MAY 2019 INVESTOR PRESENTATION

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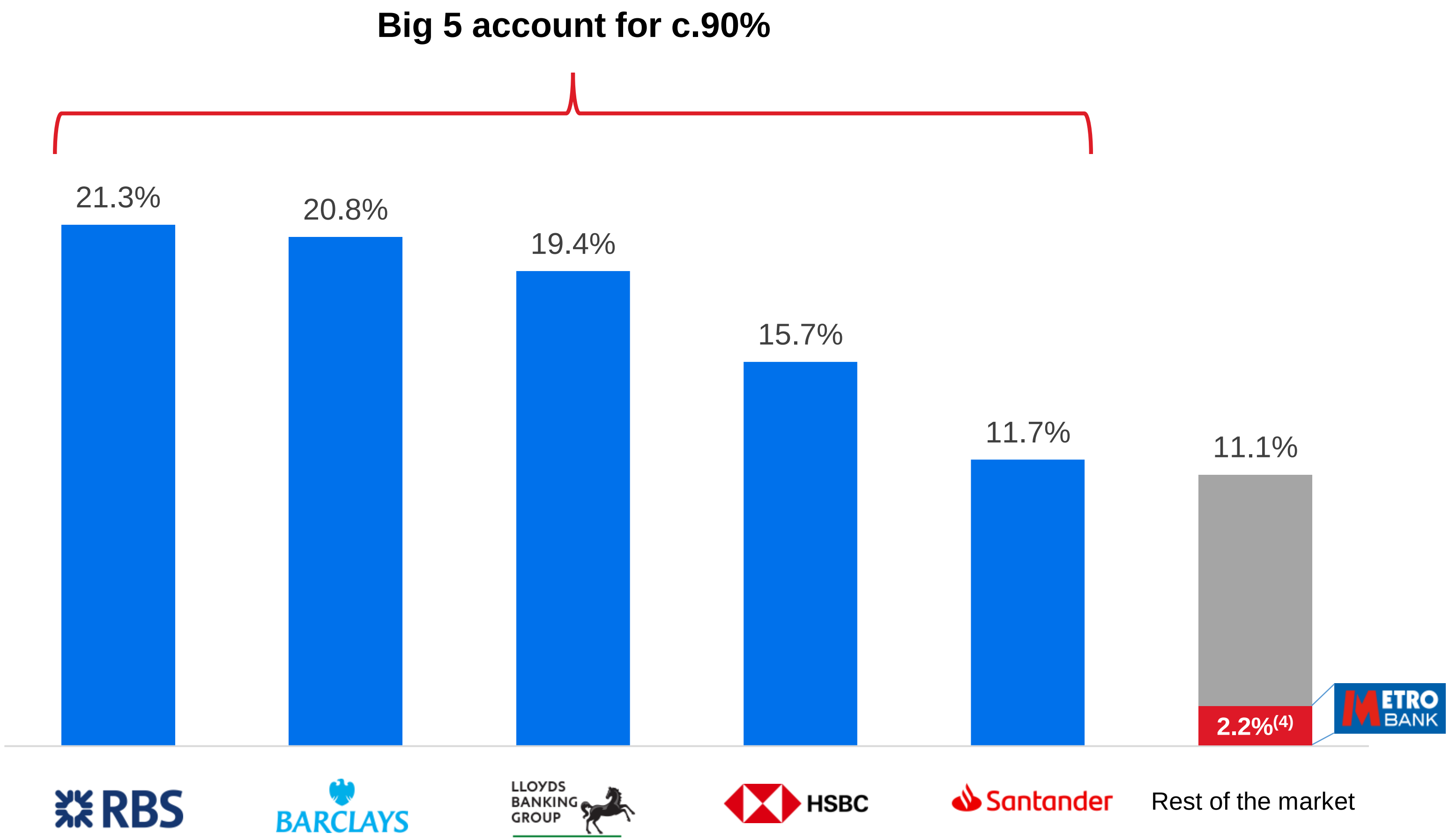
Transaction details – c.£350m growth capital

Issuer	**Metro Bank plc**
Size	c.£350 million
Type	Common Equity MTRO listed on London Stock Exchange Member of the FTSE 250 Index
Structure	Firm placing (fully underwritten)
Launch	c.16 May, 2019
General Meeting	c.3 June, 2019
Settlement	c.4 June, 2019
Director Subscription	Chairman, Vernon W. Hill, II CEO, Craig Donaldson CFO, David Arden
Underwriters	RBC Capital Markets, Jefferies, KBW

The UK market offers a significant opportunity for a disruptive service player

- UK deposit market of c.£2.3 trillion – Metro's share is currently c.0.7%(1)
- Personal current account market dominated by "Big 5" and Nationwide with >70% market share(2)
- BCA banking market share remains concentrated with the "Big 5" accounting for c.90% market share(3) but we are winning 15% of SME switchers in London and the Southeast
- Significant opportunity for Metro Bank to win market share in a controlled way at the right risk-reward trade off

Business Current Accounts (BCA) market shares by volume(3)



(1) Bank of England data series as of 31 December 2018. Company estimate based on total size of deposit market and publicly available information (2) CMA Retail Banking Report 2016 (3) Company analysis of MarketVue Business Banking from Savanta, YE Q1 2019 data. Base size: 12244 All respondents. Data weighted by region and turnover to be representative of businesses in Great Britain (4) Based on Q1 2019 actuals divided by estimated BCA market size (c.5.5m in 2015, inflated by c.3% p.a.)

Metro Bank continues to disrupt the market by creating FANS through its unique service-led model and culture

Model (Value Differentiating)

+ Culture (Unique)

+ Execution (Fanatical)

FANS! not customers

Creating FANS through our service-led culture…

… attracting low-cost, sticky deposits…

… that enable us to grow low-risk, lending…

…delivering low-risk, high quality earnings

- **Modern-day banking** centred around an integrated **"bricks & clicks"** experience

#1 Service for customers[(1)]

25 Log-ins to the mobile app per user per month[(2)]

- **Low-cost** current accounts
- **Diversified deposits** across retail / commercial

61bps FY18 Cost of deposits

30% Of deposits are in current accounts[(3)]

- **Simple and fair lending products** for retail and business customers
- **Customer-centric** underwriting, focused on **low-risk lending**

7bps FY18 Cost of risk

61% FY18 average DTV of residential loan book

- **Scalable business model** with delivery focused on **cost and capital efficiency**
- Results in **growing, low-risk earnings** over the medium-term

£404m FY2018 Total revenue

£50m FY2018 underlying PBT

(1) Source: CMA Service Quality Surveys published February 2019 for personal customers only (2) Company data as at 30 April 2019 (3) As at 31 March 2019

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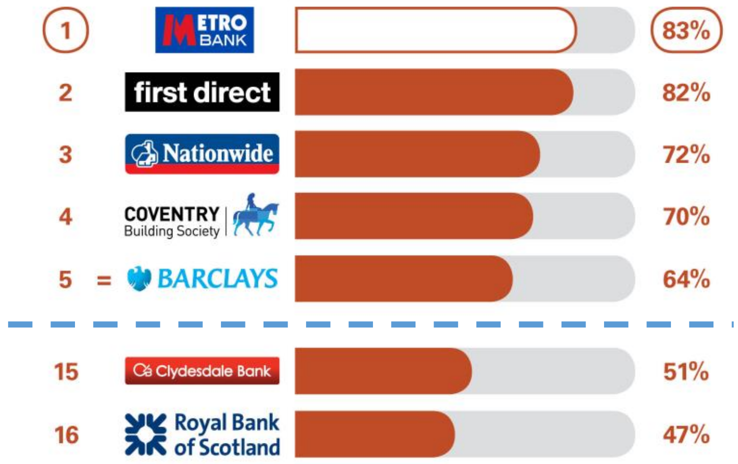
And it is clearly working, with award winning service and colleague engagement

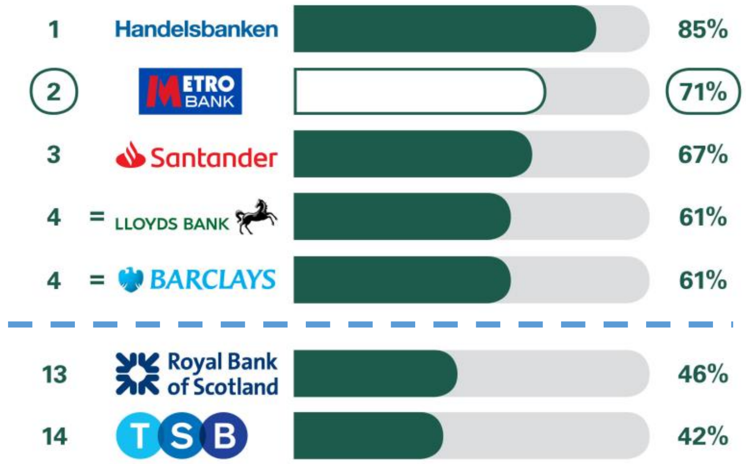
Number one service for personal customers…

