CNH CAPITAL CANADA RECEIVABLES TRUST

Financial Statements as at and for the years ended December 31, 2013 and 2012 and Independent Auditors' Report

CNH CAPITAL CANADA RECEIVABLES TRUST

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CNH CAPITAL CANADA RECEIVABLES TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013 AND 2012
(In Canadian Dollars)

GENERAL

Management's Discussion and Analysis ("MD&A"), dated March 31, 2014**,** should be read in conjunction with the audited financial statements for the years ended December 31, 2013 and 2012. Management is responsible for the reliability and timeliness of the information disclosed in the MD&A.

RECENT DEVELOPMENTS

On February 28, 2014, the Administrator, CNH Capital Canada Ltd. changed its name to CNH Industrial Capital Canada Ltd. ("CNH Industrial Capital Canada", "Administrator", "Servicer" or "Seller").

BUSINESS OF THE TRUST

CNH Capital Canada Receivables Trust (the "Trust") was established by the Computershare Trust Company of Canada (formerly The Canada Trust Company), as Issuer Trustee (the "Issuer Trustee"), under the laws of the Province of Ontario by Declaration of Trust dated September 11, 2000. BNY Trust Company of Canada is the Indenture Trustee.

The Trust's activities are limited to the securing and administration of retail installment contracts and finance lease contracts originated by CNH Industrial Capital Canada to finance the purchase of new or used agricultural or construction equipment. The Trust issues asset-backed notes ("Notes") and subordinated loans in Series ("Series") with varying terms to finance the acquisition of the receivables and uses collections on the receivables to pay its obligations.

Pursuant to the Administration Agreement between the Issuer Trustee and the Administrator, and the Sale and Servicing Agreement between the Issuer Trustee and the Servicer, CNH Industrial Capital Canada carries out certain administrative and management activities for and on behalf of the Trust, including the administration, servicing, and collection of the receivables. The Trust pays a nominal fee to CNH Industrial Capital Canada for the performance of the activities and fulfillment of its responsibilities under the Administration Agreement. No fee is payable by the Trust to CNH Industrial Capital Canada for the servicing activities since the receivables are sold to the Trust on a fully-serviced basis. The Trust has no employees.

The Trust has been structured to provide investors in the Class A and B Notes payments that amortize on a monthly basis concurrent with the principal collections activity on the underlying receivables.

Each Series of Notes benefits from Series-specific enhancements in the form of the deferred purchase price, excess spread and amounts deposited in a cash reserve account. The deferred purchase price ("deferred purchase price") represents the difference between the amount at which the Trust records the ownership interest in receivables and the amount payable to CNH Industrial Capital Canada for the purchase of the ownership interest in receivables. Excess spread is the monthly excess of all interest collections on the receivables after the Trust payment obligations are satisfied. The Due to Seller ("Due to Seller") includes both the deferred purchase price and the excess spread. The reserve accounts are Series-specific accounts funded at the time of issuance of the relevant Series from the proceeds of the issuance. Amounts on deposit in the reserve account for a Series are available to cover any shortfalls in funds available to meet specific payments for that Series as outlined in the related transaction documents and will not be released to the Seller until that Series is paid in full.

In September 2012, the Trust issued Series 2012-1 Receivables-Backed Notes, Class A and B Notes, which were privately placed with institutional investors.

In January 2013, a clean-up call was exercised by CNH Industrial Capital Canada with respect to Series 2009-1 whereby $40,380,534, of retail installment contracts were sold at book value to CNH Industrial Capital Canada. Also related to this clean-up call, the Series 2009-1 Class A Notes, the Series 2009-1 Class B Notes and the Series 2009-1 Subordinated loans were repaid in full.

(In Canadian Dollars)

In April 2013, the Trust issued Series 2013-1 Receivables-Backed Notes, Class A and B Notes, which were privately placed with institutional investors.

In November 2013, the Trust issued Series 2013-2 Receivables-Backed Notes, Class A-1, A-2 and B Notes, which were publicly placed pursuant to a prospectus.

RESULTS OF OPERATIONS

The Trust's ownership interest in receivables increased by $359,641,880 to $1,129,464,092 as at December 31, 2013 from $769,822,212 as at December 31, 2012. This increase is primarily attributable to the acquisitions of the Series 2013-1 and Series 2013-2 receivables totaling $915,310,560, offset by $515,288,146 of cash collections and $40,380,534 in proceeds from the sale of receivables to CNH Industrial Capital Canada per its clean-up call exercised in January 2013.

Interest income for the year ended December 31, 2013 totaled $45,953,076 compared to $35,416,231 for the year ended December 31, 2012. Total interest expense was $45,940,376 and $35,405,931 for the years ended December 31, 2013, and 2012, respectively. The increase in interest income and expense in the current year is consistent with the timing of the new purchases in 2013.

