RiskVizon
BUSINESS VALUE BEYOND COMPLIANCE

AI's Trillion-Dollar Bet — and Its Risks

AI capex is outrunning returns. The BIS now calls it a stability risk.

AI capex · Concentration · Circular financing · Valuations · Governance

Anwarul Hasan (MBA, PhD)

Founder & CEO · Risk Vizon LLC · Zurich, Switzerland

25+ years · UBS · KPMG · Swiss Re | anwarul.hasan@riskvizon.com

$1T+
hyperscaler AI capex
2025–26 (BIS)

$200B
global AI investment
2026E, up from $36B in 2020

<1%
aggregate productivity
gain (vs 20–50% per task)

64%
of the MSCI World
is US stocks — risk goes global

Sources: BIS Annual Economic Report 2026;
WSJ (Jun 2026); Goldman Sachs GIR · PitchBook.

KEY TAKEAWAYS

- Capex now outpaces earnings and cash flow
- Circular, non-bank financing hides leverage
- Map and govern AI exposure before repricing

AI's Trillion-Dollar Bet — and Its Risks

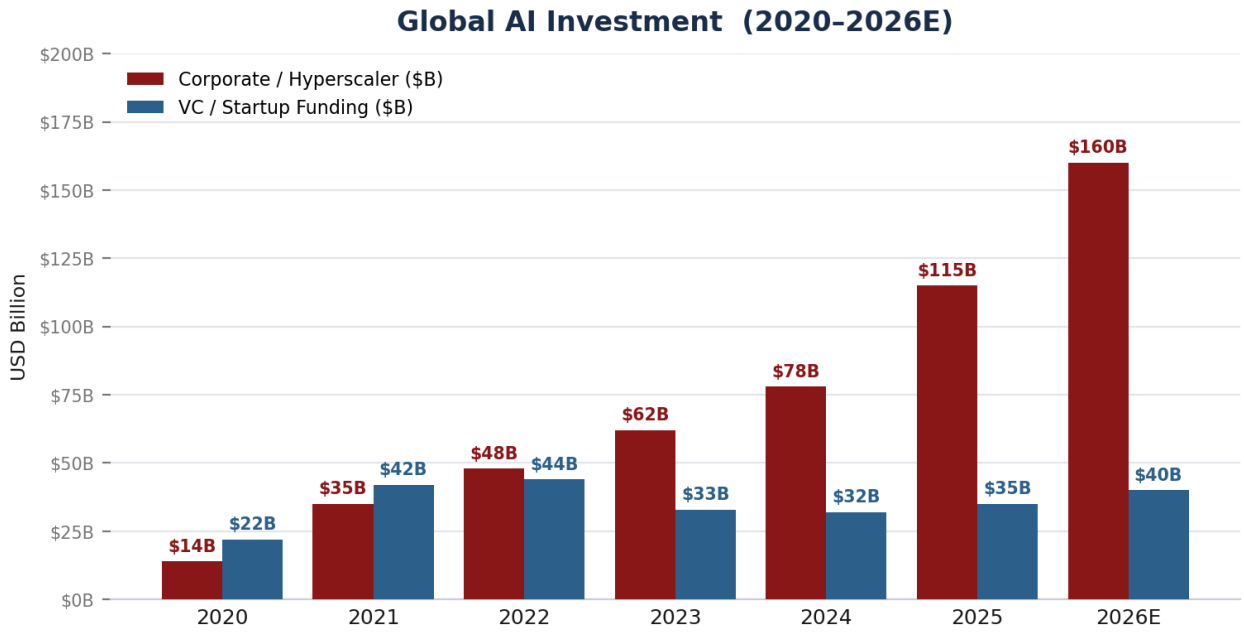
AI capex is outrunning returns. The BIS now calls it a stability risk.

By Anwarul Hasan (MBA, PhD)
Founder & CEO, Risk Vizon LLC · Zurich · June 2026

Global AI investment is on track to reach about **$200 billion in 2026**, up from just **$36 billion in 2020** — and the five largest hyperscalers alone plan to spend **more than $1 trillion** on AI in 2025–26. In its 2026 Annual Economic Report, the Bank for International Settlements (BIS) warned that this boom has become a risk to the economy and the financial system: that spending now outpaces earnings and free cash flow, and is increasingly funded with debt. As the *Wall Street Journal* reported, the BIS "sees peril" in the AI investment boom. The technology may be real — the financing wrapped around it may not be safe.

The Boom: From $36B to $200B in Six Years

The shape of the money has changed as fast as its size. In 2020, venture and startup funding (**$22B**) still outweighed corporate spending (**$14B**). By 2026, corporate and hyperscaler investment (**~$160B**) dwarfs VC (**~$40B**) — the boom is now driven by a handful of balance sheets, not a broad market.



Global AI investment, 2020–2026E. Sources: Goldman Sachs Global Investment Research (2026); PitchBook AI & ML Indicator Q1 2026; CB Insights. 2026E = estimated.

Year	Corporate ($B)	VC / Startup ($B)	Total ($B)
2020	$14B	$22B	$36B
2021	$35B	$42B	$78B
2022	$48B	$44B	$92B
2023	$62B	$33B	$95B

Year	Corporate ($B)	VC / Startup ($B)	Total ($B)
2024	$78B	$32B	$110B
2025	$115B	$35B	$150B
2026E	$160B	$40B	$200B

Annual investment summary ($B USD). 2026E = estimated.

