# CNH CAPITAL CANADA WHOLESALE TRUST

**Financial Statements as at and for the years ended December 31, 2007 and 2006 and Auditors' Report**

# CNH CAPITAL CANADA WHOLESALE TRUST

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# CNH CAPITAL CANADA WHOLESALE TRUST

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## DECEMBER 31, 2007 AND 2006
## (In Canadian Dollars)

### *General*

Management's Discussion and Analysis ("MD&A"), dated April 28, 2008, should be read in conjunction with the audited financial statements for the years ended December 31, 2007 and 2006. Management is responsible for the reliability and timeliness of the information disclosed in the MD&A.

### *Business of the Trust*

CNH Capital Canada Wholesale Trust (the "Trust") was established by The Canada Trust Company as Issuer Trustee (the "Issuer Trustee"), under the laws of the Province of Ontario by Declaration of Trust dated April 30, 2004. BNY Trust Company of Canada is the Indenture Trustee for the Notes issued by the Trust.

The Trust is a special purpose trust whose business is specifically limited to (i) purchasing finance receivables and certain related rights and assets (collectively, the "Purchased Assets") from CNH Capital Canada Ltd. ("CNH Capital Canada"), which Purchased Assets were acquired with proceeds from asset-backed securities issued by the Trust and through residual indebtedness of the Trust to CNH Capital Canada, (ii) holding, managing and disposing of Purchased Assets, (iii) making payments on its securities, and (iv) engaging in incidental and ancillary activities. Collections on the Purchased Assets are used to pay the obligations of the Trust, including the payment of interest and principal owing on the securities issued by it.

Pursuant to the Administration Agreement between the Issuer Trustee and CNH Capital Canada, as Administrator, and the Sale and Servicing Agreement between the Issuer Trustee and CNH Capital Canada, as Servicer, CNH Capital Canada carries out certain administrative and management activities for and on behalf of the Trust, including the administration, servicing, and collection of the Purchased Assets. The Trust pays a fee to CNH 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 Capital Canada for the servicing of the Purchased Assets pursuant to the Sales and Servicing Agreement since the Purchased Assets are sold to the Trust by CNH Capital Canada on a fully-serviced basis. The Trust has no employees.

In July 2004, the Trust issued the following asset-backed securities: (i) the CNH Capital Canada Wholesale Trust Floating Rate Wholesale Receivables Backed Notes, Series CW2004-1, Classes A and B, which were offered to the public pursuant to a prospectus; (ii) the CNH Capital Canada Wholesale Trust Floating Rate Wholesale Receivables Backed Notes, Series CW2004-2, Classes A and B, which were offered to the public pursuant to a prospectus; and (iii) the CNH Capital Canada Wholesale Trust Variable Funding Wholesale Receivables-Backed Note, Series CW2004 ("Wholesale VFN"), which was privately placed with a qualified institutional buyer.

In July 2006, the Trust issued the CNH Capital Canada Wholesale Trust Floating Rate Wholesale Receivables Backed Notes, Series CW2006-1, Classes A and B, which we offered to the public pursuant to a prospectus. In August 2006, the Trust paid $150,000,000 in principal to the holders of the Series CW2004-1 Class A Notes and $12,303,000 in principal to the holders of the Series CW2004-1 Class B Notes.

In August 2007, the Trust paid $175,000,000 in principal to the holders of the Series CW2004-2 Class A Notes and $14,353,000 in principal to the holders of the Series CW2004-2 Class B Notes. No additional Series of Notes have been issued to date. In addition, the Trust reduced the maximum limit of the Wholesale VFN from $250,000,000 to $150,000,000.

# CNH CAPITAL CANADA WHOLESALE TRUST

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## DECEMBER 31, 2007 AND 2006
## (In Canadian Dollars)

***Results of Operations***

The Trust's pool balance of Purchased Assets decreased by $98,655,335 to $591,522,526 as at December 31, 2007 from $690,177,861 as at December 31, 2006. The Trust's pool balance of Purchased Assets was $596,171,569 as at December 31, 2005. Principal collections were $1,391,791,746 and there were no credit losses with respect to the Purchased Assets. As a result of the repayment of the Series CW2004-2 Notes, the Trust interest previously held by holders of the Series CW2004-2 converted to Seller's interest. The repayment did not result in the removal of Purchased Assets from the Trust.

