# Your AI concentration risk is not in your ICT register.

## It is on your balance sheet. Three times.

*Financing it. Running on it. Insuring it.*

Giuseppe Pancucci

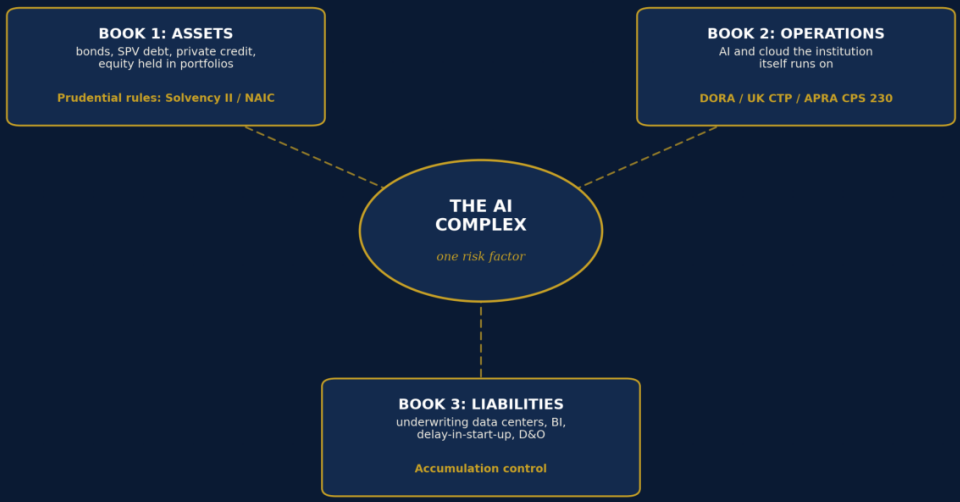
Board & Executive Advisor

A chartbook companion to the article. All figures are public and sourced; amounts of different classes are never summed.

THE THESIS

# One risk factor. Three ledgers. No sum.

Three ledgers. Three frameworks.
Nothing sums across them.




Framework: G. Pancucci | Each supervisory regime sees one book; none aggregates exposure to the AI factor across the three.

Financial institutions finance the AI complex, run on it, and insure it.
Each exposure lives in a different book, under a different framework.
No framework, in any jurisdiction, adds the three together.

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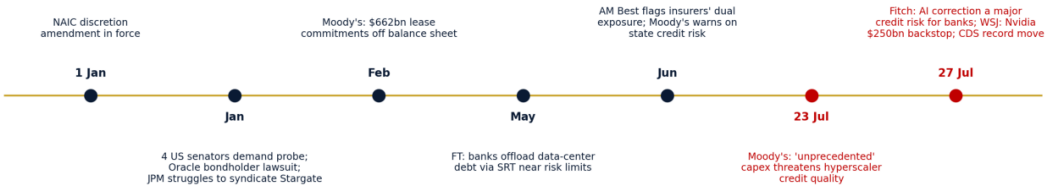
WHY NOW

# The ratings caught up in one week

**2026: the supervisory and rating convergence, in real time**

Red: the final week.




Sources: NAIC, CNBC, Moody's, FT via Resultsense, AM Best via Risk & Insurance, Fitch Ratings, WSJ, Bloomberg/ICE. Chart: G. Pancucci

Moody's (23 Jul): 'unprecedented' capex threatens hyperscaler credit quality.
Fitch (27 Jul): AI correction filed as a major credit risk for banks.
WSJ (27 Jul): Nvidia in talks over a ~$250bn backstop. Nvidia CDS: record move.

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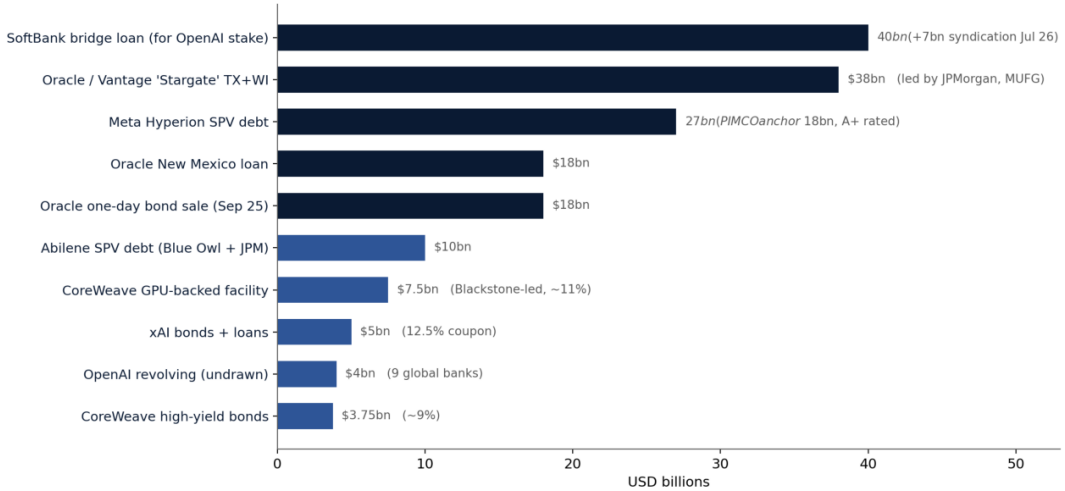
# Where the banks and funds are

