CNH CAPITAL CANADA RECEIVABLES TRUST

Financial Statements as at and for the years ended December 31, 2015 and 2014 and Independent Auditors' Report

CNH CAPITAL CANADA RECEIVABLES TRUST

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MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015 AND 2014
(In Canadian Dollars)

GENERAL

Management's Discussion and Analysis ("MD&A"), dated March 31, 2016**,** should be read in conjunction with the audited financial statements for the years ended December 31, 2015 and 2014. Management is responsible for the reliability and timeliness of the information disclosed in the MD&A.

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, with its principal office at 320 Bay Street, Eleventh Floor, Toronto, Ontario, M5H 4A6.

The Trust's activities are limited to the securing and administration of retail installment 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 May 2014, a clean-up call was exercised by CNH Industrial Capital Canada with respect to Series 2010-1 whereby $35,544,548 of retail installment contracts were sold at book value to CNH Industrial Capital Canada. Also related to this clean-up call, the Series 2010-1 Class A-2 Notes, the Series 2010-1 Class B Notes and the Series 2010-1 Subordinated loans were repaid in full. Also in May 2014, the Trust issued Series 2014-1 Receivables-Backed Notes, Class A-1, A-2 and B Notes, which were publicly placed pursuant to a prospectus.

In February 2015, the Trust issued Series 2015-1 Receivables-Backed Notes, Class A-1, A-2 and B Notes, which were publicly placed pursuant to a prospectus.

In July 2015, a clean-up call was exercised by CNH Industrial Capital Canada with respect to Series 2011-1 whereby $42,970,381 of retail installment contracts were sold at book value to CNH Industrial Capital Canada. Also related to this clean-up call, the Series 2011-1 Class A-2 Notes, the Series 2011-1 Class B Notes and the Series 2011-1 Subordinated loans were repaid in full.

(In Canadian Dollars)

In September 2015, the Trust issued Series 2015-2 Receivables-Backed Notes, Class A and B Notes, of which the Class A Notes were privately placed with an institutional buyer and Class B Notes were retained by CNH Industrial Capital Canada.

RESULTS OF OPERATIONS

The Trust's ownership interest in receivables increased by $153,568,983 from $925,504,884 as at December 31, 2014 to $1,079,073,867 as at December 31, 2015. The increase is primarily attributable to the acquisitions of the Series 2015-1 and Series 2015-2 receivables totaling $865,321,585, offset by $668,782,221 of cash collections and $42,970,381 in proceeds from the sale of receivables to CNH Industrial Capital Canada per its clean-up call exercised in July 2015.

Interest income for the year ended December 31, 2015 totaled $54,274,104 compared to $55,638,741 for the year ended December 31, 2014. Total interest expense was $54,254,237 and $55,622,641 for the years ended December 31, 2015, and 2014, respectively.

Total credit losses incurred on the Trust's portfolio in 2015 and 2014 were $1,009,201 and $398,099, 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, 2015 and 2014:

	2015				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Interest income	$ 12,809,010	$ 12,023,739	$ 15,031,071	$ 14,410,284	$ 54,274,104

	2014				
	Q1	**Q2**	**Q3**	**Q4**	**Total**
Interest income	$ 13,187,637	$ 14,990,689	$ 14,776,190	$ 12,684,225	$ 55,638,741

TRANSACTIONS WITH RELATED PARTIES

For the years ended December 31, 2015 and 2014, the Trust's interest expense paid to CNH Industrial Capital Canada was $34,592,664 and $34,440,043, respectively, and the other expenses paid to CNH Industrial Capital Canada amounted to $11,667 and $10,000, 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 $28,582,100 and $24,632,240 as at December 31, 2015 and 2014, respectively, and the subordinated loans payable to CNH Industrial Capital Canada were $46,123,350 and $41,920,980, 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 revenue and expenses for the years 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. At period end, the fair value of the Trust's ownership interest in receivables is determined by discounting the contracts' future cash flows at current market rates. 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, 2015 and 2014. 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, 2015, 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%	$ 297,253,790	$ 31,842,585	$ 329,096,375
3.00% – 5.99%	653,524,687	21,084,583	674,609,270
6.00% – 8.99%	61,792,167	7,595,529	69,387,696
9.00% – 11.99%	5,051,303	792,905	5,844,208
≥12.00%	120,246	16,072	136,318
	$ 1,017,742,193	$ 61,331,674	$ 1,079,073,867

(In Canadian Dollars)

As at December 31, 2014, 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%	$ 281,812,278	$ 34,640,610	$ 316,452,888
3.00% – 5.99%	512,487,658	14,115,977	526,603,635
6.00% – 8.99%	66,449,436	10,031,445	76,480,881
9.00% – 11.99%	4,457,560	1,078,910	5,536,470
≥12.00%	348,310	82,700	431,010
	$ 865,555,242	$ 59,949,642	$ 925,504,884

During the years ended December 31, 2015 and 2014, credit losses amounting to $1,009,201 and $398,099, respectively, were written off against the Due to Seller, which represents 0.09% and 0.04% of the Trust's portfolio, respectively. The principal balance of accounts greater than 30 days delinquent was $431,375 and $636,193, which represented 0.04% and 0.07% of the Trust's portfolio as at December 31, 2015 and 2014, respectively.