The Trust had no income other than scheduled interest income derived from the Purchased Assets and investment earnings from the restricted cash and cash equivalents. Interest income for the year ended December 31, 2007 totaled $54,452,356 compared to $53,842,101 for the year ended December 31, 2006 and $35,642,543 for the year ended December 31, 2005. The increase in the current year was largely due to higher average interest rates on the portfolio balance for the year compared to the prior year.

In connection with the Notes and Seller's interest for the year ended December 31, 2007, the Trust incurred interest expense of $54,381,109 compared to $53,109,116 for the year ended December 31, 2006 and $35,422,475 for the year ended December 31, 2005. The increase in interest expense in the current year was attributable to higher average interest rates on the notes and seller's interest payable for the year.

***Credit Risk***

The Trust's investment in the Purchased Assets 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 constructions (especially housing starts). The Trust manages this risk through the Seller's interest, which provides the Trust with overcollateralization designed to minimize its credit risk. The principal balance of accounts greater than 30 days delinquent was $4,315,795 at December 31, 2007, which represented 0.73% of the Trust's portfolio.

***Liquidity and Capital Resources***

The Trust's restricted cash and cash equivalents balance totalled $9,016,478 as of December 31, 2007 compared to $13,450,648 as at December 31, 2006. The Trust's borrowings are comprised of the Notes and indebtedness to CNH Capital Canada incurred in connection with the acquisition of the Purchased Assets. The balance of the outstanding Notes and Seller's interest was $602,071,426 as at December 31, 2007 compared to $704,874,208 as at December 31, 2006. Interest on the Notes is payable monthly in arrears on the 15th day of each month. The cash flows from the Trust's investment in the Purchased Assets are expected to provide sufficient liquidity for the repayment of the Trust's borrowings and the interest expense on those borrowings.

## (In Canadian Dollars)

***Summary of Quarterly Results***

The following is a summary of the Trust's unaudited financial information for each of the quarters in the years ending December 31, 2007 and 2006:

| | 2007 | | | |
|---|---|---|---|---|
| | **Q1** | **Q2** | **Q3** | **Q4** |
| Interest income | $13,119,925 | $15,051,230 | $14,650,824 | $11,630,377 |

| | 2006 | | | |
|---|---|---|---|---|
| | **Q1** | **Q2** | **Q3** | **Q4** |
| Interest income | $11,066,138 | $14,003,982 | $15,278,105 | $13,493,876 |

***Transactions with Related Parties***

For the year ended December 31, 2007, the Trust's interest expense paid to CNH Capital Canada with respect to residual indebtedness was $30,891,470. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Total interest expense on the statements of operations, comprehensive income and undistributed income includes amounts paid to related parties for interest on the residual indebtedness.

As at December 31, 2007, the amount due to related parties with respect to residual indebtedness is $262,071,426.

***Accounting Estimates***

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of net assets as at the date of the financial statements, and revenues and expenses for the period reported. Actual results could differ from those estimates. During the period, there have been no significant accounting estimates used in the preparation of the financial information.

***Accounting Policies***

Effective January 1, 2007, the Trust adopted CICA Handbook Sections 1530, *Comprehensive Income* ("Section 1530"), 3855, *Financial Instruments - Recognition and Measurement* ("Section 3855"), 3861, *Financial Instruments - Disclosure and Presentation* ("Section 3861"), and 3865, *Hedges* ("Section 3865"). The Trust has adopted these standards retrospectively without restatement; accordingly, comparative amounts for prior periods have not been restated.

Section 1530 introduces Comprehensive Income, which consists of Net Income and Other Comprehensive Income ("OCI"). OCI represents changes in net assets during a period arising from transactions and other events with non-owner sources. The Trust has included a Statement of Comprehensive Income in these financial statements.

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that all financial assets and financial liabilities be recognized on the Statement of

Net Assets when the Trust becomes a party to the contractual provisions of the financial instrument. Under Section 3855, all financial assets and financial liabilities are initially recognized at fair value. Subsequent measurement depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities.

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

Section 3865 specifies the criteria that must be satisfied in order for hedge accounting to be applied as well as the accounting for each of the permitted hedging strategies. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as an effective hedge, when the derivative is terminated or sold, or upon the sale or early termination of the hedged item.

