



THE LEADERSHIP DIVIDE

AI---Geopolitics---and the New Competitive Order in Commercial Lending

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Executive Summary

Commercial lending is entering one of the most consequential transition periods the industry has faced in decades.

Artificial intelligence is rapidly reshaping how credit decisions are made. Geopolitical instability—from conflict in the Middle East to rising economic fragmentation between global powers—is introducing new volatility across supply chains, capital markets, and corporate investment decisions. At the same time, political tensions in the United States and abroad are creating regulatory uncertainty that complicates long-term planning for financial institutions.

Despite these pressures, lending demand is beginning to return.

Middle-market companies are reinvesting. Borrowers are exploring expansion again. Private credit continues to deploy massive amounts of capital. Banks are gradually shifting from balance sheet protection toward growth after several years of caution.

At first glance, this appears to be the early stage of a typical lending cycle.

It is not.

The commercial lending market is entering a **structural inflection point**—a moment where technology, geopolitics, and competitive pressure are simultaneously reshaping how lending organizations operate.

Periods like this rarely produce equal outcomes.

History shows that inflection points create **disproportionate winners and losers**.

Some institutions will modernize their lending platforms, integrate artificial intelligence into credit decision-making, and recruit leadership capable of navigating a far more complex market environment.



Others will attempt to compete with structures designed for a different era.

The gap between these two groups will widen quickly.

This emerging gap can be described as **The Leadership Divide**.

The banks that win the next decade of commercial lending will not simply have access to capital.

They will have leadership teams capable of integrating technology, credit expertise, and strategic thinking into a unified operating model.

Commercial Lending Has Reached a Strategic Inflection Point

For decades, commercial lending followed a relatively stable formula.

Relationship managers originated deals. Credit teams evaluated risk. Operations processed loans and managed servicing. Growth largely followed the economic cycle.

Today, that model is being fundamentally challenged.

Three structural forces are reshaping the industry simultaneously:

- Artificial intelligence is transforming underwriting, portfolio management, and operational efficiency
- Geopolitical instability is introducing new macroeconomic risks into lending portfolios
- Competition from private credit and fintech lenders is intensifying across the middle market

These forces are not temporary disruptions.

They represent a **structural shift in the economics and operating model of commercial lending**.

The Commercial Lending Disruption Map

Across the industry, institutions are beginning to separate into distinct strategic positions.

The most successful lenders are combining **modern leadership capability with advanced technology integration**.



These organizations operate with faster underwriting processes, stronger data analytics, and more scalable operating platforms.

Others remain constrained by slower decision-making structures, legacy technology systems, and siloed leadership models.

Over the next decade, the performance gap between these institutions will widen significantly.

Artificial Intelligence Is Rewriting Lending Economics

Artificial intelligence is no longer theoretical within financial services.

Banks and lending platforms are already deploying AI-driven systems to:

- analyze borrower financials and detect patterns traditional models miss
- identify early warning signals within loan portfolios
- automate underwriting and financial analysis
- streamline documentation and servicing processes
- improve fraud detection and compliance monitoring

The implications extend far beyond operational efficiency.

AI-enabled institutions benefit from three structural advantages.

Speed

AI-assisted underwriting dramatically reduces credit decision timelines, allowing lenders to compete more effectively in fast-moving markets.

Insight

Advanced analytics enable institutions to detect emerging credit risks earlier and price risk more precisely.

Scalability

Automation allows lenders to increase loan volumes without proportional increases in operational cost.

Over time, these advantages compound.



The result will be a widening performance gap between institutions that successfully integrate AI into lending platforms and those that do not.

Geopolitics Is the New Credit Variable

Another profound shift in commercial lending is the growing influence of geopolitical dynamics on borrower performance.

Conflict in the Middle East continues to influence energy markets and supply chains. Strategic competition between global powers is contributing to the regionalization of manufacturing and trade. Political polarization across major economies is introducing regulatory uncertainty that affects corporate investment decisions.

For commercial lenders, these forces introduce new layers of credit risk.

Supply chains can shift rapidly. Energy costs can fluctuate dramatically. Entire sectors can experience sudden demand changes driven by geopolitical developments.

Traditional credit models built primarily on historical financial data often struggle to capture these dynamics.

Forward-thinking institutions increasingly require leadership capable of interpreting **macroeconomic signals, geopolitical developments, and industry trends alongside traditional credit analysis.**

Competition Is Coming From New Directions

Commercial banks are no longer competing only with other banks.