As at December 31, 2015 and 2014, the Trust's maximum credit exposure was $1,211,322,424 and $1,045,315,396, 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.

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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 31, 2016

CNH CAPITAL CANADA RECEIVABLES TRUST

STATEMENTS OF NET ASSETS
AS AT DECEMBER 31, 2015 AND 2014
(In Canadian Dollars)

	Notes	2015	2014
ASSETS			
Restricted cash and cash equivalents	3	$ 125,066,195	$ 113,317,444
Accrued interest receivable		7,182,362	6,493,068
Ownership interest in receivables	4 & 6	1,079,073,867	925,504,884
TOTAL		$ 1,211,322,424	$ 1,045,315,396
LIABILITIES			
Deposits and other accrued liabilities		$ 1,600	$ 501,333
Accrued interest payable		911,399	1,036,597
Notes payable	5	1,135,703,965	977,224,236
Loans payable	5	46,123,350	41,920,980
Due to Seller	7	28,582,100	24,632,240
		1,211,322,414	1,045,315,386
NET ASSETS		10	10
TOTAL		$ 1,211,322,424	$ 1,045,315,396

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/ Brett D. Davis	**/s/ Robert Keating**
Brett D. Davis	Robert Keating
President	*Controller*

CNH CAPITAL CANADA RECEIVABLES TRUST

STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Canadian Dollars)

	Notes	2015	2014
Interest income		$ 54,274,104	$ 55,638,741
Interest expense:			
Interest expense to third party		19,661,573	21,182,598
Interest expense to affiliate	7	34,592,664	34,440,043
Total interest expense		54,254,237	55,622,641
Other expenses	7	11,667	10,000
Total expenses		54,265,904	55,632,641
TOTAL NET INCOME AND COMPREHENSIVE INCOME		$ 8,200	$ 6,100

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, 2015 AND 2014
(In Canadian Dollars)

	2015	2014
NET ASSETS, BEGINNING OF YEAR	$ 10	$ 10
Net income and comprehensive income for the year	8,200	6,100
Distribution to beneficiary	(8,200)	(6,100)
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, 2015 AND 2014
(In Canadian Dollars)

	2015	2014
OPERATING ACTIVITIES		
Net income and comprehensive income for the year	$ 8,200	$ 6,100
Working capital adjustments:		
Change in accrued interest receivable	(689,294)	696,370
Change in deposits and other accrued liabilities	(499,733)	(500,000)
Change in accrued interest payable	(125,198)	(6,272)
Cash from (used in) operating activities	(1,306,025)	196,198
INVESTING ACTIVITIES		
Acquisition of ownership interest in receivables	(865,321,585)	(443,865,769)
Proceeds from sale of ownership interest in receivables	42,970,381	35,544,548
Collections on ownership interest in receivables	668,782,221	612,280,429
Change in restricted cash and cash equivalents	(11,748,751)	(6,770,715)
Cash from (used in) investing activities	(165,317,734)	197,188,493
FINANCING ACTIVITIES		
Proceeds from issuance of notes and loans	853,526,240	435,030,297
Payment of notes and loans	(690,844,141)	(619,890,633)
Change in Due to Seller	3,949,860	(12,518,255)
Distribution to beneficiary	(8,200)	(6,100)
Cash from (used in) financing activities	166,623,759	(197,384,691)
NET CHANGE IN CASH AND CASH EQUIVALENTS	--	--
CASH AND CASH EQUIVALENTS		
Beginning of year	--	--
End of year	$ --	$ --
CASH RECEIVED DURING THE YEAR FOR INTEREST	$ 53,584,810	$ 56,335,111
CASH PAID DURING THE YEAR FOR INTEREST	$ 54,379,435	$ 55,628,913

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 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, with its principal office at 320 Bay Street, Eleventh Floor, Toronto, Ontario, M5H 4A6.

The Trust's activities are limited to the securing and administration of retail installment contracts originated by CNH Industrial Capital Canada Ltd. ("CNH Industrial Capital Canada", "Administrator", "Servicer" or "Seller") 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, 2015 were authorized for issue by CNH Industrial Capital Canada, as Administrator, on March 31, 2016.