Total credit losses incurred on the Trust's portfolio in 2013 and 2012 were $194,147 and $128,555, respectively. These credit losses are absorbed by CNH Industrial Capital Canada through the Due to Seller.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Trust's unaudited quarterly financial information for the years ended December 31, 2013 and 2012:

	2013				
	Q1	Q2	Q3	Q4	Total
Interest income	$ 9,390,344	$ 12,271,911	$ 10,838,983	$ 13,451,838	$ 45,953,076

	2012				
	Q1	Q2	Q3	Q4	Total
Interest income	$ 8,656,585	$ 7,413,177	$ 8,392,714	$ 10,953,755	$ 35,416,231

TRANSACTIONS WITH RELATED PARTIES

For the years ended December 31, 2013 and 2012, the Trust's interest expense paid to CNH Industrial Capital Canada was $28,482,716 and $20,591,076, respectively, and the other expenses paid to CNH Industrial Capital Canada amounted to $8,000 and $6,500, respectively. The transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

The Due to Seller was $37,150,495 and $20,745,362 as at December 31, 2013 and 2012, respectively, and the subordinated loans payable to CNH Industrial Capital Canada were $49,152,638 and $48,733,199, respectively.

ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements, and revenues and expenses for the year reported. The key areas of estimation include the fair value of the ownership interest in receivables on acquisition, determining the effective interest rate on the ownership interest in receivables and the estimation of credit losses on the ownership interest in receivables. Actual results could differ from those estimates.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Trust is exposed to the following risks as a result of holding financial instruments: market risk, credit risk and liquidity risk. The Trust's risk management policies are established by CNH Industrial Capital Canada and are reviewed regularly to reflect changes in market conditions and the Trust's activities.

Market Risk

Market risk is the possibility that changes in interest rates and foreign exchange rates will adversely affect the Trust's cash flow and/or fair value of the Trust's financial instruments.

Interest rate risk refers to the risk that the fair value or income and future cash flows of a financial instrument will vary as a result of changes in market interest rates. As all the Series' transactions only include fixed rate Notes and loans and the Trust receives a fixed rate of interest on its ownership interest in receivables, the Trust did not have any interest rate risk during the years ended December 31, 2013 and 2012. The Trust's exposure to interest rate risk on the cash accounts is not significant.

The Trust is not exposed to losses from foreign exchange rates as all of the Trust's transactions were denominated in Canadian dollars.

Credit Risk

Credit risk is the possibility of loss resulting from failure by a customer or counterparty to make payments according to contractual terms.

The Trust's ownership interest in receivables results in significant concentrations of credit risk in the agricultural and construction industries in Canada. Numerous factors can affect the future performance of the Trust. These factors include the general level of activity in the agricultural and construction industries, the rate of North American agricultural production and demand, weather conditions, commodity prices, consumer confidence, government subsidies for the agricultural sector and prevailing levels of construction (especially housing starts). The Trust manages this risk through amounts deposited in a cash reserve account and the deferred purchase price, which provide the Trust with overcollateralization designed to minimize its credit risk.

As at December 31, 2013, the Trust's ownership interest in receivables by annual yield, which exclude interest waiver periods, and by industry was as follows:

Annual Yield	Agriculture	Construction	Total Portfolio
0.00% – 2.99%	$ 334,347,239	40,877,998	375,225,237
3.00% – 5.99%	606,204,871	18,022,889	624,227,760
6.00% – 8.99%	107,896,415	12,606,856	120,503,271
9.00% – 11.99%	6,971,249	1,355,822	8,327,071
12.00% – 17.99%	997,548	183,205	1,180,753
	$ 1,056,417,322	$ 73,046,770	$ 1,129,464,092

(In Canadian Dollars)

As at December 31, 2012, the Trust's ownership interest in receivables by annual yield, which exclude interest waiver periods, and by industry was as follows:

Annual Yield	Agriculture	Construction	Total Portfolio
0.00% – 2.99%	$ 237,574,099	$ 29,660,151	$ 267,234,250
3.00% – 5.99%	353,685,215	12,320,866	366,006,081
6.00% – 8.99%	105,909,651	15,269,516	121,179,167
9.00% – 11.99%	10,384,516	2,203,844	12,588,360
12.00% – 17.99%	2,405,169	409,185	2,814,354
	$ 709,958,650	$ 59,863,562	$ 769,822,212

During the years ended December 31, 2013 and 2012, credit losses amounting to $194,147 and $128,555, respectively, were written off against the Due to Seller, which represents 0.02% of the Trust's portfolio, for both years. The principal balance of accounts greater than 30 days delinquent was $360,000 and $352,073, which represented 0.03% and 0.05% of the Trust's portfolio as at December 31, 2013 and 2012, respectively.

