

TAMPA BAY Business Journal

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Central Bank has new leader with a focus on local growth

Tampa Bay Business Journal - by [Margie Manning](#) Senior Staff Writer

TAMPA — **Central Bank** has named David Paetzold as its new president and CEO.

Paetzold succeeds Marty Gladysz, who left Central Bank in October after he was appointed executive VP and CFO at **Raymond James Bank**.

Paetzold previously was Clearwater city president for **Whitney National Bank**. Before that he was an executive VP at **Madison BancShares Inc.**, the Palm Harbor company that was bought by New Orleans-based **Whitney Holding Corp.** (Nasdaq: WTNY) in 2004.

Central Bank, located on Bruce B. Downs Boulevard in northern Hillsborough County, is in the Class of 2007, made up of 10 banks that opened in the Tampa Bay area two years ago at the height of the bank startup boom. The banks as a group have avoided the meltdown in the financial sector largely because they started making loans about the time the residential real estate market softened. As a consequence, they have no bad loans on their books.

“We’re not distracted with liquidity problems and problem assets like the major banks,” Paetzold said. “We’re focusing more on growth in our market.”

In the three months Paetzold has been on the job, Central Bank has grown about 25 percent, hitting a mini-milestone of \$50 million in total assets in early March. Central Bank is budgeted to have about \$80 million to \$90 million in assets by year’s end, Paetzold said.

The bank was in the red in 2008, like most of the Class of 2007, with a \$1.1 million loss, but it had no past-due loans as of Dec. 31, according to the **Federal Deposit Insurance Corp.**

Employment opportunities

Central Bank is the only Tampa Bay area bank listed as a “minority depository institution” by the FDIC because the majority of its directors are Asian Americans.

Regulators began tracking the status of minority-owned banks during the thrift crisis two decades ago when many small banks were going belly up, said William Michael Cunningham, president and CEO of **Creative Investment Research Inc.**, a Washington consulting firm that focuses on minority banking. Legislation approved in 1989 called for special consideration for minority institutions because they have a history of meeting credit needs in their communities.

A March 13 FDIC report shows the approximately 200 minority institutions in the United States as a group posted a return on assets in 2008 of negative 0.16 percent, compared to an ROA of 0.5 percent in 2007 and 0.91 percent in 2006. The ROA for all federally insured institutions in the United States last year was 0.12 percent, 0.81 percent in 2007 and 1.28 percent in 2006.

Minority-owned banks for the most part avoided subprime lending and are surviving the downturn, Cunningham said.

“Asian banks in particular have survived relatively well because they are so separate from the rest of the industry,” Cunningham said. “There are cultural reasons for doing business with those banks that serves to insulate them.”

The economy might be helping minority banks in one key area — attracting executive talent, Cunningham said. “As employment opportunities decline in majority owned banking institutions, a lot of the experienced players are coming to minority-owned banks,” he said.

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Bank	Assets	Growth	Income
Central Bank	\$50 million	25%	\$1.1 million
Bank of Central Florida	\$11 million	10%	\$1.2 million
Bank of America	\$10 million	5%	\$1.1 million
First Citizens Bank	\$10 million	10%	\$1.1 million
First State Bank	\$10 million	10%	\$1.1 million
First Trust Bank	\$10 million	10%	\$1.1 million
First Union Bank	\$10 million	10%	\$1.1 million
FirstBank	\$10 million	10%	\$1.1 million
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