## Where the banks and funds are: selected AI-complex debt instruments

Class (a): debt actually raised or issued. Not additive with guarantees, commitments or equity.



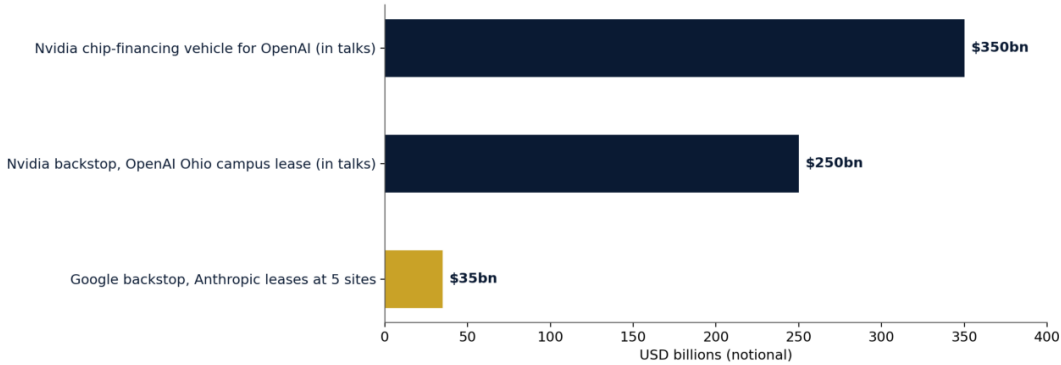

Sources: Bloomberg, Meta Investor Relations, OpenAI, Quinn Emanuel client alert, CoinCentral. Compiled Jul 2026. Chart: G. Pancucci

Banks syndicate the mega-loans, then offload via significant risk transfers. Private credit has gone from roughly zero to $200bn+ of AI-linked loans, with Morgan Stanley projecting a further $800bn in two years.

# Debt raised on someone else's balance sheet

## Vendor backstops: debt raised against the guarantor's balance sheet

Class (d): contingent guarantees, notional amounts. Kept deliberately separate from funded debt: different risk class.



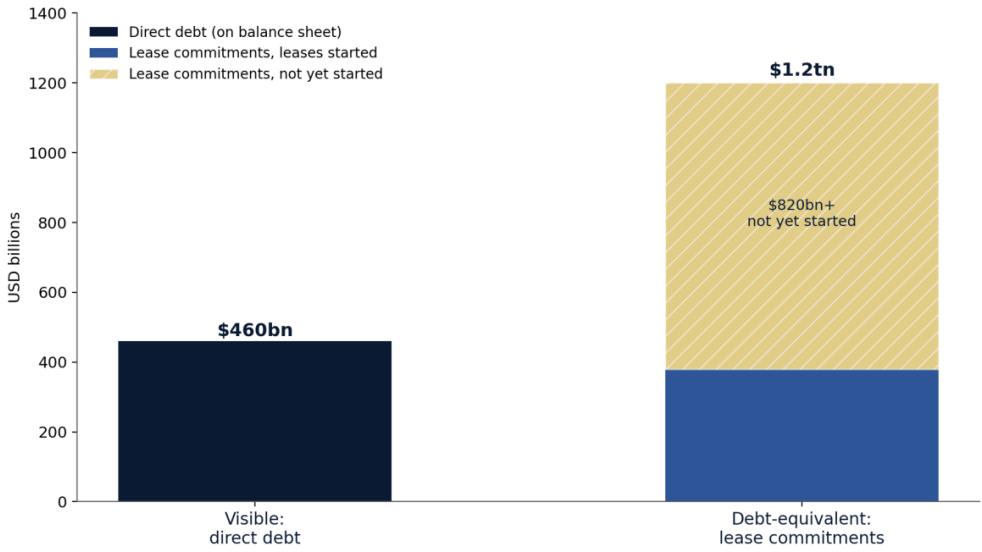

Sources: WSJ (scoop), Bloomberg (27 Jul 2026). OpenAI holds no investment-grade rating. Chart: G. Pancucci

OpenAI holds no investment-grade rating: the debt prices off the guarantor. Google's backstop of Anthropic's leases shows the mechanism is structural, not one company's eccentricity.