Personal Current Accounts: Overall Quality of Service[1]



…and well positioned to challenge for the top spot in SME

Business Current Accounts: Overall Quality of Service[1]



We have an award winning colleague engagement

96% of over 90% of colleagues surveyed think Metro Bank is a good place to work in our annual voice of the colleague survey

(1) Source: CMA Service Quality Surveys published February 2019

With our integrated physical & digital footprint driving customer acquisition

Store growth and digital footprint

Increasing customer acquisition

We continue to build our store network, providing on demand services to our customers

70%

Customers used a store in 2018

80%

Rent paid by safe deposit boxes[6]

89%

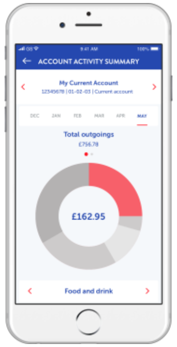
Accounts opened in <30 minutes

41,000

Children completed Money Zone in 2018

3,500

Community and charity events in 2018



Ratings and Reviews[1]

4.8 ★★★★★

out of 5

Best Digital Onboarding Strategy

41% of current accounts opened online completed in <12 minutes

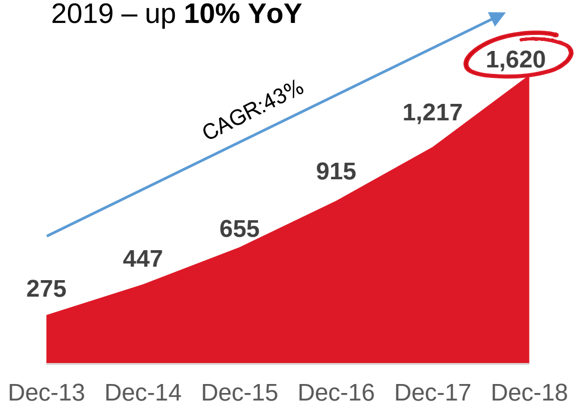
&

Over 50% of Instant Access Savings accounts opened through app

33% of current account holders used physical & digital in the last 90 days[2]

Customer Accounts ('000)

- **97,000** accounts added in Q1 2019 – up **10% YoY**



Average 10% market share of new business current accounts in London[3]

&

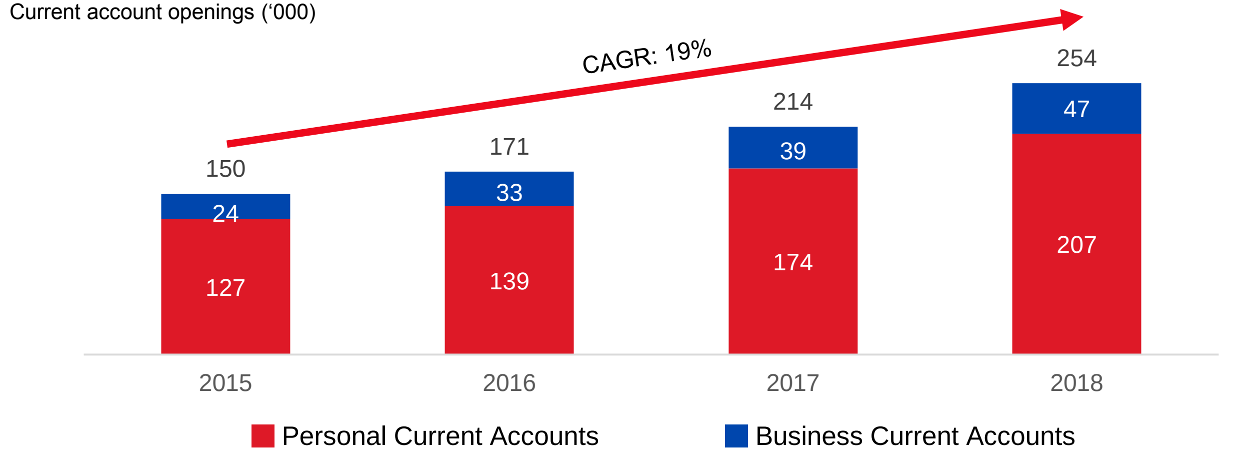
15% of SME switchers in London and the Southeast[3]

86% brand awareness in London[4]
54% brand awareness in the UK[5]

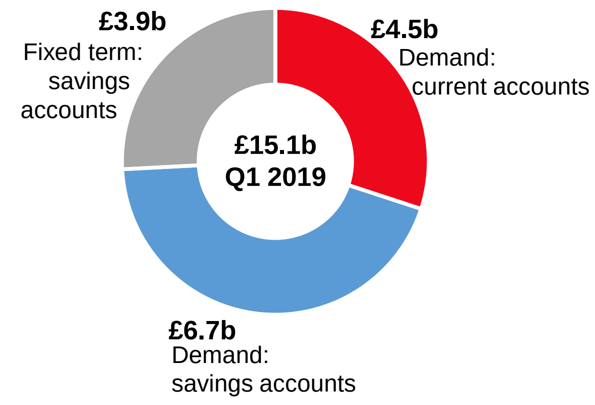
(1) iOS app store as at 31 March 2019 (2) As of 26th February 2019 (3) MarketVue Business Banking from Savanta, YE Q1 2018 – YE Q4 2018. Base size: new BCAs 162-266, switchers 33-47. Data weighted by region and turnover to be representative of businesses in Great Britain (4) Figures from YouGov Plc. Total sample size was 1,002 adults. Fieldwork was undertaken between 19-21 February 2019. The figures have been weighted and are representative of all London adults (aged 18+) (5) Figures from YouGov Plc. Total sample size was 2,095 adults. Fieldwork was undertaken between 19-20 February 2018. The figures have been weighted and are representative of all GB adults (aged 18+) (6) For stores open over 12 months

Creating consistent strong customer acquisition across personal and business accounts, adding low-cost sticky deposits

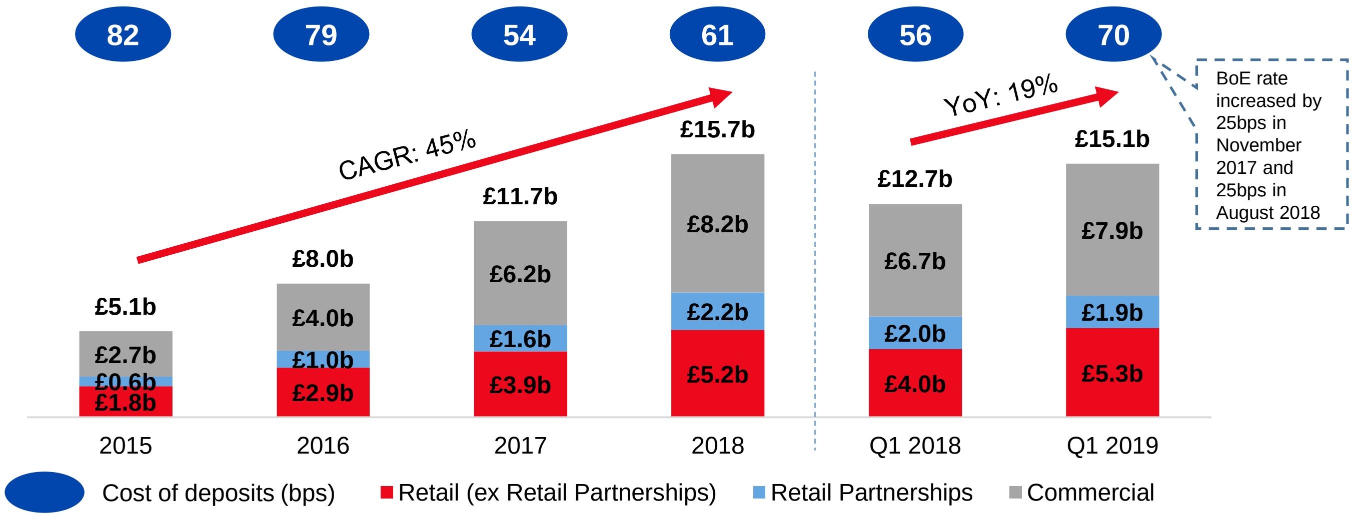
Current account growth continues to be strong…