As at December 31, 2013 and 2012, the Trust's maximum credit exposure was $1,243,200,259 and $872,110,836, respectively, equal to the total of its assets recorded on the Statements of Net Assets.

Liquidity Risk

Liquidity risk is the possibility that the Trust may be unable to meet all current and future obligations in a timely manner. The Trust is engaged in financing asset-backed securities. The Trust is not exposed to liquidity risk apart from the risk that the Trust will not be able to satisfy its obligations because of exposure to credit risks. The Trust's exposure to liquidity risk is managed primarily through the process of selecting receivables that are expected to generate cash flows sufficient to meet the payment schedule of the Notes. The Trust expects to generate more proceeds than are necessary to fulfill its obligations. In addition, the Trust has access to the cash reserve accounts in case of a shortfall in collections.

Measurement of Fair Values and Categorization of Financial Instruments

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The Trust determines fair value using available market information or other appropriate valuation methodologies such as discounted cash flow analysis. Fair values using valuation models require the use of assumptions concerning the amount and timing of estimated cash flows and discount rates. In determining those assumptions, the Trust looks primarily to external observable market inputs including factors such as interest yield curves and price or rate volatilities, as applicable.

IFRS requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

The Trust uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Trust can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets; quoted prices in inactive markets for identical or similar instruments; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based on the lowest level of input that is significant to the measurement of fair value.

As at December 31, 2013 and 2012, the Trust had no financial instruments classified in Level 1, other than restricted cash and cash equivalents. All other financial instruments were classified as Level 2. During the years ended December 31, 2013 and 2012, there were no transfers between Level 1, Level 2 and Level 3 hierarchy levels.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS. Management of CNH Industrial Capital Canada assessed the design and operating effectiveness of the Trust's internal control over financial reporting as at December 31, 2013 and 2012, and based on that assessment determined that the Trust's internal control over financial reporting was effective. No changes were made in the Trust's internal control over financial reporting during the years ended December 31, 2013 and 2012, which have materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

ADDITIONAL INFORMATION

Additional information regarding the Trust is available at *www.sedar.com*.

INDEPENDENT AUDITORS' REPORT

To the Issuer Trustee of CNH Capital Canada Receivables Trust

We have audited the accompanying financial statements of CNH Capital Canada Receivables Trust, which comprise the statements of net assets as at December 31, 2013 and 2012, and the statements of net income and comprehensive income, changes in net assets and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CNH Capital Canada Receivables Trust as at December 31, 2013 and 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada,
March 31, 2014.

CNH CAPITAL CANADA RECEIVABLES TRUST

STATEMENTS OF NET ASSETS
AS AT DECEMBER 31, 2013 AND 2012
(In Canadian Dollars)

	Notes	2013	2012
ASSETS			
Restricted cash and cash equivalents	3	$ 106,546,729	$ 96,935,801
Accrued interest receivable		7,189,438	5,352,823
Ownership interest in receivables	4 & 6	1,129,464,092	769,822,212
TOTAL		$ 1,243,200,259	$ 872,110,836
LIABILITIES			
Deposits and other accrued liabilities		$ 1,001,333	$ 1,501,067
Accrued interest payable		1,042,869	832,039
Due to Seller	7	37,150,495	20,745,362
Notes payable	5	1,154,852,914	800,299,159
Loans payable	5	49,152,638	48,733,199
		1,243,200,249	872,110,826
NET ASSETS		10	10
TOTAL		$ 1,243,200,259	$ 872,110,836

The accompanying Notes to Financial Statements are an integral part of these financial statements.

APPROVED BY CNH CAPITAL CANADA RECEIVABLES TRUST,
by its Administrator,
CNH INDUSTRIAL CAPITAL CANADA LTD.

/s/ Steve Bierman	**/s/ Robert Keating**
Steve Bierman	Robert Keating
President	*Controller*

CNH CAPITAL CANADA RECEIVABLES TRUST

STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In Canadian Dollars)

	Notes	2013	2012
Interest income		$ 45,953,076	$ 35,416,231
Interest expense:			
Interest expense to third party	6	17,457,660	14,814,855
Interest expense to affiliate	7	28,482,716	20,591,076
Total interest expense		45,940,376	35,405,931
Other expenses	7	8,000	6,500
Total expenses		45,948,376	35,412,431
TOTAL NET INCOME AND COMPREHENSIVE INCOME		$ 4,700	$ 3,800

The accompanying Notes to Financial Statements are an integral part of these financial statements.

