

# SECURITIES AND EXCHANGE COMMISSION

## FORM DEF 14A

Definitive proxy statements

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### FILER

#### **METROPOLITAN FINANCIAL CORP /OH/**

CIK: **1003233** | IRS No.: **341109469** | State of Incorporation: **OH** | Fiscal Year End: **1231**  
Type: **DEF 14A** | Act: **34** | File No.: **000-21553** | Film No.: **99574112**  
SIC: **6035** Savings institution, federally chartered

Business Address  
6001 LANDERHAVEN DR  
MAYFIELD HEIGHTS OH  
44124  
2166461111

=====

SCHEDULE 14A  
(RULE 14A-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

<TABLE>  
<S>  [ ] Preliminary Proxy Statement  [ ] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e) (2))  [ ]  
 [X] Definitive Proxy Statement  
 [ ] Definitive Additional Materials  
 [ ] Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12.  
</TABLE>

METROPOLITAN FINANCIAL CORP.  
(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

METROPOLITAN FINANCIAL CORP.  
(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.  
 [ ] Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.

- (1) Title of each class of securities to which transaction applies: .....
- (2) Aggregate number of securities to which transaction applies: .....
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): .....
- (4) Proposed maximum aggregate value of transaction: .....
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- (3) Filing Party: .....
- (4) Date Filed: .....

[METROPOLITAN FINANCIAL CORP. LOGO]  
METROPOLITAN FINANCIAL CORP.  
6001 Landerhaven Drive  
Mayfield Heights, Ohio 44124

March 26, 1999

Dear Shareholder:

On behalf of the Board of Directors, I cordially invite you to attend the 1999 Annual Meeting of Shareholders of Metropolitan Financial Corp., which will be held at our executive offices, 6001 Landerhaven Drive, Mayfield Heights, Ohio, at 9:00 a.m., local time, on Tuesday, April 27, 1999.

All holders of record of shares of Common Stock of Metropolitan Financial Corp. as of March 1, 1999, are entitled to vote at the 1999 Annual Meeting.

As described in the accompanying Notice and Proxy Statement, you will be asked to vote on the election of four directors for three-year terms expiring in 2002 and to ratify the appointment of independent auditors for 1999.

The accompanying Notice and Proxy Statement and the Annual Report for the year ended December 31, 1998, are being mailed to shareholders on or about March 26, 1999.

Your vote is very important, regardless of the number of shares you own. I urge you to complete, sign, and date each proxy card you receive and return it as soon as possible in the postage-paid envelope provided, even if you currently plan to attend the 1999 Annual Meeting. This will not prevent you from voting in person, but will assure that your vote is counted if you are unable to attend the meeting. Thank you for your consideration of these matters and please vote today.

Sincerely,

/s/ Robert M. Kaye

ROBERT M. KAYE  
Chairman of the Board

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[METROPOLITAN FINANCIAL CORP. LOGO]  
METROPOLITAN FINANCIAL CORP.  
6001 Landerhaven Drive  
Mayfield Heights, Ohio 44124

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON  
APRIL 27, 1999

The Annual Meeting of Shareholders of Metropolitan Financial Corp. will be held at 6001 Landerhaven Drive, Mayfield Heights, Ohio, on Tuesday, April 27, 1999, at 9:00 a.m., local time, for the following purposes:

1. To elect four directors to serve for three-year terms expiring in 2002.
2. To ratify the appointment of Crowe, Chizek and Company LLP as Metropolitan Financial Corp.'s independent auditors for the fiscal year ending December 31, 1999.
3. To transact such other business as may properly come before the 1999 Annual Meeting or any postponement or adjournment thereof.

The Board of Directors has selected March 1, 1999, as the record date for the Annual Meeting. Only those shareholders of record at the close of business on that date will be entitled to notice of and to vote at the 1999 Annual Meeting or any postponement or adjournment thereof.

-----  
YOUR VOTE IS IMPORTANT  
PLEASE SIGN, DATE AND RETURN YOUR PROXY CARD IN THE ENCLOSED ENVELOPE.  
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By Order of the Board of Directors

/s/ Malvin E. Bank

MALVIN E. BANK  
Secretary

March 26, 1999

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[METROPOLITAN FINANCIAL CORP. LOGO]  
METROPOLITAN FINANCIAL CORP.  
6001 Landerhaven Drive  
Mayfield Heights, Ohio 44124  
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PROXY STATEMENT  
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VOTING INFORMATION FOR THE ANNUAL MEETING

ANNUAL April 27, 1999 Corporate Headquarters  
MEETING: 9:00 a.m., EST 6001 Landerhaven Drive

RECORD DATE: The close of business on March 1, 1999. If you were a shareowner at that time, you may vote at the meeting. Each share is entitled to one vote. You may not cumulate votes. On the record date, we had 7,756,393 shares of our common stock outstanding.

- AGENDA:
1. To elect four directors
  2. Ratify the selection of Crowe, Chizek and Company LLP as our independent auditors for 1999.
  3. Any other proper business

PROXIES: Unless you tell us on the proxy card to vote differently, we will vote signed returned proxies "for" the Board's nominees and "for" agenda item 2. The Board or proxy holders will use their discretion on other matters. If a nominee cannot or will not serve as a director, the Board or proxy holders will vote for a person whom they believe will carry on our present policies.