Effective January 1, 2007, the Trust has classified all of its financial assets as loans and receivables with the exception of cash, which has been classified as held-for-trading by its nature, and all of its financial liabilities as other financial liabilities. Financial assets classified as loans and receivables and financial liabilities classified as other financial liabilities are measured at amortized cost using the effective interest method. The Trust has adopted a policy under the new standard of expensing all transaction costs as incurred. Regular way purchases and sales of financial assets are recognized on the settlement date, the date on which the Trust receives or delivers the asset. The Trust has reviewed contracts entered into or modified subsequent to January 1, 2003 and determined that the Trust does not currently have any significant embedded derivatives in these contracts that require separate accounting and disclosure. There were no transactions resulting in OCI for the year ended December 31, 2007.

There were no transition adjustments resulting in an adjustment to either undistributed income or accumulated other comprehensive income as at January 1, 2007.

### *Disclosure Controls and Procedures*

The Trust's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Trust is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management on a timely basis to allow appropriate decisions regarding public disclosure. As of December 31, 2007, an evaluation was carried out, under the supervision of and with the participation of management, of the effectiveness of the Trust's disclosure controls and procedures as defined under Multilateral Instrument 52-109. Base on that evaluation, management concluded that the design and operation of the Trust's disclosure controls and procedures were effective as at December 31, 2007.

### *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 purposes in accordance with Canadian generally accepted accounting principles. Management assessed the design effectiveness of the Trust's internal control over financial reporting as at December 31, 2007, and based on that assessment determined that the Trust's internal control over financial reporting design was effective. No changes were made in the Trust's internal control over financial reporting during the year ended December 31, 2007, that 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

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# Auditors' Report

To the Issuer Trustee of CNH Capital Canada Wholesale Trust:

We have audited the statements of net assets of CNH Capital Canada Wholesale Trust (the "Trust") as at December 31, 2007 and 2006 and the statements of operations, comprehensive income and undistributed income and of cash flows for the years then ended. These financial statements are the responsibility of CNH Capital Canada Ltd. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

***"Deloitte & Touche LLP"***

Chartered Accountants
Licensed Public Accountants
April 28, 2008

# CNH CAPITAL CANADA WHOLESALE TRUST

## STATEMENTS OF NET ASSETS
## AS AT DECEMBER 31, 2007 and 2006
## (In Canadian Dollars)

| | 2007 | 2006 |
|---|---|---|
| **ASSETS** | | |
| Restricted cash and cash equivalents (Note 3) | $ 9,016,478 | $ 13,450,648 |
| Accrued interest receivable (Note 4) | 2,755,475 | 2,861,655 |
| Investment in wholesale receivables (Note 5) | 591,522,526 | 690,177,861 |
| TOTAL | $ 603,294,479 | $ 706,490,164 |
| **LIABILITIES AND NET ASSETS** | | |
| Interest and other accrued payables | $ 1,223,053 | $ 1,615,956 |
| Notes payable (Note 6) | 340,000,000 | 540,353,000 |
| Seller's interest (Note 7) | 262,071,426 | 164,521,208 |
| TOTAL | $ 603,294,479 | $ 706,490,164 |

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

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

***"Steve Bierman"***
Steve Bierman
President

***"David Vock"***
David Vock
Controller

# CNH CAPITAL CANADA WHOLESALE TRUST

## STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME AND UNDISTRIBUTED INCOME
## FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
## (In Canadian Dollars)

| | 2007 | 2006 |
|---|---|---|
| Interest income | $ 54,452,356 | $ 53,842,101 |
| Interest expense (Note 6 and 7) | 54,381,109 | 53,109,116 |
| Other expenses | 68,047 | 729,385 |
| Total expenses | 54,449,156 | 53,838,501 |
| Net income and comprehensive income | 3,200 | 3,600 |
| Undistributed income, beginning of year | -- | -- |
| Distribution to beneficiary | (3,200) | (3,600) |
| Undistributed income, end of year | $ -- | $ -- |