CNH CAPITAL CANADA RECEIVABLES TRUST

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In Canadian Dollars)

	2013	2012
NET ASSETS, BEGINNING OF YEAR	$ 10	$ 10
Net income and comprehensive income for the year	4,700	3,800
Distribution to beneficiary	(4,700)	(3,800)
NET ASSETS, END OF YEAR	$ 10	$ 10

The accompanying Notes to Financial Statements are an integral part of these financial statements.

CNH CAPITAL CANADA RECEIVABLES TRUST

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In Canadian Dollars)

	2013	2012
OPERATING ACTIVITIES		
Net income and comprehensive income for the year	$ 4,700	$ 3,800
Working capital adjustments:		
Increase in accrued interest receivable	(1,836,615)	(385,027)
(Decrease) increase in deposits and other accrued liabilities	(499,734)	372
Increase in accrued interest payable	210,830	51,411
Cash used in operating activities	(2,120,819)	(329,444)
INVESTING ACTIVITIES		
Acquisition of ownership interest in receivables	(915,310,560)	(478,308,940)
Proceeds from sale of ownership interest in receivables	40,380,534	--
Collections on ownership interest in receivables	515,288,146	398,823,924
Increase in restricted cash and cash equivalents	(9,610,928)	(12,647,712)
Cash used in investing activities	(369,252,808)	(92,132,728)
FINANCING ACTIVITIES		
Proceeds from issuance of notes and loans	899,334,835	477,534,197
Payment of notes and loans	(544,361,641)	(384,934,824)
Increase (decrease) in Due to Seller	16,405,133	(133,401)
Distribution to beneficiary	(4,700)	(3,800)
Cash from financing activities	371,373,627	92,462,172
NET CHANGE IN CASH AND CASH EQUIVALENTS	--	--
CASH AND CASH EQUIVALENTS		
Beginning of year	--	--
End of year	$ --	$ --
CASH RECEIVED DURING THE YEAR FOR INTEREST	$ 44,116,461	$ 35,031,204
CASH PAID DURING THE YEAR FOR INTEREST	$ 45,729,546	$ 35,354,521

The accompanying Notes to Financial Statements are an integral part of these financial statements.

NOTE 1: NATURE OF OPERATIONS

CNH Capital Canada Receivables Trust (the "Trust") was established by the Computershare Trust Company of Canada (formerly The Canada Trust Company), as Issuer Trustee (the "Issuer Trustee"), under the laws of the Province of Ontario by Declaration of Trust dated September 11, 2000. BNY Trust Company of Canada is the Indenture Trustee.

On February 28, 2014, the Administrator, CNH Capital Canada Ltd. changed its name to CNH Industrial Capital Canada Ltd. ("CNH Industrial Capital Canada", "Administrator", "Servicer" or "Seller").

The Trust's activities are limited to the securing and administration of retail installment contracts and finance lease contracts originated by CNH Industrial Capital Canada to finance the purchase of new or used agricultural or construction equipment. The Trust issues asset-backed notes ("Notes") and subordinated loans in Series ("Series") with varying terms to finance the acquisition of the receivables and uses collections on the receivables to pay its obligations. The beneficiaries of the Trust, after the payment of all obligations, are one or more designated charitable organizations.

CNH Industrial Capital Canada acts as the initial servicer and the collection agent for the Trust. The Trust has entered into an agreement with CNH Industrial Capital Canada as Administrator. The Administrator's responsibilities include the day-to-day administration and operations of the Trust, structuring and managing portfolio purchases and monitoring the portfolios. Unless otherwise noted, defined terms within these financial statements are consistent with those of the offering documents pursuant to the Notes issued by the Trust. The Administrator has prepared these financial statements.

The Trust's financial statements for the year ended December 31, 2013 were authorized for issue by CNH Industrial Capital Canada, as Administrator, on March 31, 2014.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements are presented in Canadian dollars, which is the Trust's functional currency.

The financial statements have been prepared on the historical cost basis, except for restricted cash and cash equivalents which are measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise judgment in the process of applying the Trust's accounting policies. The key areas of estimation include the fair value of the ownership interest in receivables on acquisition, determining the effective interest rate on the ownership interest in receivables and the estimation of credit losses on the ownership interest in receivables. Actual results could differ from those estimates.

Classification of Financial Assets and Liabilities

The Trust recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument. Purchases of financial assets are recognized on the settlement date, which is the date the financial assets are received by the Trust. The Trust derecognizes financial assets when the rights to receive cash flows from the assets have expired or have been transferred, and derecognizes the financial liabilities when the obligation specified in the contract is discharged or expires.