…with a high proportion of interest-free deposits



Strong track record of significant deposit growth at a low cost



- 24% growth YoY in personal current accounts and 23% growth YoY in business current accounts (Q1 2019 vs Q1 2018)
- Q1 19 deposit performance impacted by adverse sentiment following January's trading update
- Led to a small number of commercial and partnership customers withdrawing deposits
- Importantly, momentum continues across core retail and business franchise
- Deposits returned to growth in April

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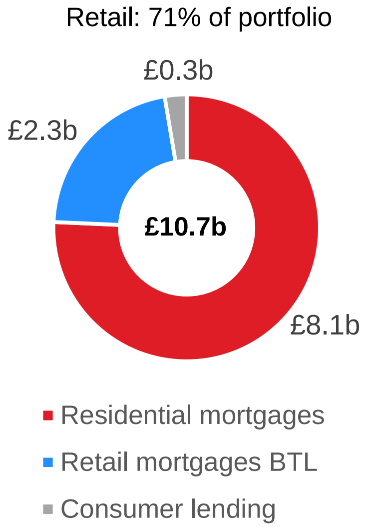
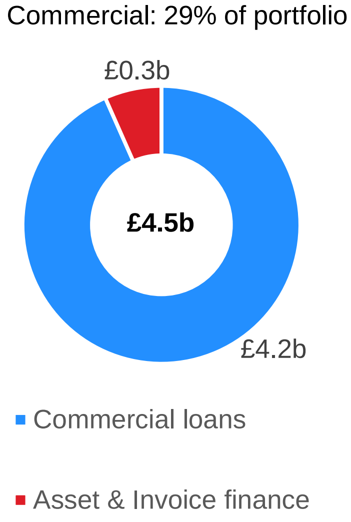
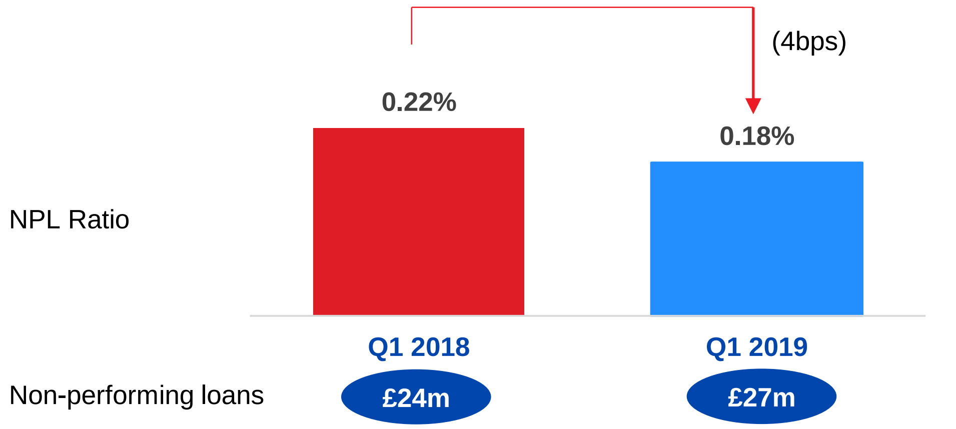
Driving low risk lending with continued strong asset quality

DIVERSIFIED LENDING PORTFOLIO[1]

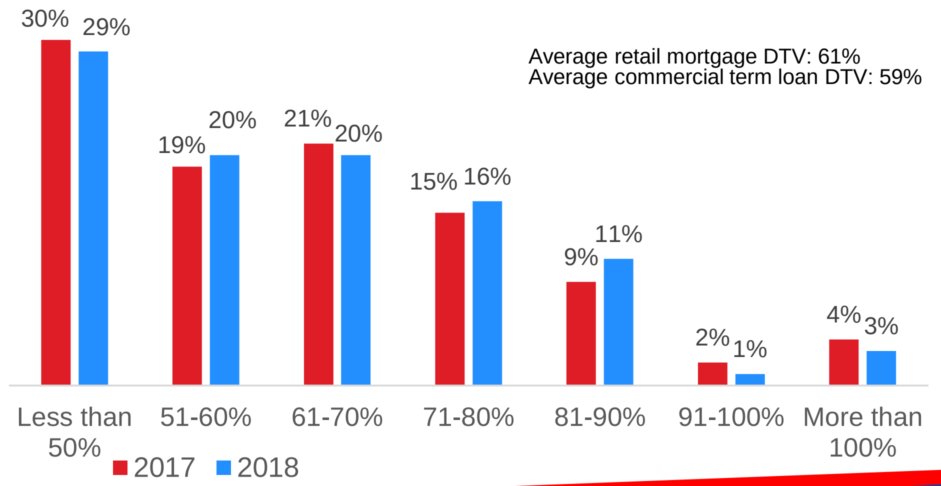




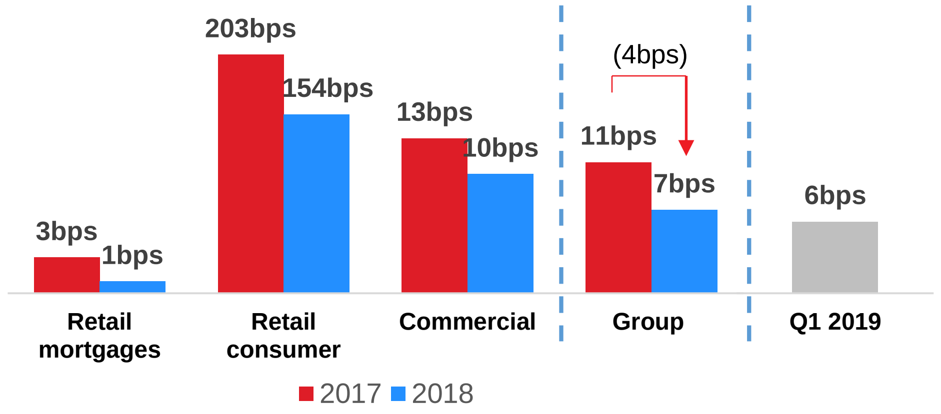
STRONG ASSET QUALITY



CONSERVATIVE DEBT TO VALUE PROFILE



LOW COST OF RISK



(1) As at 31 March 2019

Liquid, deposit-funded balance sheet

£'m	Unaudited Q1 2019	Unaudited Q1 2018	Growth	FY 2018	FY 2017	Annual Growth
Loans and advances to customers	15,167	10,974	38%	14,235	9,620	48%
Treasury assets(1)	5,920	6,269		6,604	6,127	
Other assets(2)	1,107	645		808	608	
Total assets	**22,194**	**17,888**	**24%**	**21,647**	**16,355**	**32%**
Deposits from customers	15,095	12,702	19%	15,661	11,669	34%
Deposits from central banks	3,801	3,801		3,801	3,321	
Debt securities	249	-		249	-	
Other liabilities	1,643	300		533	269	
Total liabilities	**20,788**	**16,803**	**24%**	**20,244**	**15,259**	**33%**
Shareholders' funds	1,406	1,085		1,403	1,096	
Total equity and liabilities	**22,194**	**17,888**	**24%**	**21,647**	**16,355**	**32%**
Capital adequacy & liquidity coverage ratios:						
CET1 capital ratio	12.1%	13.6%	-	13.1%	15.3%	-
Regulatory leverage ratio	5.2%	5.0%	-	5.4%	5.5%	-
Risk weighted assets	9,613	6,524	+47%	8,936	5,882	+52%
Loan to deposit ratio	100%	86%	-	91%	82%	-
Liquidity coverage ratio	142%	125%	-	139%	141%	-

- Liquid balance sheet with a 100% loan to deposit ratio and 142% liquidity coverage ratio
- c.100% of the liquidity and investment portfolio is cash, government bonds and AAA-rated instruments[3]
- TFS drawings of £3.8b invested in low-risk liquid treasury assets
- IFRS 9 adopted from 1 January 2018. Immaterial impact on CET1 after transitional relief
- IFRS 16 adopted from 1 January 2019 with a £313m initial impact on RWAs

(1) Investment securities, cash & balances with the Bank of England, and loans & advances to banks
(2) Property, plant & equipment, intangible assets and other assets
(3) Remainder is all investment grade