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

# CNH CAPITAL CANADA WHOLESALE TRUST

## STATEMENTS OF CASH FLOWS
## FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
## (In Canadian Dollars)

| | 2007 | 2006 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 3,200 | $ 3,600 |
| Adjustments to reconcile net income to net cash from operating activities: | | |
| Decrease (increase) in accrued interest receivable | 106,180 | (993,404) |
| (Decrease) increase in interest and other accrued payables | (392,903) | 376,800 |
| Net cash from operating activities | (283,523) | (613,004) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of wholesale receivables | (1,293,136,411) | (1,374,110,596) |
| Collections of wholesale receivables | 1,391,791,746 | 1,280,104,304 |
| Decrease (increase) in restricted cash and cash equivalents | 4,434,170 | (5,403,016) |
| Net cash from investing activities | 103,089,505 | (99,409,308) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from issuance of notes and seller's interest | 534,654,879 | 767,815,711 |
| Payment of notes and seller's interest | (637,457,661) | (667,789,799) |
| Distribution to beneficiary | (3,200) | (3,600) |
| Net cash from financing activities | (102,805,982) | 100,022,312 |
| NET CHANGE IN CASH | -- | -- |
| RESTRICTED CASH AND CASH EQUIVALENTS: | | |
| Beginning of year | 13,450,648 | 8,047,632 |
| End of year | $ 9,016,478 | $ 13,450,648 |
| CASH PAID DURING THE YEAR FOR INTEREST | $ 54,792,704 | $ 52,716,446 |

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

## NOTE 1: FORMATION OF TRUST AND NATURE OF OPERATIONS

CNH Capital Canada Wholesale Trust (the "Trust") was established by The Canada Trust Company as Issuer Trustee (the "Issuer Trustee"), under the laws of the Province of Ontario by Declaration of Trust dated April 30, 2004. BNY Trust Company of Canada is the Indenture Trustee for the Notes issued by the Trust.

The Trust is a special purpose trust whose business is specifically limited to (i) purchasing finance receivables and certain related rights and assets (collectively, the "Purchased Assets") from CNH Capital Canada Ltd. ("CNH Capital Canada"), which Purchased Assets were acquired with proceeds from asset-backed securities issued by the Trust and through residual indebtedness of the Trust to CNH Capital Canada, (ii) holding, managing and disposing of Purchased Assets, (iii) making payments on its securities, and (iv) engaging in incidental and ancillary activities. Collections on the Purchased Assets are used to pay the obligations of the Trust, including the payment of interest and principal owing on the securities issued by it. The beneficiaries of the Trust are designated charitable organizations.

Pursuant to the Administration Agreement between the Issuer Trustee and CNH Capital Canada, as Administrator, and the Servicing Agreement between the Issuer Trustee and CNH Capital Canada, as Servicer, CNH Capital Canada carries out certain administrative and management activities for and on behalf of the Trust, including the administration, servicing, and collection of the Purchased Assets. The Trust pays a fee to CNH 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 Capital Canada for the servicing of the Purchased Assets pursuant to the Sales and Servicing Agreement since the Purchased Assets are sold to the Trust by CNH Capital Canada on a fully-serviced basis. The Trust has no employees. The Administrator has prepared these financial statements.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Basis of Presentation*

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The significant accounting policies used in the preparation of these financial statements are as follows.

### *Significant Accounting Changes*

*Financial Instruments*

Effective January 1, 2007, the Trust adopted CICA Handbook Sections 1530, *Comprehensive Income* ("Section 1530"), 3855, *Financial Instruments - Recognition and Measurement* ("Section 3855"), 3861, *Financial Instruments - Disclosure and Presentation* ("Section 3861"), and 3865, *Hedges* ("Section 3865"). The Trust has adopted these standards retrospectively without restatement; accordingly, comparative amounts for prior periods have not been restated.

Section 1530 introduces Comprehensive Income, which consists of Net Income and Other Comprehensive Income ("OCI"). OCI represents changes in net assets during a period arising from transactions and other events with non-owner sources. The Trust has included a Statement of Comprehensive Income in these financial statements.

***Significant Accounting Changes (continued)***

*Financial Instruments (continued)*

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that all financial assets and financial liabilities be recognized on the Statement of Net Assets when the Trust becomes a party to the contractual provisions of the financial instrument. Under Section 3855, all financial assets and financial liabilities are initially recognized at fair value. Subsequent measurement depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities.

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

Section 3865 specifies the criteria that must be satisfied in order for hedge accounting to be applied as well as the accounting for each of the permitted hedging strategies. Hedge accounting is discontinued prospectively when the derivative no longer qualifies as an effective hedge, when the derivative is terminated or sold, or upon the sale or early termination of the hedged item.