# The visible debt is the smaller number

## The iceberg: six hyperscalers' debt vs lease commitments

Microsoft, Amazon, Alphabet, Meta, Oracle, CoreWeave. Moody's treats leases as debt-equivalent liabilities.
Classes (a) and (c) shown side by side, not summed.



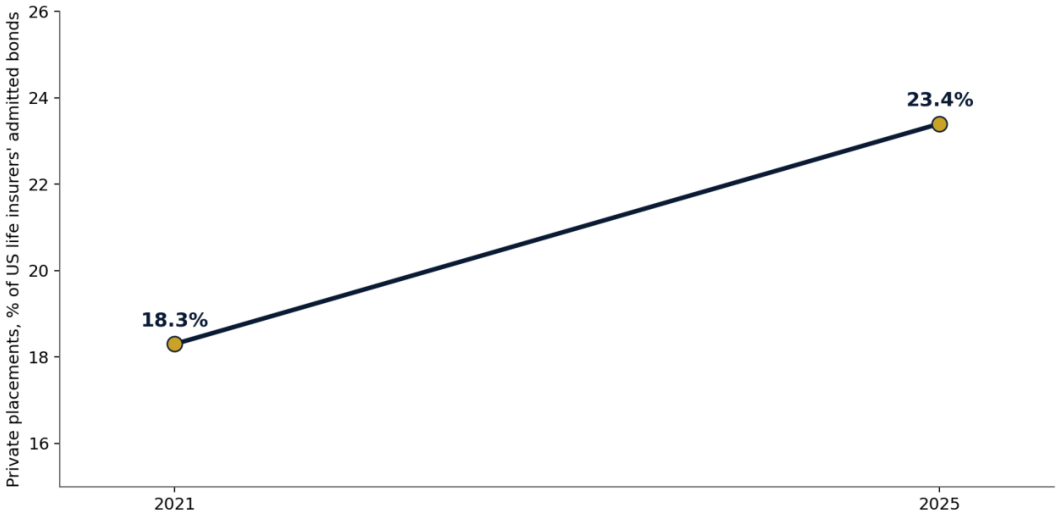

Source: Moody's Ratings, 23 Jul 2026 (via CNBC). Chart: G. Pancucci

Moody's treats lease commitments as debt-equivalent liabilities. More than $820bn sits on leases that have not even started, largely outside the balance sheet as reported.

# Where the paper lands: life balance sheets

## US life insurers are rotating into private, illiquid debt

Fed study: ~$1tn of private credit sits with major life insurers. NAIC 'discretion amendment' live since 1 Jan 2026.




Sources: Forbes (Jun 2026, NAIC data); Federal Reserve via Quinn Emanuel. Chart: G. Pancucci

A Federal Reserve study puts ~$1tn of private credit inside major life insurers.
Hyperion-style SPV debt, rated A+ and maturing 2049, is built for these portfolios.
An AI shock enters as a language-model problem and lands in a mathematical reserve.

# The register measures the wrong failure

**19** critical ICT third-party providers designated by the ESAs under DORA (first list, November 2025). The UK's CTP regime: first four designations, July 2026. Australia: CPS 230. The US: scattered across agencies.

**STOP** is what the register measures: resilience, exit strategies, substitutability if the provider halts.

**FAIL** is what it does not measure: a provider failing commercially while your portfolio holds its debt and your underwriting book covers its campuses.

**ORACLE** sits on the ESAs' first CTPP list, and is the issuer S&P cut to BBB- in July and Moody's holds on negative outlook, with CDS at a sixteen-year high. One company. Two systems that do not speak.

BOOK 3 | LIABILITIES

# The sector also underwrites what it holds

**$20bn** insured value on a single data-centre campus (Munich Re): massive financial density in highly localised footprints.

**25% / 40%** of US capacity could sit in frequent large-hail zones / significant tornado zones (Swiss Re Institute): the physical wrong-way risk.

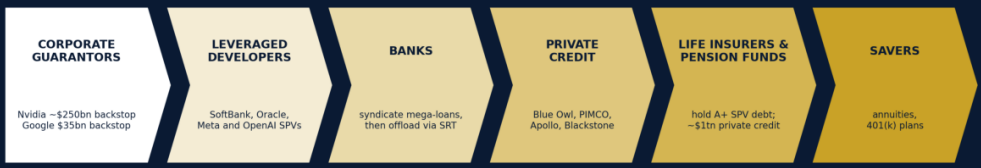
**$24bn** data-centre premiums by 2030, more than double (Swiss Re). Campuses reach insurers fragmented across separate programmes; a single event crosses several at once.