PROXIES SOLICITED BY: The Board of Directors

MAILING DATE: Approximately March 26, 1999

REVOKING YOUR PROXY: You may revoke your proxy before it is voted at the meeting. To revoke, follow the procedures listed on page 14 under "Voting Procedures/Revoking Your Proxy."

NOTE ON 10% STOCK DIVIDEND: We distributed a 10% stock dividend on December 29, 1998, to shareholders of record on December 15, 1998. All shares, share prices and related figures are restated in this proxy statement to reflect the stock split.

-----  
YOUR VOTE IS IMPORTANT  
PLEASE SIGN, DATE AND RETURN YOUR PROXY CARD IN THE ENCLOSED ENVELOPE.  
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#### ELECTION OF DIRECTORS

BOARD STRUCTURE: The Board has 11 directors. The directors are divided into three classes. At each annual meeting, the term of one class expires. Directors in each class serve for three-year terms. Each director of Metropolitan Financial Corp. ("Metropolitan") also serves as a director of its largest subsidiary, Metropolitan Bank and Trust Company ("Bank").

BOARD NOMINEES: Each of the Board's nominees for terms expiring in 2002 currently serves as a director. Each nominee has agreed to serve if reelected.

#### NOMINEES FOR TERMS THAT EXPIRE AT THE 2002 ANNUAL MEETING:

MALVIN E. BANK  
Director since 1991

Mr. Bank has served as Secretary, Assistant Treasurer and Director of Metropolitan and Secretary and Director of the Bank since 1991. Mr. Bank is a senior partner with the Cleveland law firm of Thompson Hine & Flory LLP. Mr. Bank serves as a Director of Oglebay Norton Company. Mr. Bank also serves as a Trustee of Case Western Reserve University, The Holden Arboretum, Chagrin River Land Conservancy, Cleveland Center for Research in Child Development, Hanna Perkins School, and numerous other civic and charitable organizations and foundations. Age 68.

ROBERT M. KAYE  
Director since 1987  
Mr. Kaye has served as Chairman and Chief Executive Officer of Metropolitan and the Bank since 1987. He has also served as President of Planned Residential Communities, Inc. since 1960. Planned Residential Communities, Inc. is actively engaged in every aspect of multifamily housing from new construction and rehabilitation to acquisition and management. Mr. Kaye serves as a member of the Board of Directors of Community Bank of New Jersey. He has also been a member of the Corporate Council of the Cleveland Museum of Art since its inception in 1993 and has been a member of the Board of Trustees of the College of New Jersey since 1980 and of The Peddie School since 1988. Age 62.

DAVID G. LODGE  
Director since 1991  
Mr. Lodge joined Metropolitan in December 1988 as Executive Vice President. He has served as President of Metropolitan and the Bank since August 1991. Mr. Lodge has also served as Director of Metropolitan and the Bank since 1991 and as Assistant Secretary and Assistant Treasurer of Metropolitan since 1992. Mr. Lodge has served as a Director of University Circle Incorporated and Vocational Guidance Services since 1994 and became a member of the Board of Trustees of The Cleveland Playhouse in June 1995. Age 59.

DAVID P. MILLER  
Director since 1992  
Mr. Miller has served as a Director of Metropolitan and the Bank since 1992. Mr. Miller also serves as Treasurer and Assistant Secretary of Metropolitan. Since 1986, Mr. Miller has been the Chairman and Chief Executive Officer of Columbia National Group, Inc., a Cleveland-based scrap and waste materials wholesaler and steel manufacturer. He is currently commissioner of the Ohio Lottery. Age 66.

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#### CONTINUING DIRECTORS

#### DIRECTORS WHOSE TERMS EXPIRE AT THE 2000 ANNUAL MEETING

LOIS K. GOODMAN  
Director since 1994  
Ms. Goodman has served as a Director of Metropolitan and the Bank since 1994. Since 1990, she has been President of the Work & Family Consulting Group, Inc., a consulting service for employers on managing working families. Ms. Goodman is also a member of the Board of Trustees for the Cleveland Opera, the Jewish Community Federation, Starting Point and Eldred Theater. Age 65.

MARGUERITE B. HUMPHREY  
Director since 1994  
Ms. Humphrey has served as a Director of Metropolitan and the Bank since 1994. Ms. Humphrey developed and implemented workshops for trustee education for the Cultural Arts Trustee Forum at the Cleveland Mandel Center from 1992 to 1995. She is a trustee for the American Symphony Orchestra League, the Cleveland Institute of Music, the Musical Arts Association, Rainbow Babies and Children's Hospital and the Cleveland Zoological Society. Age 57.

ALFONSE M. MATTIA  
Director Since 1996  
Mr. Mattia has served as a consultant to the Bank since 1987 and as a Director of Metropolitan and the Bank since 1996. Mr. Mattia is a CPA and a founding partner of Amper, Politziner & Mattia, a New Jersey-based accounting and consulting firm. Mr. Mattia serves on the Assurance Services Executive Committee of the AICPA and is co-Chairman of the Rutgers University Family Business Forum. Mr. Mattia also serves as a director of United Heritage Bank. Age 57.

