City First Bank of D.C. and CEO Brian Argrett entered 2021 with lofty goals.

The $394 million-asset bank is in the homestretch of completing a merger with Broadway Financial in Los Angeles that would create the nation’s biggest Black-led bank. The deal, scheduled to close in the first half of this year, comes at a time when more banks are focusing on addressing racial inequality.

Argrett, who has led City First since 2011, would become CEO of the combined bank, which will keep the Broadway name and start with nearly $1 billion in assets. The bank’s primary goal is to use its coast-to-coast operations and increased heft to make a bigger commitment to underserved communities.
For those reasons, Argrett is one of American Banker’s five community bankers to watch this year.

**Supersized**

Broadway Financial is set to become the nation’s biggest Black-run bank after it buys City First Bank of D.C.

<table>
<thead>
<tr>
<th>Assets (Sept. 30)</th>
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<tbody>
<tr>
<td>Broadway (Los Angeles)*</td>
</tr>
<tr>
<td>Liberty Bank (New Orleans)</td>
</tr>
<tr>
<td>OneUnited (Boston)</td>
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<tr>
<td>Carver Federal (New York)</td>
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<td>Industrial (Washington)</td>
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</tbody>
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$0 $200M $400M $600M $800M $1B

Source: FDIC (*includes City First)

Argrett, through a City First spokeswoman, declined to comment until the merger, which received regulatory approval on Monday, is completed.

But the proposed merger has grabbed the attention of other minority-run banks.

“The symbolic threshold that will be crossed does carry with it some meaning and some importance,” said Robert James II, director of strategic initiatives at the $48.4 million-asset Carver Financial in Savannah, Ga.

“We’re very hopeful it signals — both to the public as well as the institutional investor community — that black-owned and black-led banks are viable and worthy of investment, and the missions we’re all pursuing to make more capital available in minority communities are important,” added James, who also chairs the National Bankers Association.
Bayles pointed to thousands of individuals and business owners who have joined a waiting list for
Atlanta-based Greenwood, the digital bank being organized by television executive Ryan Glover, civil
rights leader Andrew Young and the rapper Killer Mike.

“Positive news about Black-owned anything is going to be welcomed,” said Bayles, who testified
about capital access for minority small businesses before a Senate committee last summer. “When it
comes to Black-owned businesses and the cultural issues that have persisted in our community for
some time, what has put us at a disadvantage is banking relationships.”

Black-led banks have been in the spotlight as a result of a renewed focus on racial inequality since the
May death of George Floyd in Minneapolis. Netflix, Costco and other prominent corporations, along
with money-center banks such as Bank of America, have pledged hundreds of millions of dollars in
capital, deposits and financial support.

Social networking site Yelp pledged to move $10 million in deposits to Black-led banks — including a
total of $7.5 million to Broadway and City First. And a consortium of Black-owned banks refinanced a
training facility used by the National Basketball Association’s Atlanta Hawks.

Bayles hopes the news surrounding banks such as City First and Broadway results in heightened
awareness of the importance of bank relationships among Black business owners.

“There’s been a lack of trust, an inherent fear, so a lot of people don’t even try to get loans,” Bayles
said. “That’s created issues with tax compliance and all the other things you have to have when you
walk into a bank. ... That’s the fallout from racism.”

With fewer than 20 Black-led banks remaining, consolidation can be a sensitive topic, said Harold
Butler, a managing director of the public-sector group inside Citigroup’s investment bank. But bigger
institutions can do more in their communities, “so I think personally it’s a good thing,” he said.
strength of the balance sheet to be able to make more loans, all those things that are really what we're trying to achieve.

“The biggest issue we have with our banks is scale,” James said.

“It’s a good sign that Broadway and City First are combining and creating an institution that has a little bit more scale,” James added. “That transaction is indicative of the opportunity that’s present in our sector if we have access to appropriate amounts of capital.”

John Reosti Reporter

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