

THE PIPELINE

## Bank sell-side veteran Kelley moving to the buy side

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By Joe Mantone  
*Market Intelligence*

Matt Kelley is once again changing professions, but this time he's leaving the sell side.

Kelley, a former bank equity research analyst who later moved to sales positions at Piper Jaffray Cos. and most recently Stephens Inc., said he is joining Jacobs Asset Management LLC to become director of the JAM FINTOP bank network starting May 17. Kelley will work with the 66 banks that made investments in the \$150 million JAM FINTOP Banktech fund, which is targeting financial technology startups.

Kelley said he will try to help understand the challenges the banks face and link them with the financial technology companies that can help the depositories grow while becoming more profitable. He will also work with the fund's co-general partners, Jacobs and FINTOP Capital, but Kelley said he will spend most of his time with banks.

## Banks investing in new fintech fund

Company (ticker)	City, state	Dec. 31, 2020, total assets (\$B)
New York Community Bancorp Inc. (NYCB)	Westbury, NY	56.31
East West Bancorp Inc. (EWBC)	Pasadena, CA	52.16
Valley National Bancorp (VLY)	New York, NY	40.69
Sterling Bancorp (STL)	Pearl River, NY	29.82
Umpqua Holdings Corp. (UMPQ)	Portland, OR	29.24
Stifel Financial Corp. (SF)	Saint Louis, MO	26.60
Simmons First National Corp. (SFNC)	Pine Bluff, AR	22.37
Ameris Bancorp (ABCB)	Atlanta, GA	20.44
Atlantic Union Bankshares Corp. (AUB)	Richmond, VA	19.64
Heartland Financial USA Inc. (HTLF)	Dubuque, IA	17.91
Columbia Banking System Inc. (COLB)	Tacoma, WA	16.58
Home Bancshares Inc. (HOMB)	Conway, AR	16.40
First Financial Bancorp. (FFBC)	Cincinnati, OH	15.97
Eastern Bankshares Inc. (EBC)	Boston, MA	15.96
Banner Corp. (BANR)	Walla Walla, WA	15.03
Renasant Corp. (RNST)	Tupelo, MS	14.93
Community Bank System Inc. (CBU)	Onondaga, NY	13.93
OceanFirst Financial Corp. (OCFC)	Red Bank, NJ	11.45
FB Financial Corp. (FBK)	Nashville, TN	11.21
First Busey Corp. (BUSE)	Champaign, IL	10.54
0FG Bancorp (0FG)	San Juan, PR	9.83
Veritex Holdings Inc. (VBTX)	Dallas, TX	8.82
Flushing Financial Corp. (FFIC)	Uniondale, NY	7.98
ConnectOne Bancorp Inc. (CNOB)	Englewood Cliffs, NJ	7.55
1st Source Corp. (SRCE)	South Bend, IN	7.32
Premier Financial Corp. (PFC)	Defiance, OH	7.21
Luther Burbank Corp. (LBC)	Santa Rosa, CA	6.91
Midland States Bancorp Inc. (MSBI)	Effingham, IL	6.87
National Bank Holdings Corp. (NBHC)	Greenwood Village, CO	6.66
FB Corp.	Creve Coeur, MO	6.64
Central Pacific Financial Corp. (CPF)	Honolulu, HI	6.59
Horizon Bancorp Inc. (HBNC)	Michigan City, IN	5.89
QCR Holdings Inc. (QCRH)	Moline, IL	5.68
CrossFirst Bankshares Inc. (CFB)	Leawood, KS	5.66
Happy Bancshares Inc.	Canyon, TX	5.64
First Mid Bancshares Inc. (FMBH)	Mattoon, IL	4.73
First Internet Bancorp (INBK)	Fishers, IN	4.25
Business First Bancshares Inc. (BFST)	Baton Rouge, LA	4.17
RBB Bancorp (RBB)	Los Angeles, CA	3.35
Primis Financial Corp. (FRST)	McLean, VA	3.09
Reliant Bancorp Inc. (RBNC)	Brentwood, TN	3.02
Alerus Financial Corp. (ALRS)	Grand Forks, ND	3.01
Bridgewater Bancshares Inc. (BWB)	Saint Louis Park, MN	2.93
Guaranty Bancshares Inc. (GNTY)	Addison, TX	2.74
Red River Bancshares Inc. (RRBI)	Alexandria, LA	2.64
Southern Missouri Bancorp Inc. (SMBC)	Poplar Bluff, MO	2.62
Investar Holding Corp. (ISTR)	Baton Rouge, LA	2.32
ChoiceOne Financial Services Inc. (COFS)	Sparta, MI	1.92
Sunwest Bank	Irvine, CA	1.91
First National Bank of Fort Smith	Fort Smith, AR	1.78
Coastal Financial Corp. (CCB)	Everett, WA	1.77
Colony Bankcorp Inc. (CBAN)	Fitzgerald, GA	1.76
Texas First Bank	Texas City, TX	1.73