Profit and loss account

£'m	Unaudited Q1 2019	Unaudited Q1 2018	Growth	FY 2018	FY 2017	Annual Growth
Net interest income	83.8	75.0		330.1	241.0	
Fees and other income	22.4	14.1		63.3	49.1	
Net gains on sale of assets	1.3	2.7		10.7	3.7	
Total revenue	**107.5**	**91.8**	**17%**	**404.1**	**293.8**	**38%**
Operating expenses	(80.5)	(69.5)		(301.0)	(231.4)	
Depreciation and amortisation	(17.9)	(10.0)		(45.1)	(33.4)	
Operating Cost	**(98.4)**	**(79.5)**	**24%**	**(346.1)**	**(264.8)**	**31%**
Expected credit loss expense(1)	(2.2)	(2.3)		(8.0)	(8.2)	
Underlying profit before tax	**6.9**	**10.0**	**(31%)**	**50.0**	**20.8**	**140%**
Underlying taxation	(1.9)	(2.2)		(13.4)	(4.9)	
Underlying profit after tax	**5.0**	**7.8**	**(36%)**	**36.6**	**15.9**	**130%**
Underlying EPS basic	5.1p	8.8p		39.4p	18.8p	
Ratios						
Net interest margin	1.64%	1.85%		1.81%	1.93%	
Customer net interest margin(2)	2.20%	2.24%		2.21%	2.19%	
Customer net interest margin(2) + fees	2.80%	2.72%		2.67%	2.69%	
Cost of Deposits	0.70%	0.56%		0.61%	0.54%	
Underlying cost to income ratio	92%	87%		86%	90%	
Cost of Risk	0.06%	0.09%		0.07%	0.11%	

- Underlying profit before tax of £6.9m compares to £10.0m in Q1 2018
- The reduction reflects a net £2.0m effect of adopting IFRS 16 (which recognises an interest charge on the lease liability which is partly offset by a reduction in lease expenses) from 1 January 2019, and £3.5m interest expense on the Tier 2 debt issued in June 2018
- Operating expenses in the quarter were higher than the prior year reflecting growth in the number of stores and investment in regulation, people and technology
- Customer net interest margin + fees increased for the second successive quarter to 2.80%, up 13 bps from Q4 2018

(1) Credit impairment charges for FY 2017 (2)Customer NIM eliminates the distortions created by TFS drawings, excludes Tier 2 debt expense (IFRS16 interest expense), and provides a real measure of how effectively the customer deposits are being put to work.

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However, 2019 is a transitional year as we evolve our medium-term plan to maximise shareholder value

Strategic initiatives

Balance controlled growth, profitability and capital efficiency through our integrated customer experience

1. Improve cost efficiency
2. Expand range of services to create new sources of income
3. Rebalance lending mix to optimise capital allocation and returns

2019 guidance

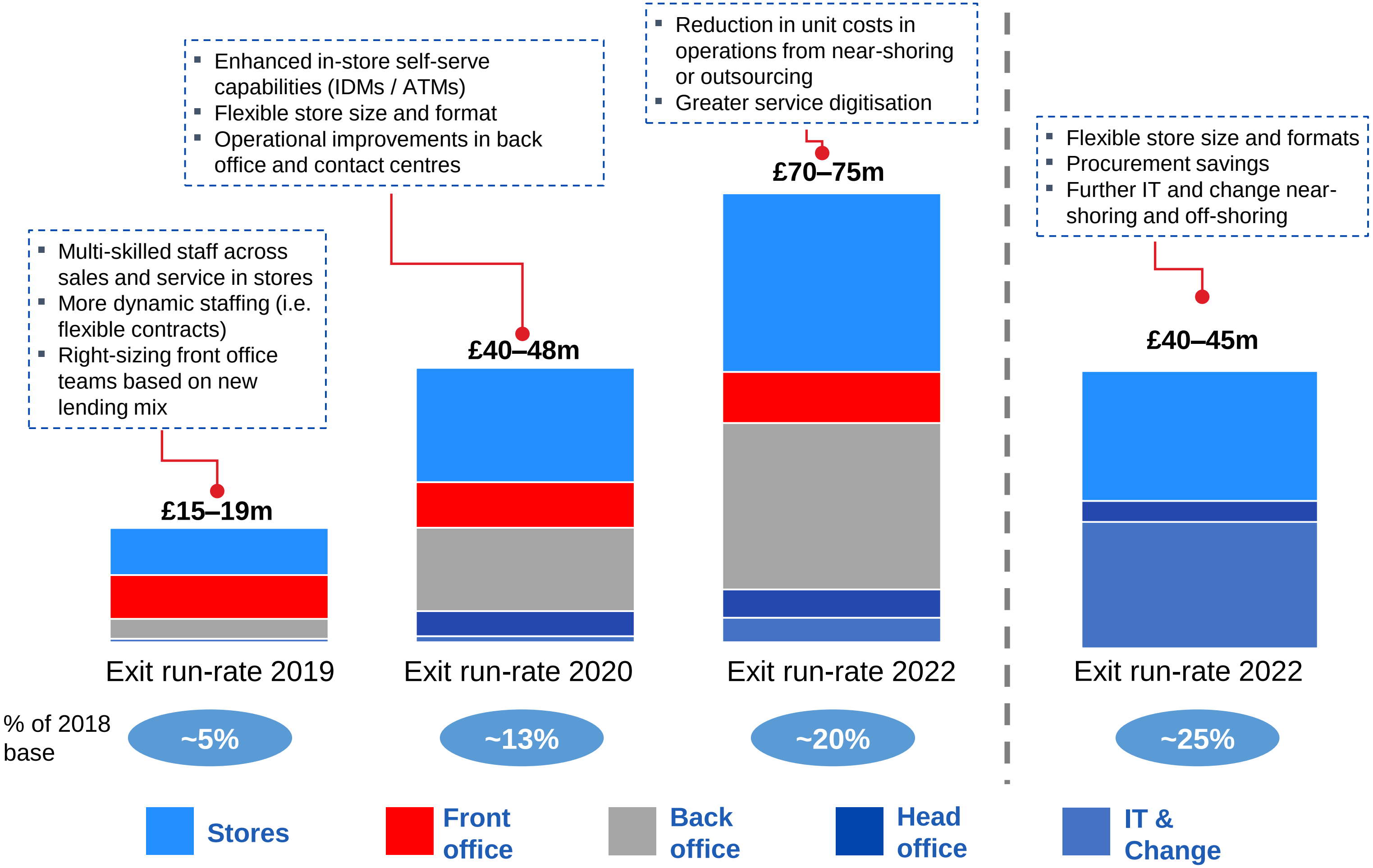
- More modest deposit growth given Q1 result, transitioning to a run rate of c.20% after 2019
- Opening c.8 new stores in 2019, plus 2 C&I funded stores in Manchester and Liverpool
- Manage loan to deposit ratio in a measured way towards our medium-term target, driving RWA efficiency
- Cost:income ratio at upper end of 85-90%

1 Significant operating cost and capex savings identified and a cost transformation program in place

- Project completed to analyse Metro's cost base growth over the medium term, and where costs can be saved or avoided
- We have identified cost savings of £70-75m vs our expected 2022 exit run-rate, which represent c.20% of the 2018 cost base
- Opportunities delivered largely through store efficiency initiatives and back office savings
- Significant capex savings of £40-45m through store rationalisation and IT initiatives
- Cost to achieve of up to £150m, mainly capex investment over a 3 year period

Operating expense savings
Pre-leakage (exit run-rate) vs. 2018 cost base, £m(1)

Capex savings vs. 2018 cost base, £m(1)



(1) Company estimates

1 A clear set of initiatives have been identified to deliver £15-19m in opex exit run-rate savings for 2019

In February, we shared with investors 10 priorities for 2019		Targeted actions
Back office	▪ **IVR, and scripts in the call centres,** to improve first-call resolution for customers ▪ **Lean workflow** improvements	▪ Pilot **Robotics Process Automation** in payments processing ▪ Pilot and introduce **SmartRouting & selective IVR** in the call centre ▪ Evolve **case management system** to drive better resolution
Front office	▪ **Cost optimisation** to reflect lending mix shift ▪ **Lean workflow** improvements	▪ Right-size **Commercial team** to reflect new lending mix ▪ Right-size **management roles** in line with greater network
Stores	▪ **Rollout scheduling** optimisation ▪ **Lean workflow** improvements	▪ Rationalise in store roles e.g., via **multi-skilled colleagues** across both sales and service, re-balancing of in-store responsibilities ▪ Optimise **in store scheduling and rotas**
Head Office	▪ **Cost optimisation in support functions** (e.g., HR, IT) **grow with existing cost base** ▪ **Lean workflow** improvements	▪ **Centralise procurement responsibilities** to drive greater control and scrutiny ▪ Reduce T&E spend through **vendor negotiation**
IT & Change	▪ **Shift** to lower-cost in-house colleagues / nearshoring ▪ **Lean workflow** improvements	▪ Reduce unit salary costs by shifting to greater share of **in-house colleagues** in IT & Change, given critical scale being reached as well as near shoring other opportunities