The classification of financial assets and financial liabilities is determined at initial recognition. The classification of financial assets depends on the purpose for which they were acquired. The Trust classifies its assets at fair value through profit or loss or as loans and receivables. The Trust has not classified any financial assets as available for sale or held to maturity. The Trust classifies its financial liabilities as other financial liabilities which are recorded at amortized cost.

Financial Assets at Fair Value Through Profit or Loss

This category consists of restricted cash and cash equivalents. Due to the short-term nature of this financial instrument, the fair value equals carrying value. Changes in fair value are recorded in interest income.

Loans and Receivables

This category consists of ownership interest in receivables and accrued interest receivable. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

Financial Liabilities

This category consists of notes payable, loans payable, Due to Seller, deposits and other accrued liabilities and accrued interest payable. These liabilities are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents comprise cash and highly liquid investments with an original maturity of three months or less. Restricted cash includes principal and interest payments received by the Trust that are payable to the investors of the Notes and cash pledged as a credit enhancement to those same investors.

Accrued Interest Receivable

Accrued interest receivable represents the interest income earned on the restricted cash accounts and the ownership interest in receivables during the year and not yet received by the Trust as at December 31.

Ownership Interest in Receivables

The Trust does not recognize the receivables purchased from CNH Industrial Capital Canada as an asset because the transactions do not meet the transfer criteria of International Accounting Standards (“IAS”) 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”), and CNH Industrial Capital Canada continues to carry the receivables on its statements of financial position. As such, the Trust accounts for its ownership interest in receivables as a secured loan with the Seller. Principal collections and credit losses reduce the carrying amount of the ownership interest in receivables.

Credit losses are determined monthly by CNH Industrial Capital Canada in accordance with specified criteria. When a recoverable amount becomes impaired as a result of deterioration in credit quality and there is no longer reasonable assurance of timely collection of the full amount of the receivable and any outstanding interest, an impairment charge equal to the difference between the carrying amount and the net realizable amount is recognized in interest expense, offset by a corresponding adjustment to the Due to Seller. Losses incurred in excess of the Due to Seller are absorbed by the Trust.

Due to Seller

Due to Seller represents the difference between the amount at which the Trust records the ownership interest in receivables and the amount payable to CNH Industrial Capital Canada for the purchase of the ownership interest in receivables (“deferred purchase price”). In addition, Due to Seller includes the excess spread, which is the monthly excess of all interest collections on the receivables after the Trust payment obligations are satisfied.

Income Taxes

The Trust is subject to federal and provincial income tax under the *Income Tax Act* (Canada) on the amount of its taxable income for the year and is permitted a deduction in computing its income taxes for all amounts paid or payable to the Trust's beneficiaries in determining income for tax purposes. No provision for income taxes has been reflected in these financial statements as the entire net income of the Trust is payable to the beneficiary.

Other Expenses

Other expenses include administration and trustee fees, and other operating expenses, which are recorded on an accrual basis.

New Accounting Pronouncements Adopted in 2013

IFRS 13 *Fair Value Measurement* ("IFRS 13")

The Trust adopted IFRS 13 on January 1, 2013 on a prospective basis. IFRS 13 does not change when an entity is required to measure and disclose fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Trust to measure fair value and did not result in any measurement adjustments as at January 1, 2013. Additional disclosures required by the adoption of IFRS 13 have been included in the financial statements.

IFRS 7 *Financial Instruments: Disclosure* ("IFRS 7")

The Trust adopted the amendments to the disclosure requirements in IFRS 7 on January 1, 2013 on a prospective basis. The amendments require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The adoption of the amendments did not have a significant impact on the financial statements or any disclosures of the Trust.

New Accounting Pronouncements to be Adopted

IFRS 9 *Financial Instruments: Classification and Measurement* ("IFRS 9")

IFRS 9 was issued in November 2009 and amended in October 2010 and November 2013, and is intended to replace IAS 39. The project has been divided into three phases: classification and measurement, impairment methodology, and hedge accounting. IFRS 9's current classification and measurement methodology provides that financial assets are measured at either amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement for financial liabilities remains generally unchanged; however, revisions have been made in the accounting for changes in fair value of a financial liability attributable to changes in the credit risk of that liability. Gains or losses caused by changes in an entity's own credit risk on such liabilities are no longer recognized in profit or loss but are reflected in OCI, this is not expected to impact the Trust.

In November 2013, the IASB removed the mandatory effective date of January 1, 2015. The IASB has stated that a new effective date will be determined when all three phases of the IFRS 9 project are closer to completion. The Trust is assessing the full impact of IFRS 9 on its financial statements in conjunction with the completion of the other phases of this project.

