

Session 5:
Role of Liquidity in the Management of FX Reserves

Role of Liquidity in the Management of Foreign Exchange Reserves

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THE STATE BANK OF VIET NAM

Role **OF LIQUIDITY**

**In the management of
foreign exchange reserves**

HANOI OCT 2026



ROLE OF LIQUIDITY

IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

- == **01** RESERVE MANAGEMENT PRINCIPLES
- == **02** RESERVE MANAGEMENT REQUIREMENTS
- == **03** RESERVE TRANCHES





ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

01 RESERVE MANAGEMENT PRINCIPLES

03
principles

01

Safety

02

Liquidity

03

Return





ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

02 RESERVE MANAGEMENT REQUIREMENTS

i Counterparties

ii Investment Instruments

iii Investment Maturity Limits



ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

02 RESERVE MANAGEMENT REQUIREMENTS

Counterparties

TRADING COUNTERPARTY

Business lines	Moody's	S&P's
Money Markets	A2/P-1/a3	A/A-1
Foreign Exchange	A2/P-1/a3	A/A-1
Bonds	A3	A-
CD	A2/P-1/a3	A/A-1
Gold	A2/P-1	A/A-1





ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

02 RESERVE MANAGEMENT REQUIREMENTS

i Counterparties

CUSTODIAN COUNTERPARTY

Assets

Moody's

S&P's

Bonds

A1/P-1/a3

A+/A-1

A2/P-1/a3

A/A-1

ASSET MANAGEMENT COUNTERPARTY

Moody's

S&P's

A2/P-1/a3

A/A-1



ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

02 RESERVE MANAGEMENT REQUIREMENTS

ii Investment Instruments

Government Bonds

The G7 countries and Australia

Government-guaranteed Bonds

German Government-guaranteed (explicitly)

SSA

BIS, IMF, WB, ADB, EIB...