Total 2019 exit run-rate benefit(1)

Opex, £m

15-19

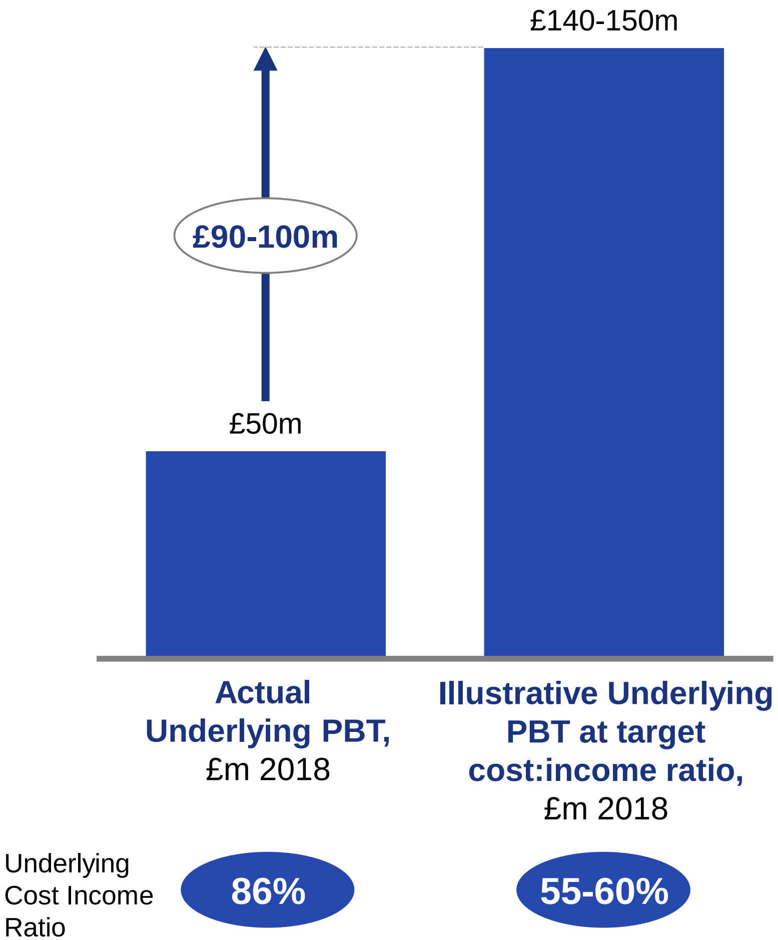
Capex, £m

2-3

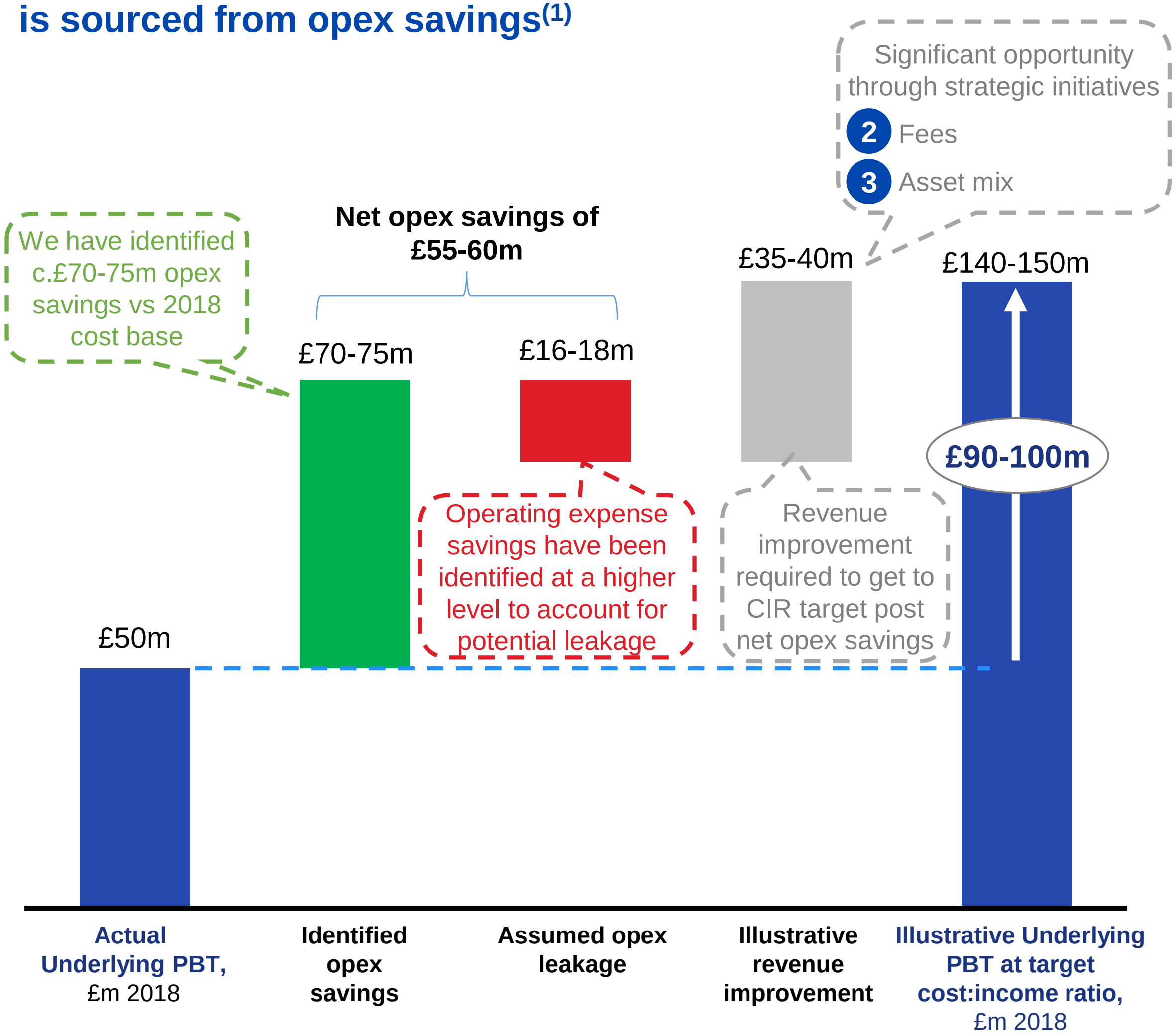
(1) Company estimates

1 Applying our 2023 target cost:income ratio to the 2018 cost base would be equivalent to a c.20% cost reduction pre-leakage

Potential 2018 opex savings at our target cost:income ratio of c.55-60%[1]



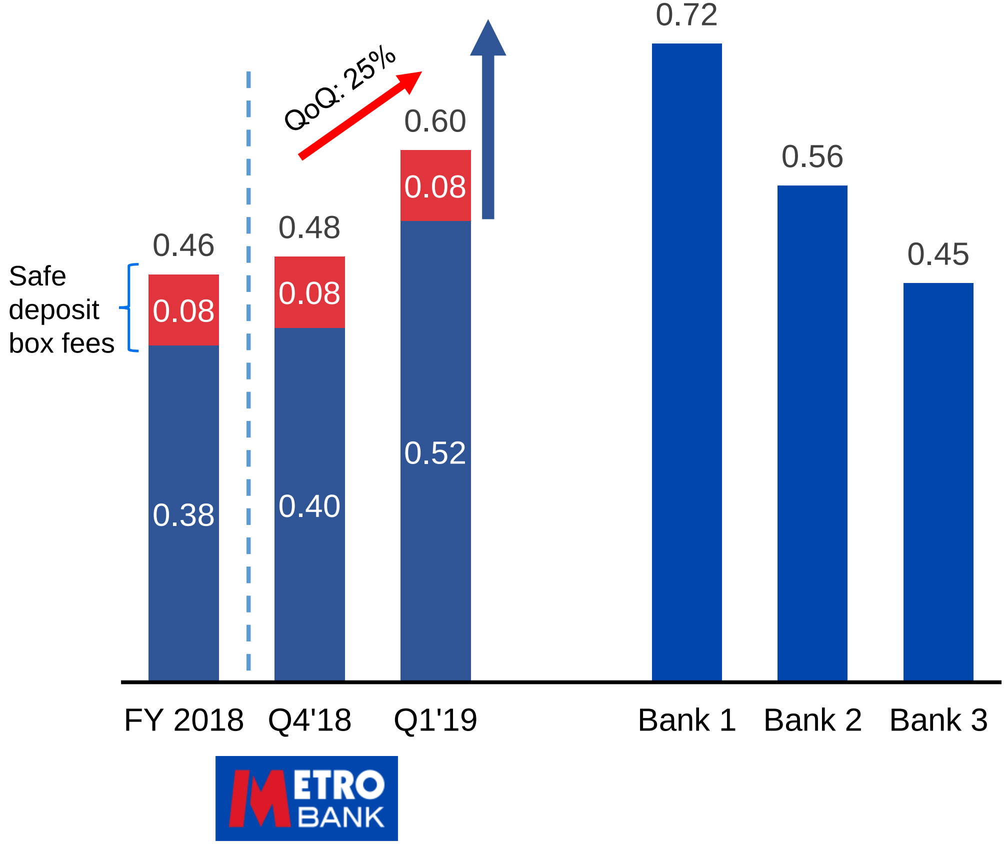
Assuming c.60% of the required cost:income improvement is sourced from opex savings[1]