(In Canadian Dollars)

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS

The Trust held restricted cash and cash equivalents in the following accounts as at December 31, 2013 and 2012:

	2013	2012
Collection accounts	$ 44,708,202	$ 36,800,304
Reserve accounts	49,170,044	48,751,593
Cash in transit	11,668,115	9,883,341
Other	1,000,368	1,500,563
Total restricted cash and cash equivalents	$ 106,546,729	$ 96,935,801

As at December 31, 2013 and 2012, these amounts were maintained in bank balances or were invested in short-term deposits with a financial institution at an average rate of 0.49% and 0.55%, with maturities on or before January 9, 2014 and January 4, 2013, respectively.

The Servicer is required to collect payments on the ownership interest in receivables and deposit these collections into the Series-specific collection accounts within two business days of receipt from the obligors and processing by the Servicer. These amounts are available to cover payments of principal and interest on the Notes and loans payable, pay the deferred purchase price or any operating expenses.

The reserve accounts are Series-specific accounts funded at the time of issuance of the relevant Series from the proceeds of the issuance. Amounts on deposit in the reserve account for a Series are available to cover any shortfalls in funds available to meet specific payments for that Series as outlined in the related transaction documents and will not be released until that Series is paid in full.

NOTE 4: OWNERSHIP INTEREST IN RECEIVABLES

The ownership interest in receivables is secured by retail note and finance lease contracts that bear interest at fixed rates. As at December 31, 2013 and 2012, the weighted-average contractual interest rates, which include interest waiver periods, on these contracts were 2.28% and 2.61%, respectively.

As at December 31, 2013, the maturities of the retail note and finance lease contracts, assuming no prepayments, are as follows:

2014	$ 301,924,018
2015	293,147,893
2016	238,137,941
2017	177,345,367
2018	102,118,005
2019	16,790,868
	$ 1,129,464,092

It has been CNH Industrial Capital Canada's experience that substantial portions of retail note and finance lease contracts are repaid before their contractual maturity dates. As a result, the above table should not be regarded as a forecast of future cash collections.

Concentrations of credit risk exist if a number of counterparties are engaged in similar activities and have similar economic characteristics that may cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. As at December 31, 2013 and 2012, all of the Trust's ownership interest in receivables represents exposure to the agricultural and construction industries.

(In Canadian Dollars)

During the years ended December 31, 2013 and 2012, credit losses of $194,147 and $128,555, respectively, were incurred. These credit losses were absorbed by CNH Industrial Capital Canada through the Due to Seller. Receivables are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Delinquency is reported on receivables greater than 30 days past due. The principal balance of accounts greater than 30 days delinquent was $360,000 and $352,073, which represented 0.03% and 0.05% of the Trust's portfolio as at December 31, 2013 and 2012, respectively.

NOTE 5: NOTES PAYABLE AND LOANS PAYABLE

The Notes and loans payable bear interest at fixed rates as determined at issuance. The payment of principal and interest on the Notes and loans payable is distributed in accordance with the prioritization outlined in the Sales and Servicing Agreement for each transaction based on total collections received. As a result, payments of principal on the Notes and loans payable will vary with the amount of collections and losses, which may reduce the principal to zero prior to the scheduled maturity date.

The Notes are secured by the Trust's Series-specific ownership interests in receivables and other Trust assets. Each Series of Notes benefits from Series-specific enhancement in the form of overcollateralization, excess spread, and amounts deposited in a reserve account.

Loans payable represent the Series-specific overcollateralization amounts funded by CNH Industrial Capital Canada. These loans are subordinated to the Notes issued by the Trust.

As at December 31, 2013, the notes payable consisted of the following:

Notes Description	Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2010-1 Class A-2	$ 37,094,603	2.60%	May 2016
2010-1 Class B	8,730,000	3.99%	May 2017
2011-1 Class A-2	121,188,099	2.34%	Jul 2017
2011-1 Class B	10,818,000	3.44%	May 2018
2012-1 Class A-1	217,886,423	1.89%	Jun 2018
2012-1 Class B	12,211,349	3.00%	Nov 2019
2013-1 Class A-1	284,503,601	1.63%	Oct 2018
2013-1 Class B	10,917,000	2.73%	Nov 2019
2013-2 Class A-1	181,500,839	1.44%	Aug 2016
2013-2 Class A-2	260,238,000	1.94%	Oct 2019
2013-2 Class B	9,765,000	3.00%	May 2020
	$ 1,154,852,914		

(In Canadian Dollars)

As at December 31, 2012, the notes payable consisted of the following:

Notes Description	Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2009-1 Class A	$ 27,205,775	2.27%	Jun 2017 (1)
2009-1 Class B	15,501,000	0.00%	Jun 2017 (1)
2010-1 Class A-2	92,117,631	2.60%	May 2016
2010-1 Class B	8,730,000	3.99%	May 2017
2011-1 Class A-1	6,733,471	1.69%	Jul 2014
2011-1 Class A-2	232,583,000	2.34%	Jul 2017
2011-1 Class B	10,818,000	3.44%	May 2018
2012-1 Class A-1	394,398,933	1.89%	Jun 2018
2012-1 Class B	12,211,349	3.00%	Nov 2019
	$ 800,299,159		

(1) In January 2013, a clean-up call was exercised by CNH Industrial Capital Canada with respect to Series 2009-1 ownership interest in receivables. Related to this clean-up call, the Series 2009-1 Class A and B Notes were repaid in full.