Speaking with bank management teams is not new for Kelley as he's done that in his previous roles. However, the dynamics will become different.

"Now the nature of the conversation will change a little bit from purely operational and profitability, which you look at from an analyst and investor perspective, to increased emphasis on innovation fintech and partnerships," Kelley said in an interview.

Since 2019, Kelley had been an equities sales financial sector specialist with Stephens and held a similar position at what was then Piper Jaffray, now Piper Sandler Cos. In 2016, he moved to the sales role after having worked as an equity research analyst with Piper Jaffray, Sterne Agee & Leach Inc. and Moors & Cabot.

Kelley transitioned to the sales position when Adam Aspes left his head of the financial institutions group equity sales position at Piper Jaffray to join Jacobs. Now, Kelley and Aspes, who also worked together at Sterne Agee and Moors & Cabot, are once again reuniting.

"We've had a lot of fun together building out businesses," Kelley said.

Adding technology capabilities has become more pivotal for community banks, which are competing with fintechs that face a lower cost structure and megabanks that spend billions per year on technology. Since the COVID-19 pandemic, customer adoption to technology has only accelerated, which further underscores the need for banks to enhance their capabilities.

The goal of the JAM FINTOP Banktech fund, which recently added the Independent Community Bankers of America as a strategic adviser, is to assist banks in upgrading their digital offerings and also presenting them with a return-on-investment opportunity. Aspes, who said he and Kelley worked together for more than 15 years, believes this position is a good fit for Kelley.

"Matt has a long history working with banks," Aspes said in an interview.

Still, switching roles always presents challenges, but Kelley said he embraces the task. "It's fun to learn new stuff and there are mountains of new things to learn here in this

Blue Ridge Bankshares Inc. (BRBS)	Charlottesville, VA	1.49
First Community Corp. (FCCO)	Lexington, SC	1.40
Private Bancorp of America Inc. (PBAM)	La Jolla, CA	1.33
Fentura Financial Inc. (FETM)	Fenton, MI	1.25
Eagle Bancorp Montana Inc. (EBMT)	Helena, MT	1.25
CoastalSouth Bancshares Inc. (COSO)	Hilton Head Island, SC	1.15
Blackhawk Bancorp Inc. (BHWB)	Beloit, WI	1.14
Centric Financial Corp. (CFCX)	Harrisburg, PA	1.12
Mountain Commerce Bancorp Inc. (MCBI)	Knoxville, TN	1.11
Community National Bank & Trust of Texas	Corsicana, TX	0.93
Encore Bank	Little Rock, AR	0.84
Saint Louis Bank	Saint Louis, MO	0.65

Data compiled April 13, 2021.

Analysis limited to banks identified as investors in JAM FINTOP Banktech, a new financial technology fund that raised \$150 million from 66 banks.

One bank investing in the fund has chosen to not be identified.

Total assets shown for the highest entity in each bank's corporate structure with available data, based on regulatory filings as of Dec. 31, 2020.

Sources: Jacobs Asset Management; S&P Global Market Intelligence

new role," he said.

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