(1) Company estimates

2 We will expand our fee income by winning more customers and building new value added services to drive capital efficient income

Fee & commission income (as % of deposits)(1)



Product roadmap

2019

- Business Insights – **AI analytics in mobile app** to support SMEs financial planning
- **Cash pick up / drop** off for SMEs **via mobile app**
- **Flexible** safe deposit box **pricing**
- **In-house** Direct Debit **origination**
- Trade services and FX **enhancements**

2020

- Opening of Business accounts **online**
- **Cloud** account **platform** for SMEs
- **'MFlow'** to support SMEs in **'Making Tax Digital'**
- New control led credit card **'MCard'**

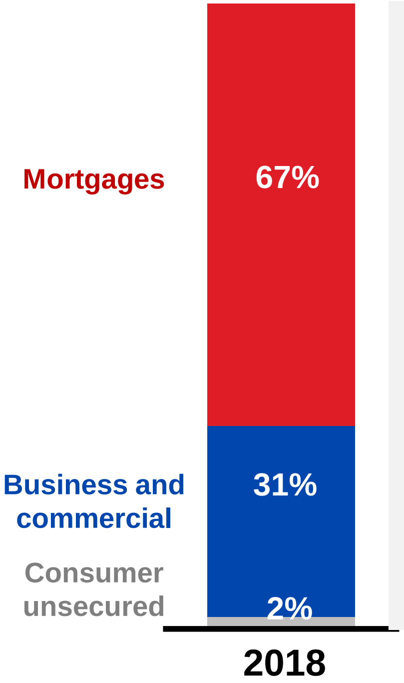
2021

- UK's **first end-to-end** payments and accounts receivable solution
- **Liquidity management** tools
- **Packaged account** offering

(1) Net fee and commission divided by average deposits

3 Rebalancing our lending mix and growth to optimise capital efficiency and ROE

Strategy to rebalance the lending mix



- ✓ Build lending around **low risk**, cost-efficient and **higher ROE** mortgages of **c.35%** RWA
- ✓ Through C&I and own funding, **significantly increase SME** and **commercial transactional business** lending at **c.75%** RWA
- ✓ **Significantly reduce** proportion of **lower ROE** commercial real estate and professional buy-to-let at **c.100%** RWA
- ✓ **Grow unsecured lending** and credit cards at **c.75%** RWA

	2018 Actual		2018 pro-forma, assuming 2023 rebalanced lending mix target	
		Capital optimisation driving increased ROE	ex AIRB	Assuming AIRB[3]
Blended RWA density	49%	→	c.47%	c.34%

Roadmap to delivery

2019
- Adjust lending mix with **significantly less commercial real estate** and **professional buy-to-let**
- Trade Services and Foreign Exchange **Enhancements**

2020
- **Enhance** SME overdraft proposition
- Small Business **Loan platform**
- New control led credit card **'MCard'**
- Revolving Credit Facility with **flexible payment**

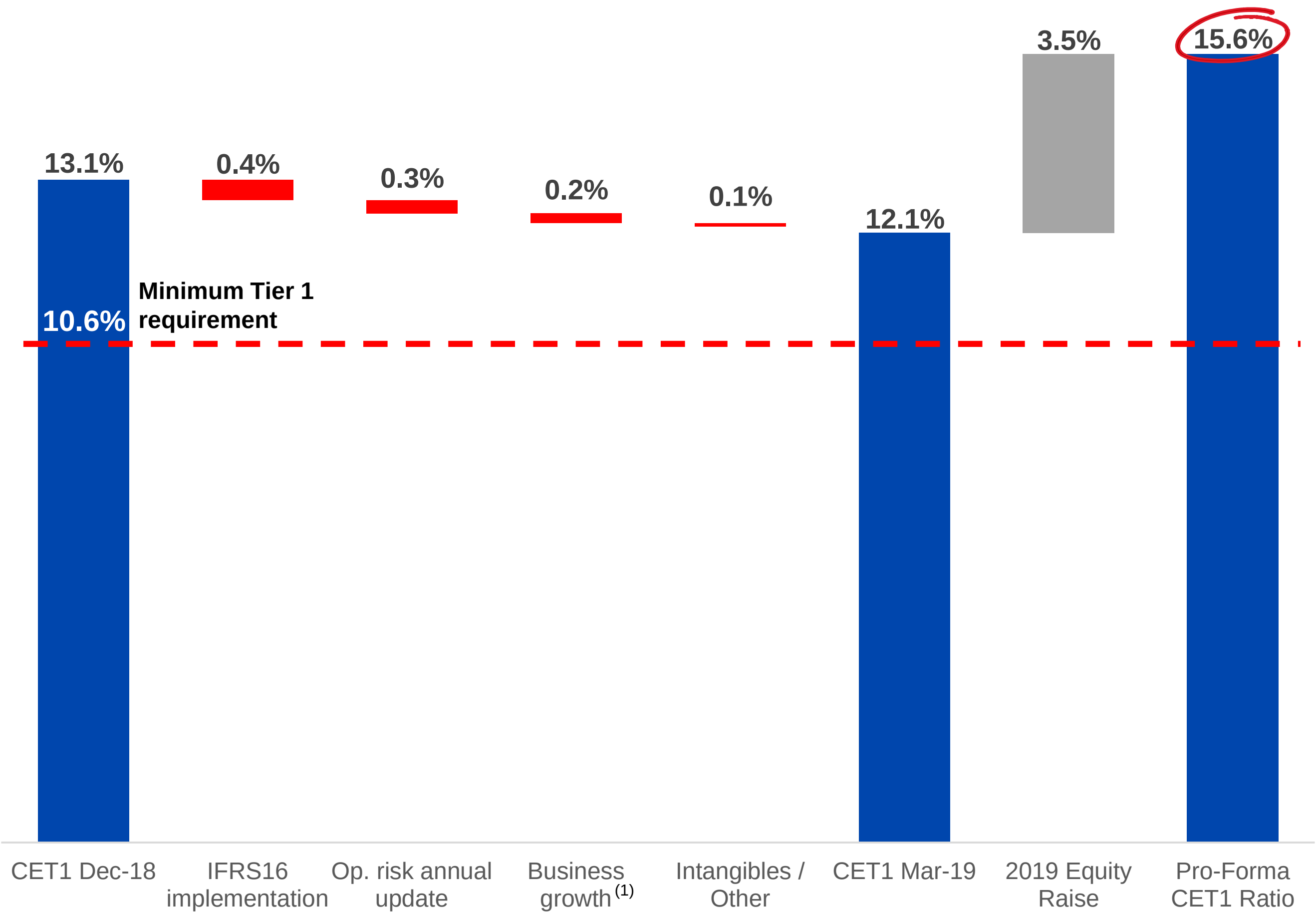
2021
- Secured Lending **Automation**
- New **retail lending platforms**

(1) Company estimates (2) Risk density and yields for business and commercial represent estimated blended figures for business and commercial, asset finance and invoice finance and calculated as a weighted average (3) Assuming residential mortgage risk weighting of 20%

METRO BANK

Equity raise and strategic initiatives generate increased returns providing CET1 headroom for controlled growth over the medium-term

CET1 Bridge



Metro Bank will manage its growth within available equity capital to avoid further medium-term equity raises

- Rebalance lending portfolio to become more capital efficient
- Strategic initiatives to drive capital generation from profits
- AIRB to reduce risk density, however, it will not be implemented before 2021

Additional potential capital levers are available

- Loan portfolio sales
- Securitisation
- Moderating growth

(1) Includes lending growth and treasury asset sales. Pro-Forma CET1 Ratio assumes a £350 million equity raise. A £375 million equity raise implies a Pro-Forma CET1 Ratio of 15.8%

