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Sommario/riassunto	Large fiscal financing needs, both in advanced and emerging market economies, have often been met by borrowing heavily from domestic banks. As public debt approached sustainability limits in a number of countries, however, high bank exposure to sovereign risk created a fragile inter-dependence between fiscal and bank solvency. This paper presents a simple model of twin (sovereign and banking) crisis that stresses how this interdependence creates conditions conducive to a self-fulfilling crisis.