#### DIRECTORS WHOSE TERMS EXPIRE AT THE 2001 ANNUAL MEETING

ROBERT R. BROADBENT Director Since 1992 Mr. Broadbent has served as a Director of Metropolitan and the Bank since 1992. From 1984 to 1989, Mr. Broadbent served as Chairman and Chief Executive Officer of The Higbee Company, a Cleveland-based clothing and housewares retailer. Mr. Broadbent served as the Chairman of the Rock and Roll Hall of Fame Museum, Inc. until May 1994 and is now on the advisory board. Mr. Broadbent also serves as a Director of PICO Holdings, Inc., as well as a Trustee of the Murphy Foundation. Age 77.

MARJORIE M. CARLSON Director since 1994 Ms. Carlson has served as a Director of Metropolitan and the Bank since 1994. She is the retired Director of Development for the Cleveland Foundation. Ms. Carlson is a member of the Board of Trustees of the College of Wooster, the Musical Arts Association and Playhouse Square Foundation. Age 58.

JAMES A. KARMAN Director Since 1992 Mr. Karman has served as a Director of Metropolitan and the Bank since 1992. Mr. Karman has been affiliated with RPM, Inc. since 1963, and in 1978 he became President of RPM, Inc., a manufacturer of protective coatings, sealants and specialty chemicals. Mr. Karman serves as a member of the Board of Directors of RPM, Inc., A. Schulman, Inc. and Shiloh Industries, Inc. Mr. Karman also serves as a member of the Board of Trustees of the Boys & Girls Club of Cleveland, Boys Hope, The Western Reserve Historical Society, and is a member of the Corporate Council, Cleveland Museum of Art. Age 61.

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RALPH D. KETCHUM Director Since 1991 Mr. Ketchum has served as a Director of Metropolitan and the Bank since 1991. Since 1987, Mr. Ketchum has been President of RDK Capital Inc., a general partner in a partnership formed for the purposes of acquiring and managing companies serving the aircraft industry. Before that, he was a Senior Vice President and Group Executive for the General Electric Company, Lighting Group. Mr. Ketchum is also a member of the Board of Directors of Oglebay Norton Company, Thomas Industries, Inc., and Lithium Technologies, Inc. Age 72.

BOARD'S RECOMMENDATION THE BOARD UNANIMOUSLY RECOMMENDS ELECTION OF THE ABOVE NOMINEES FOR DIRECTORS WHOSE TERMS EXPIRE AT THE 2002 ANNUAL MEETING.

#### BOARD INFORMATION

BOARD MEETINGS: In 1998, the Metropolitan Board held a total of four regular quarterly meetings. Each director attended at least 75% of his or her Metropolitan Board and committee meetings.

Each Metropolitan director also serves as a director of the Bank. The Bank's Board held 12 regular monthly meetings in 1998. The Bank's Board has also established several committees, including an Audit Committee and a Compensation and Organization Committee. Each director attended at least 75% of his or her Bank Board and committee meetings.

BOARD COMMITTEES: The Audit Committee recommends appointment of Metropolitan's independent auditors. It also receives and approves reports and plans, accounting policies and financial statements. The committee oversees Metropolitan's internal audit function and reviews our internal control and audit systems with

management and the independent auditors. The Audit Committee held four meetings in 1998. Members: Messrs. Bank (Chair), Broadbent, Karman, Ketchum, Mattia, and Miller and Ms. Humphrey.

The Compensation and Organization Committee reviews and recommends compensation with respect to Metropolitan's Chairman of the Board and its President. The committee held two meetings during 1998. Members: Messrs. Ketchum (Chair), Bank, Karman and Kaye.

The Board does not have a standing Nominating Committee. The entire Board performs that function.

The required procedures to be nominated as a director are found in Metropolitan's Amended and Restated Code of Regulations (the "Regulations"). Only those persons nominated according to the Regulations are eligible to be elected. All nominations must be in writing and given to our Corporate Secretary between 60 and 90 days before the annual shareholders meeting. However, if we give less than 75 days prior notice (either to our shareholders or by public disclosure) of the annual shareholders meeting, then you have 15 days from the earlier of the date we gave the prior notice to make your nomination. If given to our shareholders, the prior notice is given when we mail it.

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All nominations must include all of the following information about the proposed nominee: the nominee's (a) name, age, business, and residence address; (b) principal occupation or employment for the last five years; (c) beneficial ownership, by class and number, of Metropolitan common shares; (d) other positions held as a director, officer, partner, employee or controlling shareholder of any corporation or other business entity; (e) prior position as a director, officer or employee of a depository institution or any company controlling a depository institution, if any; (f) certain information which would be required to be disclosed in a proxy statement; and (g) written consent to serve if nominated or elected. The nomination must also contain information about the shareholder making the nomination, including: (a) the shareholder's name and record address; (b) a statement that the shareholder is a record holder entitled to vote at the annual meeting; (c) if there are any arrangement or understandings between the shareholder and the nominee and any other person(s) must be described (including naming such person(s)); and (d) the shareholder's beneficial ownership, by class and number of shares, of Metropolitan common shares.

