



Excelsior Growth Fund
ANNUAL REPORT | 2016



REPORT ON OPERATIONS



At Excelsior Growth Fund (EGF), we are proud to be a nonprofit Community Development Financial Institution (CDFI) at the intersection of technology, innovation, and small business support. Our commitment to the underserved and their communities is as strong as our dedication to providing high impact financial and business advisory services. As an affiliate of New York Business Development Corporation, we are fortunate to be able to leverage more than 60 years of success in serving small businesses unable to access conventional capital.

This past year has been an important one for EGF. As our Superstorm Sandy recovery program customers completed repayment of their loans, our community lending ramped up. Our total lending across all products reached \$32.9 million this fiscal year.

In August 2015, EGF launched the SmartLoan™ product through a fully online lending platform. Small businesses now have a responsible and affordable alternative in the world of online lending for loans of up to \$100,000. Additionally, our ImpactLoan™ product provides larger loans of up to \$500,000; these loans may start online but go through more traditional underwriting. Through these programs, we've originated 80 loans totaling \$6.5 million through September 2016. Moreover, we've consistently met our SmartLoan™ customer commitment of approval in fewer than two days and funding within a week. These products are expected to be a major driver of growth for the organization over the next several years.

We also implemented a robust business advisory services strategy that includes a new financial management training series, a suite of customized advisory services, and the provision of intensive consulting through a new EGF Consulting Corps to produce concrete deliverables for clients in a range of areas, including marketing, financial management, web development, and more.

Finally, EGF became the exclusively endorsed online CDFI partner of both the New York Bankers Association (NYBA) and the Independent Bankers Association of New York State (IBANYS), and we were awarded over \$3 million in grants from a range of private and public funders to support our multi-year initiatives.

There are many opportunities before us and we thank our customers and partners for the opportunity to support small neighborhood businesses as they expand, create jobs and add to the vitality of New York's communities.

Patrick J. MacKrell
Chief Executive Officer

Steven Cohen
President

G. Gary Berner
Chairman of the Board

HEAVENLY FLOWERS TOO

Amityville, NY



Maria Cruz, owner and Paola Garcia, EGF

When Maria Cruz's small-but-growing flower shop experienced an equipment failure and an unusually slow summer, she knew without a quick cash infusion, she could lose everything. Traditional lenders turned her down and her only options were from largely unregulated, high-cost online lenders.

She quickly accumulated more than \$50,000 in debt with payments of \$550 due every day. After struggling to keep her business above water, she was referred to Excelsior Growth Fund.

Five days after she submitted her application, Maria was approved for a \$60,000 SmartLoan™ loan from EGF. Immediately, her monthly payments were reduced by more than 1,200%.

EGF's Business Advisory Services continue to provide her with accounting and financing support.

"There's such a freedom attached to this program," said Maria. "I am saving quite a bit of money. It's amazing when you consider that I had been directing everything to pay off those online loans."

CLYDE

New York, NY



Dani Griffiths, owner

In 2015, Clyde, Inc., a Brooklyn-based high-end headwear and leather goods designer, faced its biggest challenge. "Two new, really big orders presented a tremendous opportunity for us but we needed access to more capital. We almost missed out," said company owner Dani Griffiths.

Dani began her financing search with NYBDC and the local SBA office, but fell shy of eligibility. Undeterred, Dave Hanold at NYBDC helped move Dani to an EGF product and Clyde received a \$40,000 loan in a matter of days that allowed the company to fulfill the new orders.

After working to strengthen her financials, Dani was able to level up to the SBA loan she was originally looking to acquire, and secure an additional \$40,000 in working capital. "EGF helped us take advantage of the opportunities we had worked so hard to create. Without that loan, we might never have been able to take that shot."

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2016 FUNDING SOURCES

Capital One
Citibank

CNote
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First Niagara Bank

Goldman Sachs

JPMorgan Chase Foundation

NBT Bank

New York Business Development
Corporation

New York City Economic
Development Corporation

New York State / Western New
York Regional Council

The 504 Company

U.S. Small Business Administration



WHO WE ARE

Our mission is to help New York businesses grow. Excelsior Growth Fund provides fair and affordable financial products and business advisory services to small businesses that cannot obtain conventional financing. We are a not-for-profit 501(c) (3) certified by the US Department of Treasury as a Community Development Financial Institution.

PRODUCTS & SERVICES

- **EGF SmartLoan™:** With the EGF SmartLoan™, small businesses can secure affordable financing for working capital, debt consolidation, business expansion, or machinery and equipment. The SmartLoan™ is available through an online platform, with approval in a day or two, and funding in just 5 business days.
- **ImpactLoan™:** The EGF ImpactLoan™ provides larger business loans up to \$500,000, even if the firm has had difficulty securing capital from a bank or other sources.
- **Business Advisory Services:** EGF offers a comprehensive suite of customized business advisory services, including a financial management training series, business assessments, and intensive consulting services.

Photos: Cover (left, center), pages 2, 3: Andy Kropa. Cover (right): Denis J. Nally Photography.