Concentrated in a handful of names

The bulk of 2026 corporate AI commitment sits with five companies — the source of both the momentum and the concentration risk:

Company	Key AI focus areas	Est. 2026 commitment
Microsoft	OpenAI partnership + Azure AI capex	~$80B
Alphabet	$180–190B capex plan, Gemini / Waymo / TPUs	~$50B
Amazon	AWS Bedrock, Anthropic ($5B committed)	~$45B
Meta	AI infrastructure, Meta AI, Llama, ad automation	~$35B
Oracle	OCI cloud & data-centre buildout; OpenAI "Stargate"	~$25B

Top 5 corporate AI investors, 2026E. Sources: Goldman Sachs GIR (2026); company disclosures; CB Insights State of AI 2025.

Why the BIS Sees Peril

The BIS is not arguing that AI is a mirage. Its concern is financial: how the boom is funded, how concentrated it is, and what happens if returns disappoint.

Capex is outrunning cash flow

Hyperscalers' capex-to-revenue ratios have risen sharply, pushing some to issue debt to keep spending. "The race to capture market share may have led to overinvestment," the BIS warned, which "could leave the sector more vulnerable if AI underdelivers, possibly bringing the current investment boom to an abrupt end."

Circular financing and non-bank leverage

- **Circular financing.** Chipmakers and hyperscalers take equity stakes in AI labs and "neocloud" providers, who in turn commit to multi-year purchases of chips and compute — with risks of the same asset being pledged more than once, and terms the BIS calls "poorly disclosed."
- **Non-bank channels.** Direct-lending funds have **quadrupled** their lending to AI and IT in five years, to about **15% of their portfolios**. With financing flowing through private credit and hedge funds — less supervised than banks — a downturn could be a sharper, faster crash than a traditional banking crisis.

Stretched valuations and a global footprint

Implied long-term earnings growth for the largest firms sits well above historical norms, while risk premia on major US stocks have compressed — signs, the BIS says, of "growing investor complacency." Because US equities are about **64% of the MSCI World index**, a US-led AI repricing would not stay inside Silicon Valley. And with household equity exposure higher than in past cycles, a

large correction could hit consumption harder than before.

> *"These episodes ended with an eventual reversal in investment, inducing economy-wide recessions." — BIS, on the canal, railway, electrification and dotcom booms.*

The Returns Question

The case for spending rests on productivity. Here the evidence is split. Task-level studies report large efficiency gains — often **20–50% in time savings**. But estimates of aggregate productivity growth are far more modest: **under 1%** over a long horizon, reflecting how hard the technology is to adopt at scale. The BIS models a sobering dynamic: as competition drives capex higher, the sector's net economic surplus declines — and could turn negative in adverse scenarios. Believing in the technology is not the same as believing in every financing structure built around it.

What Investors and Boards Should Actually Do

An AI repricing would be a risk-management failure only for those who could not see their exposure. The discipline is the same one that applies to any concentrated, leveraged, fast-moving theme:

- **Map the exposure.** Direct and indirect AI exposure across the portfolio, plus supplier, counterparty and fourth-party dependence on a few compute providers.
- **Quantify, don't assume.** Stress- and reverse-stress-test an AI repricing as a loss distribution, not a heat-map colour — and price the wealth and demand effects of a correction.
- **Watch the plumbing.** Track circular deals, private-credit and hedge-fund leverage, and debt-maturity walls across the AI supply chain.
- **Govern the AI you deploy.** Operational and model risk — not just market risk — under a framework such as the NIST AI RMF, with human oversight and audit trails.

This is precisely what an integrated governance and risk-intelligence platform is for. GRIP — the Governance & Risk Intelligence Platform — links objectives, exposures, scenarios and controls in one model of the business, so concentration and financing risk are visible and quantified *before* a repricing, not reconstructed after it. Foresight over hindsight.

The BIS is not calling the top of the market; it is naming an unpriced risk. More than a trillion dollars of increasingly debt-financed, concentrated spending is resting on returns that remain uncertain — and channelled through corners of the system that supervisors can barely see. That is a governance question long before it is a market one.

> *"The question for every board and investment committee is not whether AI is real — it is whether you can see, quantify and survive your exposure if the boom reverses."*

I would welcome your perspective — connect with me on LinkedIn or reach out at anwarul.hasan@riskvizon.com.

Explore how GRIP helps boards see and govern concentrated AI exposure:

"Govern the risk you are taking — not just the returns you are chasing."

Learn more at: **www.riskvizon.com**

#AI #AICapex #FinancialStability #BIS #SystemicRisk #RiskManagement #Hyperscalers #PrivateCredit #BoardGovernance #GRIP #RiskVizon

© 2026 Risk Vizon LLC

ABOUT THE AUTHOR

Anwarul Hasan (MBA, PhD) is the Founder and CEO of Risk Vizon LLC, Zurich. With 25+ years at UBS, KPMG and Swiss Re, he is the architect of **GRIP — the Governance & Risk Intelligence Platform**, designed to empower boards, regulators and executives to govern, monitor and steer enterprise risks in real time.

anwarul.hasan@riskvizon.com · www.riskvizon.com | © 2026 Risk Vizon LLC