BOARD COMPENSATION Directors of the Bank who are neither employees of Metropolitan or the Bank receive a monthly retainer of \$1,000, plus a \$500 attendance fee for each Bank Board meeting attended. Directors receive no fees or other retainers for serving on Metropolitan's Board, or on any of the Board committees of Metropolitan or the Bank.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

PLANNED RESIDENTIAL COMMUNITIES Planned Residential Communities, Inc. ("PRC") provides Metropolitan with consulting services on employee benefits and multifamily property matters for an annual retainer of \$96,000. Mr. Kaye, Chairman



of the Board, is the sole shareholder of PRC.

THOMPSON HINE & FLORY LLP The law firm of Thompson Hine & Flory LLP provided legal services to Metropolitan in 1998 and during the current year at costs negotiated in arms-length transactions. Malvin E. Bank is a partner in that firm.

1993  
SUBORDINATED NOTES Several of Metropolitan's directors and executive officers purchased 10% subordinated notes (due December 31, 2001) from Metropolitan during its 1993 private offering (the "Subordinated Notes"). Those purchases were made on the same terms and conditions as sales to nonaffiliated purchasers. All Subordinated Notes were repurchased by Metropolitan on May 22, 1998 with the proceeds of its Trust Preferred Securities offering, including \$515,000 and \$200,000, in principal amounts, held respectively by Messrs. Kaye and Ketchum.

#### CERTAIN TRANSACTIONS

AMPER, POLITZINER & MATTIA The accounting firm of Amper, Politziner & Mattia provided tax services to Metropolitan in 1998 and during the current year at costs negotiated in arms-length transactions. Alfonse M. Mattia is a partner in that firm.

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1993  
SUBORDINATED  
NOTES  
AND OTHER DEBT As noted above, several of Metropolitan's directors and executive officers purchased subordinated notes (due December 31, 2001) from Metropolitan during its 1993 private offering (the "Subordinated Notes"). Those purchases were made on the same terms and conditions as sales to nonaffiliated purchasers. All subordinated Notes were repurchased by Metropolitan on May 22, 1998 with the proceeds of its Trust Preferred Securities offering, including the following principal amounts: (a) \$200,000 held by David P. Miller; (b) \$400,000 jointly held by the Bank's 401(k) Plan and Planned Residential Communities Management Co. Inc. and Affiliates 401(k) Plan; and (c) \$200,000 held by the Amper, Politziner & Mattia Profit Sharing Trust, of which Alfonse M. Mattia is a trustee.

The Bank has had banking transactions, including loans, with Metropolitan's and the Bank's directors, officers, shareholders and associates, and expects these to continue into the future. Those transactions are in the ordinary course of the Bank's business and are on substantially the same terms, including interest rates and collateral on loans, prevailing at the time for comparable transactions with other persons. Those transactions do not involve more than the normal risk of collectability or present other terms unfavorable to the Bank.

#### COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

THE COMMITTEE: The Compensation and Organization Committee (the "Committee") of the Board of Directors of the Bank reviews all issues pertaining to the compensation of Mr. Kaye and Mr. Lodge. The Committee submits its recommendations concerning compensation to the full Board of Directors of the Bank for approval.

OVERALL OBJECTIVES: The overriding objectives of the Committee are to motivate employees to accomplish goals desired by Metropolitan. Those goals include:

- Reward performance that increases the value of

- your stock.
- Attract, retain and motivate executives and key employees with competitive compensation opportunities.
- Balance short-term and long-term strategic goals.
- Address the concerns of shareholders, employees, the financial community and the general public.

COMPETITIVE MARKET REVIEW As an overall evaluation tool used in setting the compensation for Mr. Kaye and Mr. Lodge, the Committee reviews a Bank Compensation Survey prepared annually by the accounting firm of Crowe, Chizek and Company LLP. By studying this report, the Committee is able to review compensation levels and structures for banks with characteristics similar to Metropolitan. The Committee gives particular weight to banks with similar geographic location and similar asset size. The companies listed in the selected peer group used in developing the Performance Graph set forth below are companies included in the Bank Compensation Survey prepared by Crowe, Chizek and Company LLP.

BANK'S PERFORMANCE AFFECTS EXECUTIVE COMPENSATION Mr. Kaye's and Mr. Lodge's base salary and bonus are reviewed annually. In making its determinations concerning salary and bonuses, the Committee evaluates the executive's level of responsibility and performance. In the past, the Committee has also taken the performance of the Bank into account by measuring the Bank's financial performance for the previous year in light of the internal projections and forecasts prepared by management for the period.

MR. KAYE Before 1996, Mr. Kaye received only base salary. His salary has traditionally been set by the Committee at a level competitive with salaries of chief executive officers of banks of similar geographic location and asset size. Mr. Kaye's base salary for 1998 was \$395,000. In addition, in January of 1999, the Committee determined that Mr. Kaye should receive a \$75,000 bonus as part of his compensation for fiscal 1998. This increase in salary was based on Mr. Kaye's business planning and entrepreneurial skills, his vision, judgment and leadership as well as his excellent attention to detail. The Committee also recognized the excellent performance of Mr. Kaye in continuing to attract and retain outstanding officers and his overall management of those officers. The Committee awarded the bonus to Mr. Kaye in part due to the continued success of Metropolitan and the Bank during 1998. The determination of the bonus amount is completely within the discretion of the Committee.