As at December 31, 2013, the loans payable consisted of the following:

Loans Description	Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2010-1 Subordinated loan	$ 4,365,273	7.00%	May 2017
2011-1 Subordinated loan	8,564,189	7.00%	May 2018
2012-1 Subordinated loan	13,866,340	7.00%	Nov 2019
2013-1 Subordinated loan	12,359,256	7.00%	Nov 2019
2013-2 Subordinated loan	9,997,580	6.00%	May 2020
	$ 49,152,638		

As at December 31, 2012, the loans payable consisted of the following:

Loans Description	Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2009-1 Subordinated loan	$ 12,179,038	7.50%	Jun 2017 (1)
2010-1 Subordinated loan	6,911,683	7.00%	May 2017
2011-1 Subordinated loan	15,776,138	7.00%	May 2018
2012-1 Subordinated loan	13,866,340	7.00%	Nov 2019
	$ 48,733,199		

(1) In January 2013, a clean-up call was exercised by CNH Industrial Capital Canada with respect to Series 2009-1 ownership interest in receivables. Related to this clean-up call, the Series 2009-1 subordinated loan was repaid in full.

As at December 31, 2013, the maturities of the notes payable and loans payable, assuming no prepayments, are as follows:

2014	$	321,284,193
2015		312,195,581
2016		253,972,083
2017		189,364,155
2018		109,209,413
2019		17,980,127
	$	1,204,005,552

It has been CNH Industrial Capital Canada's experience that substantial portions of retail note and finance lease contracts are repaid before their contractual maturity dates. As a result, the maturities of the related Notes and loans payable in the above table should not be regarded as a forecast of future repayments.

NOTE 6: RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Trust is exposed to the following risks as a result of holding financial instruments: market risk, credit risk and liquidity risk. The Trust's risk management policies are established by CNH Industrial Capital Canada and are reviewed regularly to reflect changes in market conditions and the Trust's activities.

Market Risk

Market risk is the possibility that changes in interest rates and foreign exchange rates will adversely affect the Trust's cash flow and/or fair value of the Trust's financial instruments.

Interest rate risk refers to the risk that the fair value or income and future cash flows of a financial instrument will vary as a result of changes in market interest rates. As all the Series' transactions only include fixed rate Notes and subordinated loans and the Trust receives a fixed rate of interest on its ownership interest in receivables, the Trust did not have any interest rate risk during the years ended December 31, 2013 and 2012. The Trust's exposure to interest rate risk on the cash accounts is not significant.

The Trust is not exposed to losses from foreign exchange rates as all of the Trust's transactions were denominated in Canadian dollars.

Credit Risk

Credit risk is the possibility of loss resulting from failure by a customer or counterparty to make payments according to contractual terms.

The Trust's ownership interest in receivables results in significant concentrations of credit risk in the agricultural and construction industries in Canada. Numerous factors can affect the future performance of the Trust. These factors include the general level of activity in the agricultural and construction industries, the rate of North American agricultural production and demand, weather conditions, commodity prices, consumer confidence, government subsidies for the agricultural sector and prevailing levels of construction (especially housing starts). The Trust manages this risk through amounts deposited in a cash reserve account and the deferred purchase price, which provide the Trust with overcollateralization designed to minimize its credit risk.

(In Canadian Dollars)

As at December 31, 2013, the Trust's ownership interest in receivables by annual yield, which exclude interest waiver periods, and by industry was as follows:

Annual Yield	Agriculture	Construction	Total Portfolio
0.00% – 2.99%	$ 334,347,239	$ 40,877,998	$ 375,225,237
3.00% – 5.99%	606,204,871	18,022,889	624,227,760
6.00% – 8.99%	107,896,415	12,606,856	120,503,271
9.00% – 11.99%	6,971,249	1,355,822	8,327,071
12.00% – 17.99%	997,548	183,205	1,180,753
	$ 1,056,417,322	$ 73,046,770	$ 1,129,464,092

As at December 31, 2012, the Trust's ownership interest in receivables by annual yield, which exclude interest waiver periods, and by industry was as follows:

