



ПРОДОВОЛЬСТВЕННАЯ КОНТРАКТНАЯ КОРПОРАЦИЯ
АЗЫҚ-ТҮЛІК КЕЛІСІМ ШАРТ КОРПОРАЦИЯСЫ
FOOD CONTRACT CORPORATION

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на № _____ от _____

**АО «Казахстанская
фондовая биржа»**

АО «НК «Продкорпорация» (далее - Корпорация) сообщает о понижении рейтинговым агентством «Moody's Investors Service Ltd.» корпоративного рейтинга Корпорации и рейтинга по облигациям Корпорации (НИН - KZ2C0Y07E152) до уровня B1, прогноз – «Негативный».

Приложение: Кредитное заключение РА «Moody's Investors Service Ltd.» на 07.12.2017 г. на 7 стр.

**Управляющий директор –
член Правления**


С. Кабдулов

Исп. Т. Издибаев
Тел. (7172) 591269

CREDIT OPINION

6 December 2017

Update

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RATINGS

National Company Food Contract Corp JSC

Domicile	Kazakhstan
Long Term Rating	B1
Type	LT Corporate Family Ratings - Fgn Curr
Outlook	Negative

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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National Company Food Contract Corp JSC

Update following downgrade to B1 rating with a negative outlook

Summary

[National Company Food Contract Corp JSC's](#) (FCC) B1 corporate family rating is determined in accordance with our Government-Related Issuers rating methodology because FCC is owned by the [Government of Kazakhstan](#) through JSC National Holding Company KazAgro (KazAgro). The rating factors in the following inputs: (1) FCC's Baseline Credit Assessment (BCA) of caa1, which is a measure of the company's standalone credit quality; (2) the Baa3 local-currency rating of the Kazakh government; (3) the high default dependence between the company and the government; and (4) the probability of strong support from the government.

FCC's corporate family rating and BCA reflect the company's deteriorated liquidity since early 2017, as well as a more-than-expected weakening in its financial profile through September 2017. The prospects of a sustainable recovery in the liquidity and financial profiles through 2018 are uncertain, given the financial weakness of the domestic farming sector, as reflected by the latter's significant overdue liabilities to FCC and low global grain prices, which limit FCC's earnings from commercial operations and increase its call and dependence on the government's funding to continue to support domestic grain markets and farmers.

FCC's small scale and heavy dependence on the Kazakh grain sector exacerbate the company's exposure to the inherent cyclicality of the agricultural industry, resulting in lack of visibility and significant swings in FCC's earnings and cash flow, and, hence, the company's financial metrics.

At the same time, the company's rating benefits from its status as the state grain trader, with a long track record of operations in domestic and international markets, and its established relationships with farmers, grain storage companies, key grain importers and foreign banks.

We positively factor in the track record of the state support that FCC received on an ongoing basis to perform its market support functions. However, the state support provided to the company this year has not been sufficient to offset the recent deterioration in its liquidity and financial profiles.