MR. LODGE Mr. Lodge has traditionally received both salary and bonus. In 1998, Mr. Lodge's base salary was \$270,000. Mr. Lodge's salary is based in part on the recommendation of Mr. Kaye and has traditionally been set by the Committee at a level competitive with salaries of chief operating officers of banks of similar geographic location and asset size. In January 1999, the Committee determined that Mr. Lodge was entitled to a bonus of \$75,000. Although Mr. Lodge's bonus is also based in part on a recommendation by Mr. Kaye, the determination of the bonus amount is completely within the discretion of the Committee.

OTHER NAMED EXECUTIVE OFFICERS The salary portion of compensation earned by the other Named Executive Officers is determined by Mr. Lodge, after consultation with Mr. Kaye. The named executive officers' salaries are set by Mr. Lodge at

a level competitive with the salaries of officers fulfilling the same responsibilities for banks of similar geographic location and asset size. In addition to salary, Mr. Bevac and Mr. Bell earned their bonuses in 1998 pursuant to the Mortgage Banking Incentive Plan and the Commercial Real Estate Department Bonus Programs, respectively. Business generation and profits earned for the Bank primarily determine bonuses earned under Messrs. Bevac's and Bell's programs. Mr. Lodge determined Ms. Adam's 1998 bonus. Metropolitan continues to review expanding the scope of the duties of the Committee to include an annual review of the terms and amount of the compensation of executive officers in addition to the Chief Executive Officer and the President.

STOCK OPTION INCENTIVES The Committee believes that the Chief Executive Officer, the other executive officers and certain other officers and key employees of Metropolitan and the Bank will be motivated, and their financial interests will be more closely aligned with those of Metropolitan's shareholders, with an award of stock options. The Committee determines Metropolitan's stock option policies and makes the actual grants of options. The actual grants were made in May 1998 pursuant to the terms of the Metropolitan Financial Corp. 1997 Stock Option Plan, which was approved by Metropolitan's shareholders on April 28, 1998, and are based on the

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grantee's historical and/or anticipated contributions to the long-term financial and operational results of Metropolitan. The aggregate number and vesting terms may vary based on the Committee's judgment as to the best form of long-term motivation under the particular circumstances.

THE COMPENSATION AND ORGANIZATION COMMITTEE

Ralph D. Ketchum, Chair  
Robert M. Kaye  
Malvin E. Bank  
James A. Karman

PERFORMANCE GRAPH

HOW METROPOLITAN'S SHARES HAVE PERFORMED AGAINST THE MARKET AND ITS PEERS The chart on the following page compares Metropolitan's common shares with (a) the Nasdaq Market Index and (b) a selected peer group published by Media General Financial Services, Richmond, Virginia ("MG Peer Group"), which includes 419 publicly held savings and loan associations located in the United States. The chart assumes an investment of \$100 on October 29, 1996, the day on which Metropolitan's common shares became publicly held, in each of the common shares, the Nasdaq Market Index and the stocks in the selected peer group. The overall performance assumes dividend reinvestment throughout the period.

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COMPARISON OF CUMULATIVE TOTAL RETURN OF ONE OR MORE

<TABLE>  
<CAPTION>

<S> COMPANY/INDEX/MARKET	-----FISCAL YEAR ENDING-----			
	<C> 10/29/1996	<C> 12/31/1996	<C> 12/31/1997	<C> 12/31/1998
Metropolitan Fncl	100.00	103.23	290.91	216.79
Savings & Loans	100.00	106.20	178.56	156.53
NASDAQ Market Index	100.00	105.97	129.63	182.83

</TABLE>

EXECUTIVE COMPENSATION AND OTHER INFORMATION

EXECUTIVE COMPENSATION

SUMMARY OF COMPENSATION The following table sets forth certain information with respect to compensation provided by Metropolitan and its subsidiaries during the years ended December 31, 1998, 1997 and 1996, to its chief executive officer and Metropolitan's other executive officers whose annual salary and bonus exceed \$100,000.