Annual Yield	Agriculture	Construction	Total Portfolio
0.00% – 2.99%	$ 237,574,099	$ 29,660,151	$ 267,234,250
3.00% – 5.99%	353,685,215	12,320,866	366,006,081
6.00% – 8.99%	105,909,651	15,269,516	121,179,167
9.00% – 11.99%	10,384,516	2,203,844	12,588,360
12.00% – 17.99%	2,405,169	409,185	2,814,354
	$ 709,958,650	$ 59,863,562	$ 769,822,212

During the years ended December 31, 2013 and 2012, credit losses amounting to $194,147 and $128,555, respectively, were written off against the Due to Seller, which represents 0.02% of the Trust's portfolio, for both years. The principal balance of accounts greater than 30 days delinquent was $360,000 and $352,073, which represented 0.03% and 0.05% of the Trust's portfolio as at December 31, 2013 and 2012, respectively.

As at December 31, 2013 and 2012, the Trust's maximum credit exposure was $1,243,200,259 and $872,110,836, respectively, equal to the total of its assets recorded on the Statements of Net Assets.

Liquidity Risk

Liquidity risk is the possibility that the Trust may be unable to meet all current and future obligations in a timely manner. The Trust is engaged in financing asset-backed securities. The Trust is not exposed to liquidity risk apart from the risk that the Trust will not be able to satisfy its obligations because of exposure to credit risk. The Trust's exposure to liquidity risk is managed primarily through the process of selecting receivables that are expected to generate cash flows sufficient to meet the payment schedule of the Notes. The Trust expects to generate more proceeds than are necessary to fulfill its obligations. In addition, the Trust has access to the cash reserve accounts in case of a shortfall in collections.

Measurement of Fair Values and Categorization of Financial Instruments

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The Trust determines fair value using available market information or other appropriate valuation methodologies such as discounted cash flow analysis. Fair values using valuation models require the use of assumptions concerning the amount and timing of estimated cash flows and discount rates. In determining those assumptions, the Trust looks primarily to external observable market inputs including factors such as interest yield curves and price or rate volatilities, as applicable.

(In Canadian Dollars)

IFRS requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

The Trust uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Trust can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets; quoted prices in inactive markets for identical or similar instruments; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based on the lowest level of input that is significant to the measurement of fair value.

As at December 31, 2013 and 2012, the Trust had no financial instruments classified in Level 1, other than restricted cash and cash equivalents. All other financial instruments were classified as Level 2. During the years ended December 31, 2013 and 2012, there were no transfers between Level 1, Level 2 and Level 3 hierarchy levels.

Fair Value of Other Financial Instruments

The carrying amount of restricted cash and cash equivalents approximates its fair value.

Financial Instruments Not Carried at Fair Value

	2013		2012	
	Carrying Amount	Estimated Fair Value *	Carrying Amount	Estimated Fair Value *
Ownership interest in receivables	$ 1,129,464,092	$ 1,141,527,003	$ 769,822,212	$ 746,827,645
Due to Seller	$ 37,150,495	$ 37,486,943	$ 20,745,362	$ 17,571,139
Notes payable	$ 1,154,852,914	$ 1,158,348,955	$ 800,299,159	$ 820,604,490
Loans payable	$ 49,152,638	$ 51,231,718	$ 48,733,199	$ 50,340,703

* Under the fair value hierarchy, notes payable is classified as a Level 2 financial instrument and all other financial instruments are classified as Level 3.

The fair value of the Trust’s ownership interest in receivables was determined by discounting the contracts’ future cash flows at current market rates.

As the Trust has nominal amount of equity, the Due to Seller represents the remaining net assets of the Trust due to CNH Industrial Capital Canada. The estimated fair value of the Due to Seller is based on the estimated fair value of the remaining net assets. Due to the uncertain nature of the cash flows and an illiquid market for this type of instrument, the fair value assigned could vary significantly.

(In Canadian Dollars)

The fair values of the notes and loans payable were based on current interest rates or market quotes for identical or similar borrowings.

NOTE 7: RELATED PARTIES

For the years ended December 31, 2013 and 2012, the Trust's related party transactions are as follows:

	2013	2012
Interest expense	$ 28,482,716	$ 20,591,076
Other expenses	$ 8,000	$ 6,500

The transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties. Interest expense paid to CNH Industrial Capital Canada includes interest on the loans payable and deferred purchase price payments. Other expenses represent the administration fee paid to CNH Industrial Capital Canada.

As at December 31, 2013 and 2012, the Due to Seller was $37,150,495 and $20,745,362, respectively, and the loans payable to CNH Industrial Capital Canada were $49,152,638 and $48,733,199, respectively.