Private credit funds now manage more than **\$1.7 trillion in assets**, much of it targeting the same middle-market borrowers historically served by banks.

These firms often bring:

- faster decision-making processes
- more flexible deal structures
- specialized industry expertise
- fewer regulatory constraints



At the same time, fintech lenders are deploying technology-driven underwriting models that dramatically accelerate credit decisions.

The result is a lending market where **speed, specialization, and borrower experience increasingly determine who wins the deal.**

The Leadership Gap

While technology, geopolitics, and competition are reshaping the lending landscape, the greatest constraint facing many institutions today is internal.

Leadership structures built for the previous cycle are now being asked to operate in a fundamentally different environment.

Across commercial banks, one theme appears repeatedly in conversations with CEOs and boards:

The biggest constraint on growth is not capital.

It is **leadership readiness.**

Many institutions have articulated strategies around AI adoption, digital transformation, and commercial lending expansion.

But strategy alone does not create competitive advantage.

Execution does.

And execution ultimately depends on leadership.

The Five Leadership Roles That Will Define the Next Lending Cycle

Across the most successful lending platforms, five leadership roles consistently emerge as critical to performance.

Head of Commercial Lending

Responsible for building scalable origination engines rather than relying solely on individual producers.



Chief Credit Officer

Combining traditional credit discipline with data-driven portfolio analytics and faster decision frameworks.

Chief Data / AI Leader

Driving the integration of artificial intelligence into underwriting, risk monitoring, and operational workflows.

Chief Operating Officer

Designing scalable operational infrastructure capable of supporting increased lending volume.

Strategic CFO

Optimizing capital allocation, funding strategy, and product-level profitability.

Institutions that build leadership depth across these roles position themselves to compete effectively in the next lending cycle.

The CEO Leadership Audit

At this inflection point, CEOs and boards should be asking several fundamental questions:

- Can our lending platform scale if deal flow accelerates?
- Are we actively using AI in underwriting or portfolio monitoring?
- Can our credit organization move as fast as competitors without increasing risk?
- Do our leaders understand geopolitical risk drivers affecting our borrowers?
- Do we have leadership depth in critical roles?

Organizations that answer **yes to most of these questions** are likely positioned to lead the next phase of the market.

Those that cannot may be approaching a leadership inflection point.



The Future of Commercial Lending (2026–2035)

The commercial lending industry is entering a decade of structural transformation.

Artificial intelligence, shifting geopolitical dynamics, regulatory evolution, and the expansion of private credit are collectively reshaping how lending institutions operate.

Several clear trends are emerging.

AI-Driven Lending

Over the next decade, underwriting will increasingly rely on predictive analytics and real-time financial data.

AI will enable faster approvals, improved portfolio monitoring, and dynamic pricing models.

Continued Growth of Private Credit

Private credit will remain a powerful competitive force in middle-market lending.

Banks that compete successfully will focus on speed, specialization, and deeper client relationships.

Industry Specialization

Leading lenders are moving toward sector-focused strategies, building expertise in industries such as healthcare, technology, infrastructure, and energy.

Specialization improves underwriting quality and strengthens competitive positioning.

Operational Transformation

Automation, digital onboarding, and integrated data platforms will redefine lending operations.

Operational efficiency will become a strategic differentiator rather than a back-office function.

Leadership as the Decisive Advantage

Technology and capital are accessible to most institutions.

Leadership is not.

The institutions that succeed in the next decade will be those led by executives capable of integrating strategy, technology, credit expertise, and operational execution.

Conclusion: The Leadership Divide

Commercial lending is not simply entering another economic cycle.

It is entering a period of structural transformation.

Artificial intelligence will reshape lending economics. Geopolitical volatility will influence credit markets. Competition from private credit and fintech lenders will intensify.

In this environment, differentiation will become essential.

And differentiation ultimately comes down to leadership.

The institutions that outperform will not simply be those with strong balance sheets.

They will be those led by executives capable of navigating complexity, embracing technology, and building organizations designed for the future.

The leadership divide is already emerging.

The question for CEOs and boards is simple:

Which side of that divide will your institution be on?

About the Author

Ken Lubin is a Managing Director at ZRG Partners specializing in retained executive search across commercial banking, specialty lending, equipment finance, and private credit.



Over the past 25 years, he has partnered with CEOs, boards, and investors to build leadership teams capable of scaling lending platforms, strengthening credit organizations, and navigating complex market environments.

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