust risk management framework that directly reports to the Board of Directors of the Company and the Bank (the Board).



In 2024, the Board approved, on recommendation from its Corporate Governance and Nominating (CG&N) Committee, modifications to the Board's committee structure as well as to management's risk management committee framework.

The main feature of the redesigned risk governance committee framework was the establishment of a joint Risk Committee of the Board of the Company and the Bank (the "Risk Committee"), which has the primary purpose of supporting the Board in its oversight of the enterprise risk management framework and related risks, including establishing the Bank's risk appetite through approval of a formal Risk Appetite Statement. The Risk Appetite Statement establishes a common 'risk taxonomy' and primary risk exposures for the enterprise, enables intelligent risk-based decisions to support responsible growth and serves as the foundation

for effective challenge among management and the Board. We continue to bolster our risk management and regulatory compliance by enhancing oversight of enterprise and ESG risks. The Committee works closely with the Chief Risk Officer, who is responsible for implementing the framework and escalating material risks, while the management team focuses on effective risk assessment, management and compliance.



Additionally, we have sharpened our digital capabilities by strengthening resilience against cyber threats and leveraging opportunities in the digital landscape by enhancing our Risk Management, Finance, and Credit Teams. Across these teams, we added experienced professionals, ensuring a robust structure capable of managing evolving risk and regulatory landscapes.¹

In addition to establishing the Board-level Risk Committee, the Board realigned the management-level committee structure in 2024 to facilitate more streamlined and efficient reporting and escalation of risk-related matters through senior management to the Risk Committee and the Board. The redesigned risk governance framework appropriately reflects MCB's size, complexity and activities, while better positioning the Board and management to identify and address emergent risks in a holistic way.

¹ [MCB Press Release](#)

MCB Governance Organization Flowchart:





■ Board Committee ■ Management Committee



Below is an overview of the Board governance structure supporting the Company's enterprise risk management framework:

Risk Committee

Audit Committee

Compensation Committee

Corporate Governance &
Nominating Committee

- Approve and oversee the risk appetite of the Company and the Bank and monitor alignment with corporate strategy.
 - Review and approve the Risk Appetite Statement on an annual basis.
 - Oversee the risk governance structure, risk culture, and review and approve the significant risk management policies of the Company and the Bank.
 - Review regular reports from management on the significant enterprise risks and exposures, their impact on the enterprise risk profile, and steps that management has taken to measure, monitor and control such exposures.
 - Review reports from management regarding material issues self-identified or identified by internal or external independent review functions, including internal audit, as well as significant regulatory examination reports and associated matters.
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- Oversight of the integrity of the Company's financial statements.
 - Review the Company's compliance with legal and regulatory requirements that may have a material impact on the Company's financial statements.
 - Evaluate the independent auditors' qualifications and independence.
 - Review of the performance of the Company's internal audit and financial risk assessment function.
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- Assess and monitor risks related to our compensation program.
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- Oversight of the director qualification and nomination process.
 - Evaluate the performance and effectiveness of the Board and its committees.
 - Oversight of our corporate governance principles.
 - Provide oversight and guidance on ESG related activities.

The Corporate Governance and Nominating Committee oversees ESG-related efforts and strategy. MCB collaborated with a consultant to define and articulate relevant priorities, analyze industry trends, and develop our current ESG strategy. The Corporate Governance and Nominating Committee's responsibilities include identifying potential ESG-related issues impacting the business, its operations, performance, or reputation; advancing the comprehensive ESG strategy in line with business objectives and industry developments; and regularly assessing MCB's ESG performance. ²

² [MCB 2024 Proxy Statement](#)

Below are summaries of the three priorities we are currently focused on:

1. Customer Relationship Management & Digitization

enhancing the banking experience for our clients.

and agility.



2. Human Capital Management

Fostering an inclusive, supportive, and engaged work environment not only strengthens our company culture but also brings tangible financial benefits to our stakeholders through enhanced employee retention, pride, and productivity. Our ESG strategic priorities are an instrumental component of Human Capital Management, leveraging not only diversity of personal and professional backgrounds but also diversity of thought and ideas. Our Board is dedicated to improving Human Capital Management by developing strategies to improve and maintain a positive work environment.

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Read more on our website, [Modern Banking in Motion - Metropolitan Commercial Bank](#)



Our Employee Engagement Committee advances employee appreciation by creating an inclusive working environment where employees can regularly seek support. Having these resources increases retention and improves company culture. Given the evolving nature of the modern workplace, MCB invests in developing employees along multiple dimensions so that their careers develop in sync with varying professional demands.

To further our commitment to employee welfare, we provide a comprehensive benefits package encompassing health, dental, vision, life, and disability coverage to support our employees' overall well-being. Recognizing financial security's importance, we offer a competitive 401(k) plan complemented by onsite and virtual educational sessions fostering financial literacy. Additionally, MCB has an active employee base that organizes many events to support community-based functions, employee interests, educational sessions around different cultures, and that ultimately creates a work environment that fosters volunteerism. Our commitment to social responsibility is further evident in our internship program, which provides students with valuable work experience and contributes to their professional development and career growth.

Metropolitan
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CARES
empowering
communities

Metropolitan
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CARES
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EXPECT
MAJOR DELAYS
ON ALBANY ROUTE

3. Community Empowerment & Involvement

MCB's community outreach and reinvestment initiatives endeavor to inspire individuals in our communities to achieve greater financial security and stability. Our ongoing investments in strengthening the communities we serve help achieve this stability through our affordable housing initiatives, financial literacy programs, small business lending, community development investments, and more. MCB routinely pursues partnerships with leading organizations prioritizing social impact and increasing financial literacy, often in underserved, under resourced neighborhoods.

Our initiatives are designed for lasting impact as we build relationships and generate economic opportunities. MCB's effectuation of the Community Reinvestment Act (CRA) helps us meet the credit needs of our communities. MCB's dedicated CRA team works with executive leadership to establish benchmarks for investments in underserved communities, offering financial support to community-based nonprofit 501c3 organizations. Using the CRA framework, we provide valuable money management education in our community. For instance, we partner with EVERFI to deliver free programs that equip students with the expertise needed to make wise financial decisions including budgeting, saving, and more.

MCB's partnership with Habitat for Humanity works to help secure affordable housing through collaboration and working with developers. MCB partners with United Way, engaging in initiatives such as supporting women-owned businesses and the Black Women Business Owners of America. In efforts to support social development and economic growth, we collaborate with the Grace Institute, supporting women in achieving employment and economic self-sufficiency. Our lending to community development projects and outreach programs establishes strong bank-wide connections with the communities where our employees and customers work and live.

MCB is committed to advancing ESG and sustainability initiatives as an element of its evolving business strategy. By integrating ESG principles into our operations, the Bank aims to create long-term value for stakeholders, including customers, employees, shareholders, and the communities we serve. This approach demonstrates our dedication to fostering responsible growth, addressing environmental and social challenges, and promoting sustainable economic development. As industry developments and frameworks continue to evolve, we will ensure that MCB is effectively contributing to ESG advancements.

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