Money Markets

CD

ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

02 RESERVE MANAGEMENT REQUIREMENTS

iii Investment Maturity Limits

Government Bonds

US: *10 years*

Germany, France, Japan: *6 years*

UK, Canada, Australia: *5 years*

Government-guaranteed Bonds

5 years

SSA

5 years

Money Markets

1 year

CD

1 year

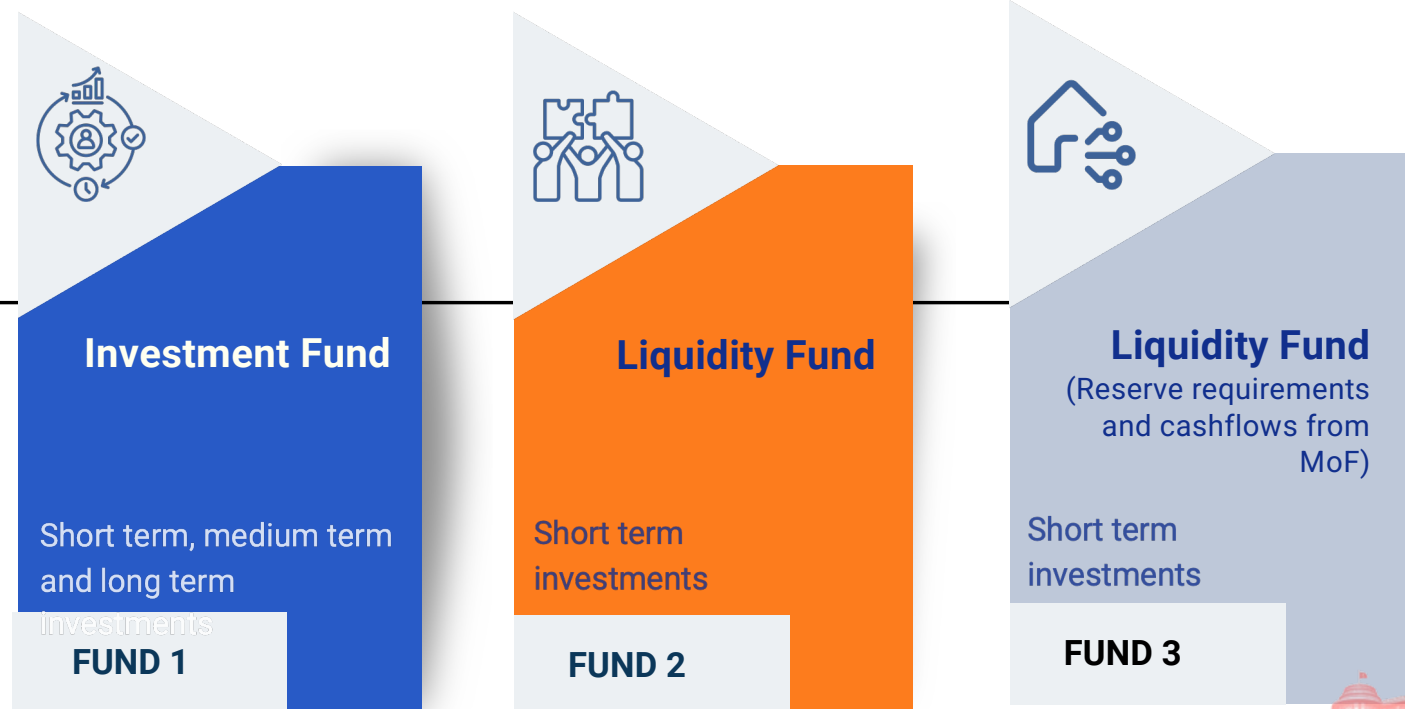




ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

03

RESERVE TRANCHES



ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

03 RESERVE TRANCHES

FUND 1: INVESTMENT FUND

01  **Currencies**
G7, AUD, CHF

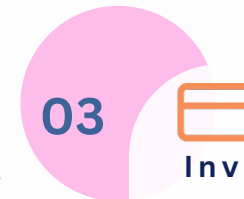
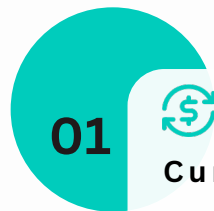
02  **Investment Maturities**
From O/N up to 10 years

03  **Investment Instruments**
O/N
Money Markets
CD
Bonds: Government Bonds
Government-guaranteed Bonds
SSA
Gold
Asset Management Program

ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

03 RESERVE TRANCHES

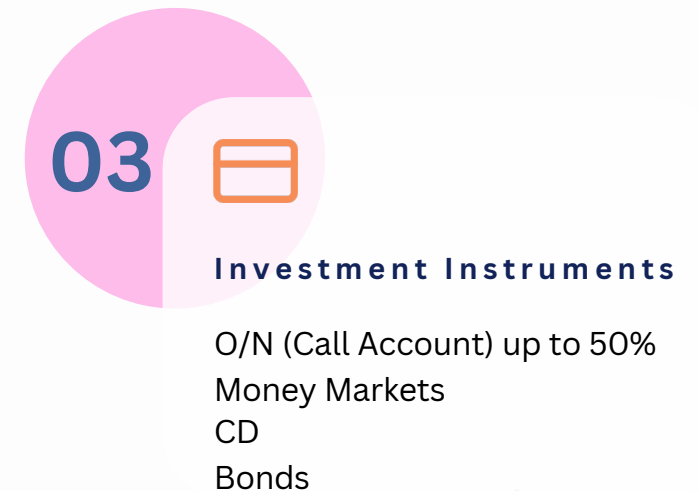
FUND 2: LIQUIDITY FUND



ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

03 RESERVE TRANCHES

FUND 3: LIQUIDITY FUND (Reserve requirements and cashflows from MoF)





ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

SWAP AGREEMENT UNDER CMIMS

THE CHIANG MAI INITIATIVE MULTILATERALISATION (CMIM):

MULTILATERAL CURRENCY SWAP ARRANGEMENT

AMONG THE ASEAN+3 MEMBER COUNTRIES (CHINA, JAPAN, AND SOUTH KOREA)





THE STATE BANK OF VIET NAM



ROLE OF LIQUIDITY IN THE MANAGEMENT OF FOREIGN EXCHANGE RESERVES

THANK YOU