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. At year end, the fair value of the Trust's ownership interest in receivables is determined by discounting the contracts' future cash flows at current market rates. Actual results could differ from those estimates.

Classification of Financial Assets and Liabilities

The Trust recognizes financial assets and financial liabilities when it becomes a 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 approximates 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, the 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.

CNH CAPITAL CANADA RECEIVABLES TRUST

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(In Canadian Dollars)

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 beneficiary 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 to be Adopted

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15")

In May 2014, the IASB issued the final version of IFRS 15, *Revenue from Contracts with Customers*. IFRS 15 supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts* and all prior guidance, and provides a more structured approach to measuring and recognizing revenue. IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Trust is in the process of assessing the impact of IFRS 15 on its financial statements and plans to adopt the new standard on the required effective date.

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

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 includes revised guidance on the classification and measurement of financial instruments using a principles-based approach based on an entity's business model and the instruments' cash flows, including a new expected credit loss model for calculating impairment on financial assets not as at fair value through profit or loss, and the new general hedge accounting requirements that better align accounting for hedge relationships with an entity's risk management activities. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Trust is in the process of assessing the impact of the adoption of the standard on its financial statements.

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS

The Trust held restricted cash and cash equivalents in the following accounts as at December 31, 2015 and 2014:

	2015	2014
Collection accounts	$ 59,762,284	$ 55,602,045
Reserve accounts	46,129,341	41,938,231
Cash in transit	19,174,570	15,276,962
Other	--	500,206
Total restricted cash and cash equivalents	$ 125,066,195	$ 113,317,444

(In Canadian Dollars)

As at December 31, 2015 and 2014, these amounts were maintained in bank balances or were invested in short-term deposits with a financial institution at an average rate of 0.17% and 0.44%, with maturities on or before January 14, 2016 and January 9, 2015, 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 contracts that bear interest at fixed rates. As at December 31, 2015 and 2014, the weighted-average contractual interest rates, which include interest waiver periods, on these contracts were 2.40% and 2.52%, respectively.

As at December 31, 2015, the maturities of the retail note contracts, assuming no prepayments, are as follows:

2016	$	302,281,528
2017		300,597,814
2018		235,727,558
2019		153,370,881
2020		69,378,509
2021 and thereafter		17,717,577
	$	1,079,073,867

It has been CNH Industrial Capital Canada’s experience that substantial portions of retail note 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, 2015 and 2014, all of the Trust’s ownership interest in receivables represents exposure to the agricultural and construction industries.

During the years ended December 31, 2015 and 2014, credit losses of $1,009,201 and $398,099, 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 $431,375 and $636,193, which represented 0.04% and 0.07% of the Trust’s portfolio as at December 31, 2015 and 2014, respectively.

(In Canadian Dollars)

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, 2015, the notes payable consisted of the following:

Notes Description	Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2012-1 Class A-1	$ 46,636,831	1.89%	Jun 2018
2012-1 Class B	12,211,349	3.00%	Nov 2019
2013-1 Class A-1	66,643,689	1.63%	Oct 2018
2013-1 Class B	10,917,000	2.73%	Nov 2019
2013-2 Class A-2	146,840,469	1.94%	Oct 2019
2013-2 Class B	9,765,000	3.00%	May 2020
2014-1 Class A-2	188,777,105	1.80%	Oct 2020
2014-1 Class B	8,944,000	2.56%	Nov 2021
2015-1 Class A-1	31,871,976	1.12%	Oct 2017
2015-1 Class A-2	176,032,000	1.35%	Apr 2021
2015-1 Class B	6,821,000	1.96%	Apr 2022
2015-2 Class A-1	419,543,546	1.54%	Sep 2021
2015-2 Class B	10,700,000	1.94%	Jan 2023
	$ 1,135,703,965		

(In Canadian Dollars)

As at December 31, 2014, the notes payable consisted of the following:

Notes Description		Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2011-1 Class A-2	$	55,391,142	2.34%	Jul 2017 (1)
2011-1 Class B		10,818,000	3.44%	May 2018 (1)
2012-1 Class A-1		113,411,941	1.89%	Jun 2018
2012-1 Class B		12,211,349	3.00%	Nov 2019
2013-1 Class A-1		154,633,117	1.63%	Oct 2018
2013-1 Class B		10,917,000	2.73%	Nov 2019
2013-2 Class A-1		14,717,242	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
2014-1 Class A-1		89,247,445	1.39%	Mar 2017
2014-1 Class A-2		236,930,000	1.80%	Oct 2020
2014-1 Class B		8,944,000	2.56%	Nov 2021
	$	977,224,236		

(1) In July 2015, a clean-up call was exercised by CNH Industrial Capital Canada with respect to Series 2011-1 ownership interest in receivables. Related to this clean-up call, the Series 2011-1 Class A-2 and Class B Notes were repaid in full.