SUMMARY COMPENSATION TABLE

<TABLE>  
<CAPTION>

NAME AND PRINCIPAL POSITION	FISCAL YEAR ENDED			ALL OTHER COMPENSATION (1)
	DECEMBER 31	SALARY	BONUS	
<S>	<C>	<C>	<C>	<C>
Robert M. Kaye Chairman of the Board and Chief Executive Officer	1998 1997 1996	\$394,465 351,000 295,000	\$75,000 (2) 75,000 (2) 65,000 (2)	\$5,000 4,750 4,750
David G. Lodge President, Assistant Treasurer and Assistant Secretary	1998 1997 1996	269,696 242,654 205,000	75,000 (2) 75,000 (2) 65,000	5,000 4,750 4,750
Patrick W. Bevack Executive Vice President of the Bank	1998 1997 1996	142,525 146,042 135,000	277,185 39,553 (3) 7,500	5,000 4,750 4,750
Lloyd W. W. Bell, Jr. Senior Vice President and Chief Lending Officer of the Bank	1998 1997 (4)	125,654 23,077	139,871 -	- -
Judith Z. Adam Senior Vice President and Chief Financial Officer of the Bank	1998 1997 1996	105,482 99,137 89,144	7,000 6,000 4,000	4,499 4,205 3,726

</TABLE>

- (1) Represents the Bank's contribution to the Metropolitan Bank and Trust Company 401(k) Plan.
- (2) Paid in January in the following year.
- (3) Mr. Bevack's 1997 bonus was not paid until after the Registrant's 1998 Proxy Statement was filed.
- (4) Mr. Bell did not join the Bank until October 20, 1997.

OPTION GRANTS

STOCK OPTIONS The following table provides information regarding grants of Options made during the year ended December 31, 1998, to each of the executive officers named in the Summary Compensation Table. All share and base price figures reflect Metropolitan's completion, on December 29, 1998, of a 10% stock dividend.

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OPTION/SAR GRANTS IN LAST FISCAL YEAR

<TABLE>  
<CAPTION>

NAME	INDIVIDUAL GRANTS				POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR TEN YEAR OPTION TERM	
	NUMBER OF UNDERLYING OPTIONS GRANTED (#) (1)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE (\$/SHARE)	EXPIRATION DATE	5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Robert M. Kaye	55,000	47.17%	\$14.43	05/20/2008	\$499,122	\$1,264,874
	6,600 (2)	5.66	15.87	05/20/2008	50,391	142,281
David G. Lodge	22,000	18.87	14.43	05/19/2008	199,649	505,949
	6,600 (2)	5.66	14.43	05/19/2008	59,895	151,785
Patrick W. Bevack	3,300 (2)	2.83	14.43	05/19/2008	29,947	75,892
Lloyd W.W. Bell, Jr.	5,500 (2)	4.72	14.43	05/19/2008	49,912	126,487
Judith Z. Adam	5,500 (2)	4.72	14.43	05/19/2008	49,912	126,487
INCREASE IN VALUE TO ALL COMMON SHAREHOLDERS (3)					\$70,350,485	\$178,397,039

</TABLE>

- (1) These options vest 50% on the third anniversary, 25% on the fourth anniversary and 25% on the fifth anniversary from the date of grant. Number of options reflects Metropolitan's 10% stock dividend on December 29, 1998.
- (2) Represents grants of incentive stock options.
- (3) Calculated for the total number of shares outstanding on December 31, 1998 (7,756,393), at a per share price of \$23.50 for 5% annual 10-year price appreciation, and at a per share price of \$37.43 for 10% annual 10-year price appreciation.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under the securities laws of the United States, Metropolitan's directors and certain officers are required to report their ownership and changes in ownership of Common Shares to the Securities and Exchange Commission (the "SEC") and NASDAQ. The SEC has established certain due dates for these reports. Based on a review of the copies of such forms furnished to Metropolitan in accordance with SEC regulations, and certain representations received by it, Metropolitan believes that, except as is noted below, there were no late filings during 1998. Alfonse M. Mattia made 22 separate purchases of Metropolitan's common shares, individually and/or as trustee, of which five of those purchases were inadvertently reported late on two Forms 4. David P. Miller made nine separate purchases of Metropolitan's common shares, of which two of those purchases were inadvertently reported late on two Forms 4. Judith Z. Adam and Lloyd W.W. Bell, Jr. filed their respective Forms 3 one month late.

## METROPOLITAN SHARE OWNERSHIP

DIRECTORS AND EXECUTIVE The following tables list, as of February 26, 1999, information about Metropolitan's OFFICERS common shares beneficially owned by current directors of and nominees for director of Metropolitan, executive officers included in the Summary Compensation Table, and all directors, nominees for director and executive officers of Metropolitan and the Bank as a group. Except as otherwise noted, each beneficial owner listed has sole investment and voting power with respect to the common shares indicated.

<TABLE>  
<CAPTION>

NAME OF INDIVIDUAL OR PERSONS IN GROUP -----	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1) -----	PERCENT OF CLASS -----
<S>	<C>	<C>
Robert M. Kaye	6,013,997 (2)	77.5%
David G. Lodge	31,127 (3)	*
Malvin E. Bank	16,500	*
David P. Miller	40,706	*
Ralph D. Ketchum	25,300 (4)	*
James A. Karman	7,700*	*
Robert R. Broadbent	43,430 (5)	*
Marjorie M. Carlson	22,000*	*
Lois K. Goodman	18,700 (6)	*
Marguerite B. Humphrey	11,000*	*
Alfonse M. Mattia	83,820 (7)	1.1%
Patrick W. Bevack	9,350*	*
Lloyd W.W. Bell, Jr.	2,200	*
Judith Z. Adam	2,200	*
All directors and executive officers as a group (15 persons)	6,328,250	81.6%

