

Note 6 - Credit quality of financial instruments:

The credit quality of the financial assets that are neither past-due or impaired is assessed with respect to the external risk ratings, if any, or based on historical information of counterparty default index.

	2016	December 31, 2015
Accounts receivable		
Counterparties without external risk ratings:		
Group 1 - Customers with Liverpool credit card	\$ 25,156,363	\$ 24,467,277
Group 2 - Customers with Visa credit card	6,180,174	5,306,995
Total unimpaired accounts receivable	31,336,537	29,774,272
Cash in banks and short-term bank deposits ¹		
AAA	25,551,295	8,563,996
AA	-	-
A	-	-
	25,551,295	8,563,996
Financial assets - derivative financial instruments ²		
AAA	4,028,255	1,516,534
AA	-	-
	4,028,255	1,516,534
	\$ 60,916,087	\$ 39,854,802

- Group 1 - For the Company, loans granted through the Liverpool credit card represent a lesser risk due to the fact that its use is sporadic and seasonal and is restricted to the products sold at Company stores.
- Group 2 - The Visa credit cards operated by the Company imply a different risk level, due mainly to the fact that they can be used at a broad number of establishments, allow their holders to draw cash from ATMs and are intended for continuous use.

¹ The rest of cash equivalents in the balance sheet correspond to cash on hand.

² The Company does not consider there are risk factors arising from default on counterparty obligations, due to which, it has not been necessary to set up reserves in this regard at December 31, 2016 and 2015.