As at December 31, 2015, the loans payable consisted of the following:

Loans Description		Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2012-1 Subordinated loan	$	5,315,431	7.00%	Nov 2019
2013-1 Subordinated loan		6,179,628	7.00%	Nov 2019
2013-2 Subordinated loan		8,137,565	6.00%	May 2020
2014-1 Subordinated loan		8,517,485	5.00%	Nov 2021
2015-1 Subordinated loan		6,984,350	5.00%	Apr 2022
2015-2 Subordinated loan		10,988,891	4.50%	Jan 2023
	$	46,123,350		

As at December 31, 2014, the loans payable consisted of the following:

Loans Description	Current Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
2011-1 Subordinated loan	$ 5,408,962	7.00%	May 2018 (1)
2012-1 Subordinated loan	8,088,699	7.00%	Nov 2019
2013-1 Subordinated loan	9,269,442	7.00%	Nov 2019
2013-2 Subordinated loan	9,997,580	6.00%	May 2020
2014-1 Subordinated loan	9,156,297	5.00%	Nov 2021
	$ 41,920,980		

(1) In July 2015, a clean-up call was exercised by CNH Industrial Capital Canada with respect to Series 2011-1 ownership interest in receivables. Related to this clean-up call, the Series 2011-1 subordinated loan was repaid in full.

As at December 31, 2015, the maturities of the notes payable and loans payable, assuming no prepayments, are as follows:

2016	$ 330,236,010
2017	328,746,837
2018	258,333,199
2019	168,605,759
2020	76,386,951
2021 and thereafter	19,518,559
	$ 1,181,827,315

It has been CNH Industrial Capital Canada's experience that substantial portions of retail note 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, 2015 and 2014. 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.

(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, 2015, 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%	$ 297,253,790	$ 31,842,585	$ 329,096,375
3.00% – 5.99%	653,524,687	21,084,583	674,609,270
6.00% – 8.99%	61,792,167	7,595,529	69,387,696
9.00% – 11.99%	5,051,303	792,905	5,844,208
≥12.00%	120,246	16,072	136,318
	$ 1,017,742,193	$ 61,331,674	$ 1,079,073,867

As at December 31, 2014, 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%	$ 281,812,278	$ 34,640,610	$ 316,452,888
3.00% – 5.99%	512,487,658	14,115,977	526,603,635
6.00% – 8.99%	66,449,436	10,031,445	76,480,881
9.00% – 11.99%	4,457,560	1,078,910	5,536,470
≥12.00	348,310	82,700	431,010
	$ 865,555,242	$ 59,949,642	$ 925,504,884

During the years ended December 31, 2015 and 2014, credit losses amounting to $1,009,201 and $398,099, respectively, were written off against the Due to Seller, which represents 0.09% and 0.04% of the Trust's portfolio, respectively. The principal balance of accounts greater than 30 days delinquent was $431,375 and $636,193, which represented 0.04% and 0.07% of the Trust's portfolio as at December 31, 2015 and 2014, respectively.

As at December 31, 2015 and 2014, the Trust's maximum credit exposure was $1,211,322,424 and $1,045,315,396, 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.

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.

The carrying amounts of cash and cash equivalents, restricted cash, accrued interest receivables and accrued interest payables are assumed to approximate their fair value and the financial instruments listed are classified as Level 1. Notes payable measurements are classified as Level 2 and all other financial instruments measurements are classified as Level 3. During the years ended December 31, 2015 and 2014, there were no transfers between the 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.

(In Canadian Dollars)

Financial Instruments Not Carried at Fair Value

	2015		2014	
	Carrying Amount	Estimated Fair Value *	Carrying Amount	Estimated Fair Value *
Ownership interest in receivables	$ 1,079,073,867	$ 1,084,572,166	$ 925,504,884	$ 932,079,102
Due to Seller	$ 28,582,100	$ 28,834,937	$ 24,632,240	$ 24,851,945
Notes payable	$ 1,135,703,965	$ 1,136,878,214	$ 977,224,236	$ 981,018,567
Loans payable	$ 46,123,350	$ 46,607,534	$ 41,920,980	$ 44,539,012

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

The fair value of the Trust's ownership interest in receivables is 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.

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

NOTE 7: RELATED PARTY TRANSACTIONS

For the years ended December 31, 2015 and 2014, the Trust's related party transactions are as follows:

	2015	2014
Interest expense	$ 34,592,664	$ 34,440,043
Other expenses	$ 11,667	$ 10,000

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, 2015 and 2014, the Due to Seller was $28,582,100 and $24,632,240, respectively, and the loans payable to CNH Industrial Capital Canada were $46,123,350 and $41,920,980, respectively.