</TABLE>

- 
- (1) The common shares indicated reflect Metropolitan's completion, on December 29, 1998, of a 10% stock dividend to shareholders of record as of December 15, 1998.
  - (2) Total includes 6,600 common shares held by Mr. Kaye as trustee with sole investment and voting power.
  - (3) Total includes 2,747 common shares held by Mr. Lodge as custodian for his children and 3,520 common shares held by Mr. Lodge's spouse, as to which Mr. Lodge disclaims beneficial ownership.
  - (4) Total includes 7,700 common shares held by Mr. Ketchum's spouse, as to which Mr. Ketchum disclaims beneficial ownership.
  - (5) Total includes 6,050 common shares held by the Broadbent Family Foundation, of which Mr. Broadbent is Chair.
  - (6) Total includes 11,000 common shares held by Ms. Goodman's spouse, as to which Ms. Goodman disclaims beneficial ownership.
  - (7) Total includes 42,460 common shares held by Mr. Mattia as trustee, 5,610 common shares held by a partnership in which Mr. Mattia is a partner, and 1,100 common shares held by Mr. Mattia's spouse, as to which Mr. Mattia disclaims beneficial ownership.
- \* Represents less than 1% of Metropolitan's outstanding common shares.

CERTAIN BENEFICIAL OWNERS Except as set forth below, no person is known to Metropolitan at February 26, 1999 to own beneficially within the meaning of the regulations of the Securities and Exchange Commission, more than 5% of Metropolitan's outstanding common shares.

<TABLE> <CAPTION> NAME AND ADDRESS OF BENEFICIAL OWNER -----	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP (1) -----	PERCENT OF CLASS -----
<S> Robert M. Kaye 6001 Landerhaven Drive Mayfield Heights, Ohio 44124 </TABLE> -----	<C> 6,013,997	<C> 77.5%

(1) The common shares indicated reflect Metropolitan's completion, on December 29, 1998, of a 10% stock dividend to shareholders of record as of December 15, 1998

CHANGE IN CONTROL Metropolitan has a revolving credit agreement with a commercial bank (the "Commercial Bank Agreement"). The Commercial Bank Agreement is a revolving line of credit that matures on May 30, 1999, but can be renewed annually upon agreement of both parties. The maximum permitted borrowing amount is \$12.0 million. As collateral for the Commercial Bank Agreement, Mr. Kaye pledged a portion of his common shares in an amount at least equal in value to 200% of any outstanding balance. At March 1, 1999, the outstanding balance under the Commercial Bank Agreement was \$12.0 million.

ISSUE II

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

RATIFICATION OF THE BOARD'S SELECTION Upon the recommendation of its Audit Committee, the Board has selected Crowe, Chizek and Company LLP as Metropolitan's independent auditors for the fiscal year ending December 31, 1999, to audit the books and accounts of Metropolitan for that year, subject to ratification of the selection by the shareholders at the 1999 Annual Meeting. Crowe, Chizek and Company LLP has been the independent auditors of Metropolitan since 1991.

Representatives of Crowe, Chizek and Company LLP are expected to be present at the 1999 Annual Meeting and to be available to respond to appropriate questions. Their representatives will also be provided an opportunity to make a statement, if they desire to do so.

Although shareholder approval of this appointment is not required by law or binding on the Board, the Board believes that shareholders should be given the opportunity to express their views. If the shareholders do not ratify the appointment of Crowe, Chizek and Company LLP as Metropolitan's independent auditors, the Board will consider this vote in determining whether to continue the engagement of Crowe, Chizek and Company LLP.

BOARD'S RECOMMENDATION THE BOARD UNANIMOUSLY RECOMMENDS RATIFICATION OF THE SELECTION OF CROWE, CHIZEK AND COMPANY LLP AS INDEPENDENT AUDITORS FOR METROPOLITAN FINANCIAL CORP. FOR THE FISCAL YEAR ENDING DECEMBER 31, 1999.

GENERAL

PROPOSALS Any shareholder of Metropolitan wishing to have a  
 MUST BE proposal considered for inclusion in Metropolitan's  
 TIMELY 2000 proxy solicitation materials must set forth such  
 SUBMITTED proposal in writing and file it with the Secretary of  
 ACCORDING Metropolitan on or before November 27, 1999.  
 TO METROPOLITAN'S Shareholder proposals submitted after that date are  
 REGULATIONS considered untimely and not eligible to be submitted  
 to shareholders for their approval or adoption  
 according to Metropolitan's Amended and Restated  
 Code of Regulations.

VOTING PROCEDURES / REVOKING YOUR PROXY

GENERAL In order for action to be taken at the 1999 Annual  
 INFORMATION Meeting, a quorum must exist. A quorum will exist if  
 at least a majority (i.e., 3,878,197 shares) of the  
 total shares outstanding and entitled to vote is  
 either present or represented by proxy at the Annual  
 Meeting. Regarding Issue I, Election of Directors to  
 the Class of 2002, directors will be elected if they  
 receive a plurality (i.e., the greatest number) of  
 the votes cast by shares present and voting in person  
 or by proxy. Passage of Issue II, Ratification of  
 Metropolitan's Independent Auditors for 1999, will  
 occur with at least a majority vote. Unless a  
 broker's authority to vote on a particular matter is  
 limited, abstentions and broker non-votes are counted  
 in determining the votes present at a meeting.  
 Consequently, an abstention or a broker non-vote has  
 the same effect as a vote against a proposal, as each  
 abstention or broker non-vote would be one less vote  
 in favor of a proposal.