**DELAY** is the largest loss driver, and 'contractor financial reliability' is an underwriting factor. Read that with the financing map in hand: the chain's financial fragility is itself an insurable event.

THE CHAIN

# How the risk reaches the saver

The transmission chain: how AI risk reaches the saver




*An AI shock enters as a language-model problem and lands in a mathematical reserve.*

Sources: Bloomberg, WSJ, Meta IR, Federal Reserve via Quinn Emanuel, Forbes/NAIC. Chart: G. Pancucci

Guarantors, leveraged developers, banks, private credit, life insurers and pension funds, savers. Banks originate but do not keep; insurers keep what looks like infrastructure bonds.

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THE PRECEDENTS

# Only AI fills all three books

### Emerging technologies and the three books: only AI fills them all

Telecom leveraged one book and cost a trillion. Crypto was fenced out of all three, and its crash was absorbed.
AI is the first emerging technology sitting on all three books at once, at leverage, welcomed rather than fenced.


Sources: FCC (Powell, Senate testimony 2002), BCBS SCO60, ECB Banking Supervision, academic studies on FTX spillovers, Moody's, Swiss Re, FSB. Chart: G. Pancucci

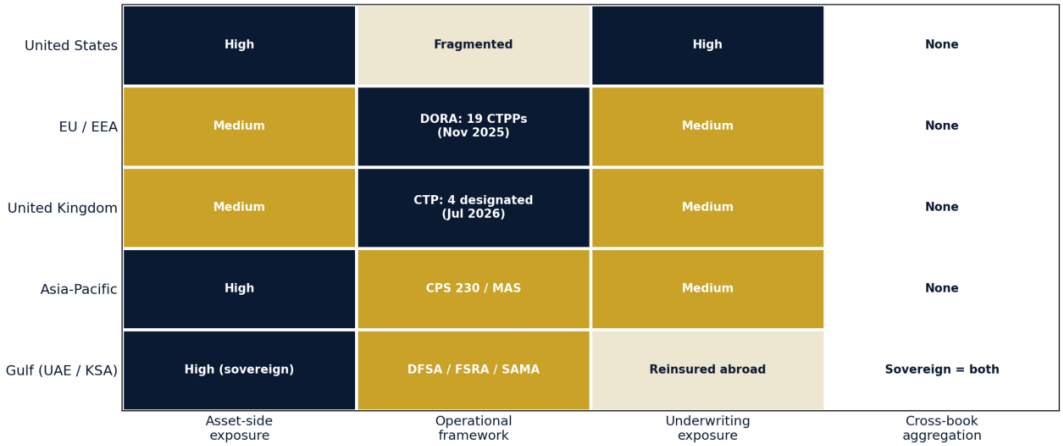
Telecom leveraged one book: a trillion owed, twenty cents recovered.
Crypto was fenced out of all three (Basel: 1,250%), and its crash was absorbed.
Crypto was too ugly to be dangerous. AI is beautiful enough to be everywhere.

EVERY JURISDICTION

# Same architecture everywhere

## Same architecture everywhere: exposure by market, framework by leg

The last column is the thesis: no jurisdiction aggregates across the three books. In the Gulf, the sovereign is investor and backstop at once.




Assessment: G. Pancucci, from public frameworks (DORA/ESAs Nov 2025, UK SI 2026/777 Jul 2026, CPS 230, MAS, DFSA/FSRA/SAMA, NAIC/FSOC) and the financing map.

The frameworks differ by market. The blind spot does not:
no jurisdiction aggregates exposure to the AI factor across the three books.
In the Gulf, the sovereign is investor and backstop at once.

THE AGENDA

# What a board should ask

**1** What is our aggregate exposure to the AI factor across investments, operations and underwriting, and who owns that single number?

**2** If our A+ data-centre debt were assessed on the factor rather than the structure, would our concentration limits even notice?

**3** Which stress scenario runs across all three books simultaneously, and when did we last run it?

**4** How does GPU-backed, obsolescence-exposed collateral behave in a run-off, and on whose model?

**5** If a critical AI provider failed commercially rather than operationally, which framework would catch it first, and would the other two find out before the market did?

*None of these needs new regulation. They need someone with the mandate to add three numbers that today live in three different rooms.*

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# The deadline moved.

# The exposure did not.

Full article on LinkedIn:
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Board & Executive Advisor | PCF-42 | DORA & Regulatory Governance

Updated 28 September 2026: hail and tornado shares attributed to Swiss Re Institute;
UK CTP designations of July 2026 reflected.