Ealing Store shows an example of store profitability increasing to 4% ROE in 5 years

Ealing store opened in June 2013

£'000	Y1 May-14	Y2 May-15	Y3 May-16	Y4 May-17	Y5 May-18
Number of customer accounts	10,399	17,603	24,949	31,870	38,784
Deposits	**44,581**	**153,232**	**226,255**	**290,347**	**402,444**
Average deposit growth per month	*£3.7m*	*£9.1m*	*£6.1m*	*£5.3m*	*£9.3m*
Total income(1)	812	2,903	4,498	6,931	9,519
Store operating expenses	1,646	1,571	1,605	1,738	1,831
Store contribution	**(834)**	**1,332**	**2,893**	**5,193**	**7,688**
Store ROE on contribution	***(18)%***	***11%***	***16%***	***23%***	***25%***
Central operating expenses(2)	395	1,753	3,364	4,579	6,141
Underlying Store Profit	**(1,229)**	**(421)**	**(471)**	**614**	**1,547**
Underlying Store ROE on profit(2)	***(19)%***	***(2)%***	***(2)%***	***2%***	***4%***

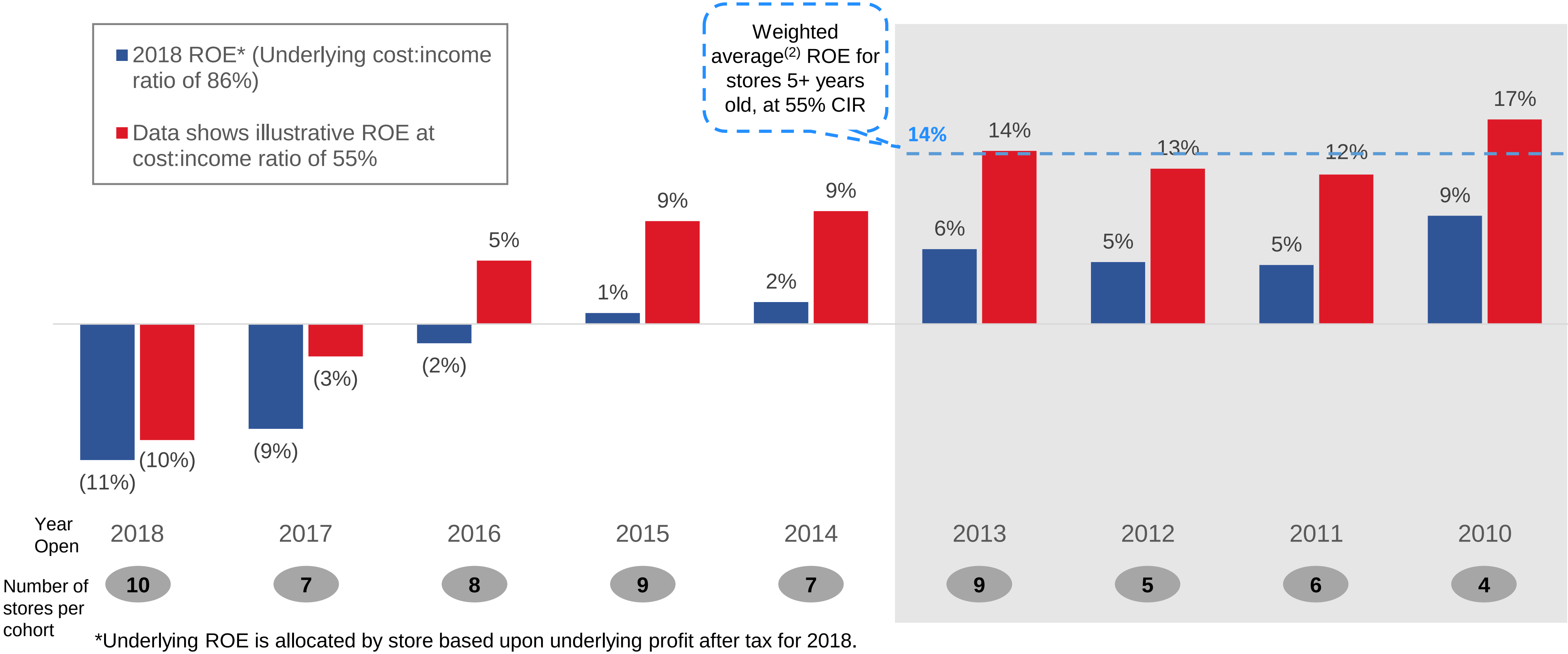
(1) Total income includes store specific fee income (such as revenue from Safe Deposit Boxes), together with a share of the whole bank's net interest margin, allocated based on the store's deposit balance as a proportion of the whole bank's deposit balance (2) Underlying ROE is allocated by store based upon underlying profit after tax for 2018. Indirect income, central operating expenses and equity allocated across stores based upon relative deposits

METRO BANK

Stores that are 5 years and older deliver an attractive ROE post strategic initiatives

Controlled asset growth + Increased fee income + Store maturation + Operating leverage + Operating efficiency = Enhanced ROE

2018 Underlying Store ROE by annual cohort – fully loaded and at target cost:income ratio of 55%(1)



*Underlying ROE is allocated by store based upon underlying profit after tax for 2018. Indirect income, central operating expenses and equity allocated across stores based upon relative deposits

(1) Company estimates based on FY 2018 actuals (2) Weighted by number of stores

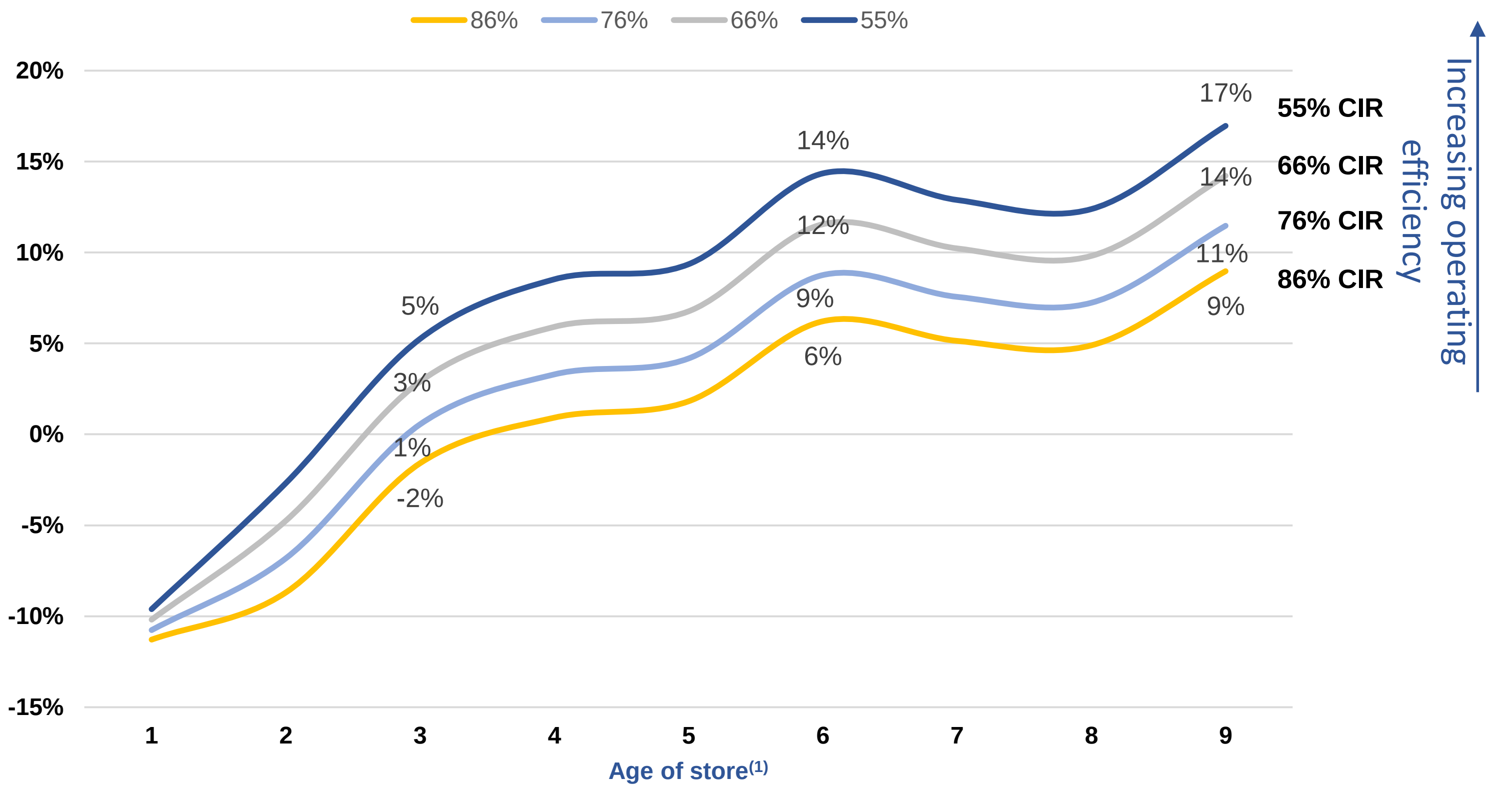
Stores that are 5 years and older deliver an attractive ROE post strategic initiatives