VOTING The enclosed proxy card representing your common  
 YOUR shares will be voted in accordance with the  
 PROXY instructions you place on the proxy card. If no  
 CARD instructions are given, the proxy card will be  
 voted for the election as directors of the nominees  
 named in this Proxy Statement and in favor of  
 ratifying the appointment of Crowe, Chizek and  
 Company LLP as independent auditors for the fiscal  
 year ending December 31, 1999. The Board of Directors  
 knows of no other matters which will be presented at  
 the 1999 Annual Meeting. However, if other matters  
 properly come before the 1999 Annual Meeting or any  
 adjournment, the person or persons voting the cards  
 will vote them in accordance with their best judgment  
 on such matters.

REVOKING Proxies may be revoked at any time before it is  
 YOUR voted if you:  
 PROXY

- Deliver a signed, written revocation letter,  
 dated later than the proxy, to Malvin E. Bank,  
 Secretary, Metropolitan Financial Corp., 6001  
 Landerhaven Drive, Mayfield Heights, OH 44124; or
- By delivering a signed proxy, dated later than  
 the first one, to Fifth-Third Bancorp, Mail Drop  
 No. 1090D2, 38 Fountain Square Plaza, Cincinnati,  
 OH 45263; or
- By attending the Annual Meeting and giving notice  
 of your revocation in open meeting.

Shareholders may only nominate a person for election  
 as a director of Metropolitan at a meeting of  
 shareholders if the nominating shareholder has  
 strictly complied with the

applicable notice and procedural requirements set  
 forth in the Regulations, including, without  
 limitation, timely providing to the Secretary of



Metropolitan the requisite notice of the proposed nominee(s) containing all the information specified by the Regulations. Metropolitan will provide to any shareholder, without charge, a copy of the applicable procedures governing nomination of directors set forth in the Regulations upon request made to the Secretary of Metropolitan.

Metropolitan will bear the expense of preparing, printing and mailing this Proxy Statement. In addition to solicitation by mail, personnel of Metropolitan and its subsidiaries may solicit the return of proxies in person, by telephone or through other forms of communication. Metropolitan personnel who participate in this solicitation will not receive any additional compensation for such solicitation. Metropolitan will request brokers, banks and other custodians, nominees and fiduciaries to send proxy material to beneficial owners and will, upon request, reimburse them for their expense in so doing.

By Order of the Board of Directors

MALVIN E. BANK  
Secretary

March 26, 1999

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[LOGO]

METROPOLITAN  
-----  
FINANCIAL CORP.

METROPOLITAN FINANCIAL CORP.  
6001 Landerhaven Drive  
Mayfield Heights, Ohio 44124

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned hereby appoints Robert M. Kaye, David G. Lodge and Malvin E. Bank and each of them, with FULL power of substitution, as proxies to vote, as designated below, FOR and in the name of the undersigned all shares of common stock of Metropolitan Financial Corp. which the undersigned is entitled to vote at the Annual Meeting of the Shareholders of said CORPORATION scheduled to be held Tuesday, April 27, 1999 at 9:00 a.m. at the offices of said CORPORATION, 6001 Landerhaven Drive, Mayfield Heights, Ohio, or at any adjournment thereof.

The Board of Directors recommend a FOR vote on the election of Directors, and the proposal to appoint Crowe, Chizek and Company LLP. Please mark an X in one box under each item.

1. ELECTION of four Class III directors:

FOR all nominees listed below.       WITHHOLD AUTHORITY to vote for all nominees listed below.

CLASS III- Malvin E. Bank, Robert M. Kaye, David G. Lodge and David P. Miller

INSTRUCTION: To withhold authority to vote for any individual nominee, write the nominee's name in the space below:

- 
2. Proposal to approve the appointment of Crowe, Chizek and Company LLP as independent auditors of the Corporation for the fiscal year ending December 31, 1999.
- FOR                       AGAINST                       ABSTAIN

21  
[LOGO]  
METROPOLITAN  
FINANCIAL CORP.  
c/o Corporate Trust Services  
Mail Drop 10AT66-4129  
38 Fountain Square Plaza  
Cincinnati, OH 45263

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fold and detach here

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In their discretion, the PROXIES are authorized to vote upon such other business as may properly come before the meeting.

This PROXY when executed will be voted in the manner directed hereon by the undersigned SHAREHOLDER(S).

If no direction is made, this PROXY will be voted FOR Proposals 1 and 2.

ALL FORMER PROXIES ARE HEREBY REVOKED.

Dated: \_\_\_\_\_, 1999

-----  
(Signature of Shareholder)

-----  
(Signature of Shareholder)

(Please sign exactly as your name or names appear opposite. All joint owners should sign. When signing in a fiduciary capacity or as a corporate officer, please give your full title as such.)