



UNLOCKING GROWTH WITH ASSET-BASED LENDING

*A CFO's Guide for Working
Capital & Asset-Based Lending*

Why This Guide Matters

Cash flow is the lifeblood of any business. Yet many well-positioned companies, even those with strong revenue, face moments where liquidity is tight. Traditional banks often walk away when covenants are stretched, credit scores dip, or collateral coverage isn't perfect.

At TAB Bank, we see things differently. **We believe potential should matter more than perfection.** That's why Asset-Based Lending (ABL) exists to help companies put their assets to work, unlock liquidity, and fuel growth.

This guide will explain what ABL is, who it's for, and how TAB Bank partners with businesses and sponsors to deliver tailored, bank-backed solutions.

What Is Asset-Based Lending?



Asset-Based Lending allows businesses to borrow against the value of their accounts receivable, inventory, or equipment. Instead of relying solely on credit scores, ABL taps into the strength of your balance sheet.

- **Collateral & Advance Rates:** Leverage receivables, inventory, and equipment. Typically, 85% AR, 50% of cost on inventory, or 85% of NOLV if an appraisal is performed. Equipment and term flexibility are available.
- **Facility Sizes:** \$1MM – \$15MM, expandable to \$25MM through syndication.
- **Industries Served:** Manufacturing, distribution, transportation, wholesale, eCommerce, pharmaceuticals, energy services, and more.

The result? **Liquidity when you need it most,** without waiting for traditional lenders to catch up.

Why Choose ABL Over a Traditional Credit Line?

Traditional banks often step back when:

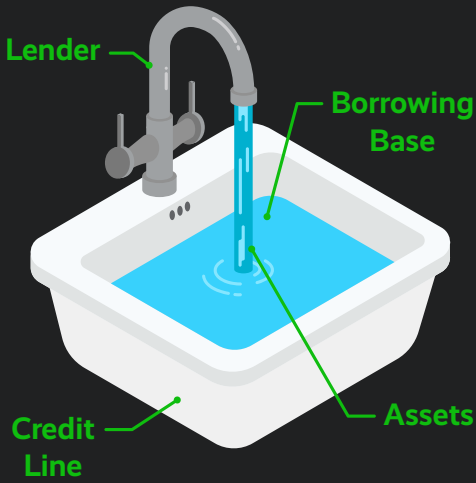
- Covenant strains appear
- Credit scores decline
- Rapid growth stresses collateral coverage.

ABL is designed for those very situations. At TAB Bank, we specialize in **complex deals** that other lenders avoid, such as recapitalizations, expansion financing, or situations requiring hybrid structures (ABL + factoring + equipment lines).

As One CFO Put It:

“I’ve closed similar loans in the past, but my TAB Bank experience has been, by far, the best... Everyone on the team took a personal interest in our account and ensured a smooth transition. This is the banking team we’ve been looking for.”

Marc Karyo, CFO of CNC Precision



How ABL Works: The Borrowing Base

Think of ABL like a sink:

- **The Credit Facility (the sink itself):** The maximum size of the loan.
- **The Borrowing Base (the water inside):** The eligible collateral you've contributed.
- **Available Funds (the faucet):** The portion of the borrowing base you can draw upon.

Every week, borrowers submit a **Borrowing Base Certificate (BBC)** with supporting reports (AR aging, inventory valuations, sales reports). This ensures real-time alignment between asset value and loan availability.

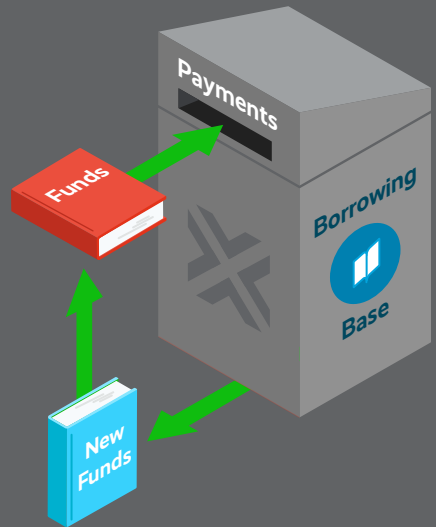
How ABL Works: Revolving Line of Credit

ABL typically operates as a **revolving line of credit**. This means funds can be drawn, repaid, and drawn again, just like a credit card.

This revolving structure provides flexibility, allowing businesses to smooth out cash flow cycles without needing to renegotiate terms.

A revolving line of credit is like borrowing books from the library. You take out what you need, but you must return it before you can borrow more.

This allows the client to maintain their credit facility after paying back the funds used.



Common Use Cases

ABL is built for **business-to-business** industries that carry assets and require working capital flexibility.

- **Manufacturing:** Smooth seasonality and fund growth orders.
- **Transportation & Logistics:** Manage receivables and keep fleets moving.
- **Wholesale & Distribution:** Finance large inventory positions.
- **Energy & Pharma:** Fund cash-heavy cycles while scaling.
- **eCommerce:** Unlock liquidity from receivables to reinvest in marketing and inventory.

RECENT ABL DEALS:



A \$5MM facility for an Ohio manufacturer specializing in plumbing fixture displays.



A \$3.8MM facility for a Michigan transportation company needing a lender with industry expertise.



A \$1.5MM facility for a California drayage company scaling pipeline growth.

Sarah Chalawa, CFO at CoreCentric Solutions, shared:

“TAB Bank’s collaboration, commitment, and professionalism demonstrated the organization’s focus on long-term partnership. We value it highly and look forward to growing.”



How TAB Bank Supports Clients

Every ABL client has a **dedicated Relationship Manager (RM)** who ensures:

- Ongoing support for financial operations
- Proactive insight into account trends
- Guidance on complementary banking solutions

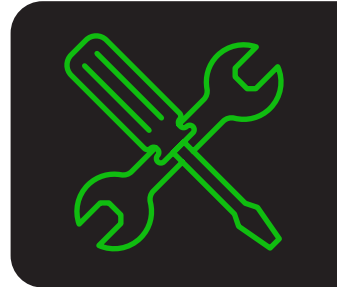
Our goal is not just to provide capital, but to **unlock growth with clarity, speed, and confidence.**

Putting Your Assets to Work

Asset-Based Lending isn't about borrowing more. It's about borrowing smarter.

By leveraging your assets, you can unlock liquidity, protect operations, and invest in growth even when traditional banks say no.

At TAB Bank, we believe in relationships over transactions, potential over perfection, and creativity backed by bank-level stability.



Next Steps: If you're a CFO, Controller, or president evaluating options, schedule a consultation.



Asset-Based Lending
www.tabbank.com

Let's put your assets to work to fuel your growth.