Controlled asset growth + **Increased fee income** + **Store maturation** + **Operating leverage** + **Operating efficiency** = **Enhanced ROE**

Clear ROE improvement across portfolio

- Increasing brand strength and reach, together with strategic initiatives will accelerate progress of individual stores to target level
- Increasing maturation, greater number of mature stores, and efficiency measures will drive higher returns

Fully loaded Underlying store ROE(2), modelled with improving operating efficiency



(1) Company estimates; Age relates to store cohort from 1 year old (2018) to 9 years old (2010) (2) Underlying ROE is allocated by store based upon underlying profit after tax for 2018. Indirect income, central operating expenses and equity allocated across stores based upon relative deposits

METRO BANK

Metro Bank will continue to disrupt the market by creating FANS as we deliver our medium-term plan of controlled growth with strategic initiatives driving returns

Model (Value Differentiating)

+ Culture (Unique)

+ Execution (Fanatical)

FANS! not customers

Creating FANS through our service-led culture…

… attracting low-cost, sticky deposits…

… that enable us to grow low-risk, lending…

…delivering low-risk, high quality earnings

Balance controlled growth with strategic initiatives driving returns

Improving cost efficiency	£70-75m	Cost efficiency identified(1)
Expanding fee income	>50%	Q1 2019 vs Q1 2018 growth in fee income
Rebalancing our lending mix		Manage RWA density while driving returns

Equity capital raise of c.£350m to ensure a well capitalised balance sheet primed for controlled growth over the medium term

(1) As of April 2019

APPENDIX

Our evolving strategy will deliver our medium-term guidance

Deposit growth	c.20% per annum, c.2% share of the market by 2023
Store growth	c.8 new stores a year plus C&I funded store growth
Average deposits per store per month	>£4m
Loan to deposit	85% – 90%
Cost of risk	15bps – 30bps through the cycle
Cost to income	55% – 60% by 2023
Capital	12% minimum CET1 ratio and leverage ratio >4%
RoE	Low double digit RoE by 2023

METRO BANK

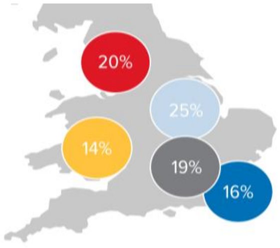
Capability & Innovation Funding expanding our income streams

The C&I funding brings the future forwards….

- Winner of the **top award** for the C&I fund
- £120m grant accelerates Metro Bank's growth to become an **"at scale" SME challenger** by 2025
- Three main pillars of the Bid
  - **Accelerating national store coverage** via expanding to the North with 30 new stores
  - **Launching game changing digital capabilities** e.g., digital tax submission, online account opening
  - **Building capabilities to serve larger, more complex SMEs** e.g., sweeping / pooling, trade finance

… supporting our three strategic initiatives….

Re-balanced lending



UK SME hot spots(1)

Increase coverage to over **two-thirds** of UK SME hot spots from c.30% currently(1)

New sources of fee income

- UK first end to end payments and accounts receivable platform
- Commercial credit card
- Mobile cash pick-up and drop off

Improved cost efficiency

New scalable platforms for SME lending

E2E digital account opening

… in a financially prudent way

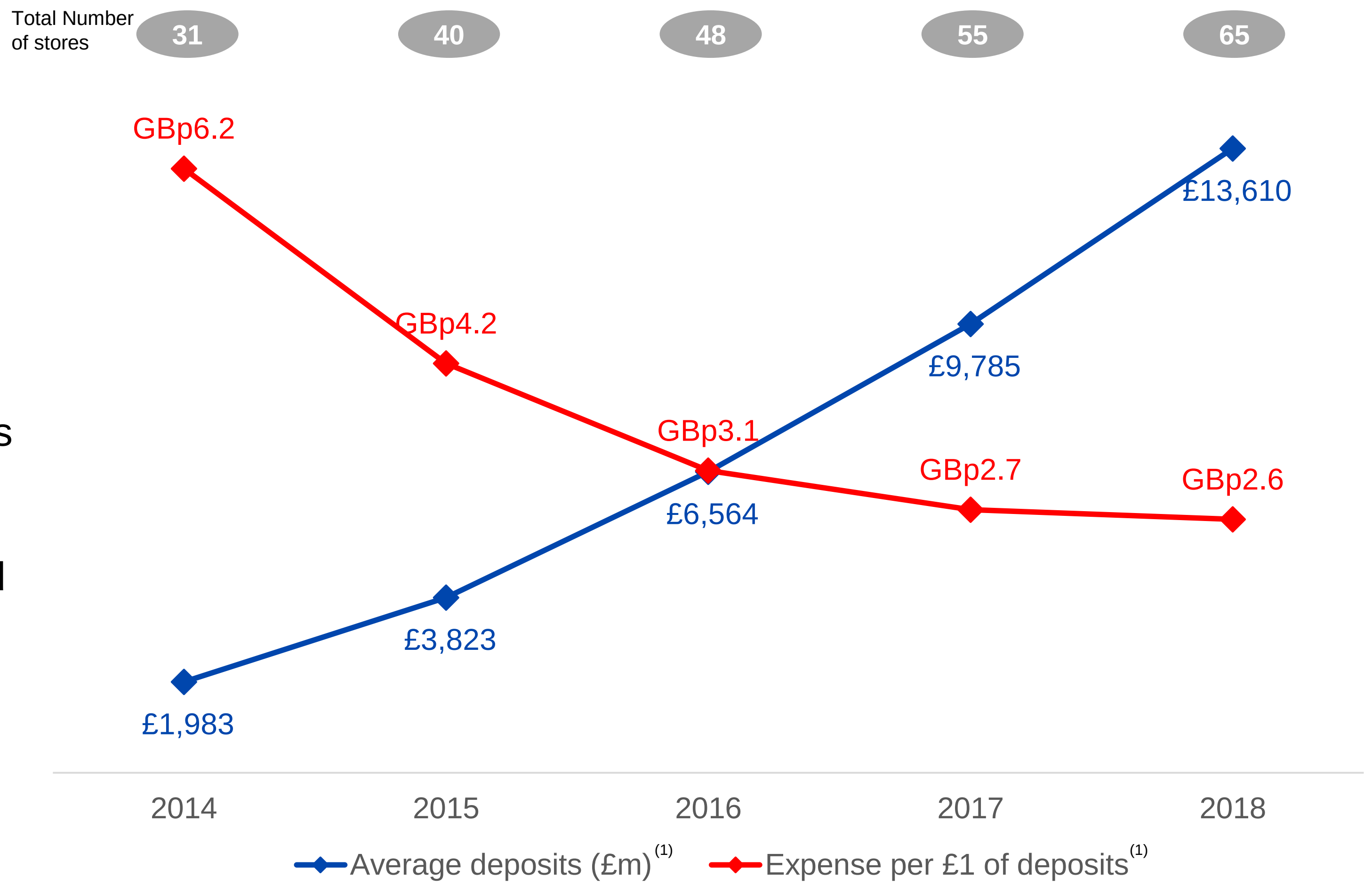
- **No "Day 1"** capital impacts
- **Co-investment commitment of** £234m, of which 75% capitalised
- **Short-term P&L drag** but turning positive as revenue from new capabilities kicks in
- Store opening phased over five years with C&I funding the **first 18 months of frontline roles**
- Plan to **fund 2 stores in 2019**, with the remaining balance by 2023

(1) Charterhouse SME Finance and Banking Report, 2016. Increased coverage includes incremental growth from C&I funding and planned growth

METRO BANK

Strength of deposit growth has driven operating leverage

- Addition of low cost deposits generates operating leverage as we grow
- Expense per £1 of deposit has halved since 2014
- Expect further reduction in expense per £1 of deposits as franchise grows in a controlled way and cost initiatives are implemented



(1) Company data

Thank You