Box 4: Trends in Reserve Management - Foreign Reserves Management Report, 2025

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The management of foreign reserves has evolved with the objective of ensuring safety, liquidity, and return. Safety requires effective management of investment-related risks, while liquidity refers to the ability to convert assets into cash quickly and at low cost. In turn, return refers to the potential of financial assets to increase in value over time. To achieve these objectives, central banks and various international institutions implement asset allocation and currency distribution strategies across different sectors and markets. This section outlines the main trends in reserve management adopted by various central banks, based on information from the most recent surveys on reserve management practices and international portfolios of central banks and official institutions.