Effective January 1, 2007, the Trust has classified all of its financial assets as loans and receivables with the exception of cash, which has been classified as held-for-trading by its nature, and all of its financial liabilities as other financial liabilities. Financial assets classified as loans and receivables and financial liabilities classified as other financial liabilities are measured at amortized cost using the effective interest method. The Trust has adopted a policy under the new standard of expensing all transaction costs as incurred. Regular way purchases and sales of financial assets are recognized on the settlement date, the date on which the Trust receives or delivers the asset. The Trust has reviewed contracts entered into or modified subsequent to January 1, 2003 and determined that the Trust does not currently have any significant embedded derivatives in these contracts that require separate accounting and disclosure. There were no transactions resulting in OCI for the year ended December 31, 2007.

There were no transition adjustments resulting in an adjustment to either undistributed income or accumulated other comprehensive income as at January 1, 2007.

*Accounting Changes*

On January 1, 2007, the Trust adopted CICA Handbook Section 1506, *Accounting Changes* (“Section 1506”). Section 1506 requires that voluntary changes in accounting policies be made only if the changes result in financial statements that provide more reliable and more relevant information. It also requires prior period errors to be corrected retrospectively. The adoption of Section 1506 did not have a material impact on the Trust’s financial statements.

***Use of Estimates in the Preparation of Financial Statements***

In preparing these financial statements in accordance with Canadian GAAP, management makes estimates and assumptions that can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Restricted Cash and Cash Equivalents***

Restricted cash and cash equivalents are comprised of cash and highly liquid investments with an original maturity of three months or less. Restricted cash and cash equivalents are classified as held-for-trading by their nature and are recorded at fair value on the Statements of Net Assets. Changes in fair value are recorded in Interest income.

***Investment in Wholesale Receivables***

Investment in wholesale receivables is classified as loans and receivables carried at amortized cost on the Statements of Net Assets. Interest income is recognized using the effective interest method. The investment in wholesale receivables is reduced monthly as scheduled principal payments, prepayments and interest are received by CNH Capital Canada, as Servicer, and remitted to the Trust. Credit losses, which are determined monthly by CNH Capital Canada in accordance with specified criteria as set out in the related Prospectus agreements, reduce the Seller's interest and losses incurred in excess of the Seller's interest are absorbed by the Trust.

***Financing Costs***

Direct financing fees and costs incurred relating to issuing the series notes are expensed as incurred and included in Other expenses.

***Seller's Interest***

The amount of the purchase price that remains unpaid at any time constitutes a residual indebtedness of the Trust to CNH Capital Canada. Payments with respect to such residual indebtedness are made on a monthly basis representing the excess of interest earned on the Purchased Assets over the interest requirements on the notes, and are recorded as Interest expense in the accompanying Statements of Operations, Comprehensive Income and Undistributed Income.

***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 for the year is payable to the beneficiaries.

***Other Expenses***

Other expenses include administration and trustee fees as well as other operating expenses and financing costs.

***Future Accounting Changes***

On December 1, 2006, the CICA issued three new accounting standards: CICA Handbook Sections 1535, *Capital Disclosures* ("Section 1535"), 3862, *Financial Instruments - Disclosures* ("Section 3862"), and 3863, *Financial Instruments - Presentation* ("Section 3863"). These new standards became effective for the Trust on January 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Sections 3862 and 3863 replace Handbook Section 3861, *Financial Instruments - Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

**NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS**

Restricted cash and cash equivalents include cash accumulated in the Collections Account. At December 31, 2007 and 2006, these amounts are invested in short-term deposits with a financial institution at an average rate of 2.587% and 2.132%, with maturities on or before January 15, 2008 and January 15, 2007, respectively. Cash is restricted and is used to meet debt and interest payments as well as excess cash collections remitted to CNH Capital Canada. Given the short term nature of restricted cash and cash equivalents, their carrying value approximates fair value.

**NOTE 4: ACCRUED INTEREST RECEIVABLE**

Accrued interest receivable represents the interest income earned and not yet received by the Trust related to the short-term deposits and the Purchased Assets.

**NOTE 5: INVESTMENT IN WHOLESALE RECEIVABLES**

The wholesale receivables, which are extensions of credit or advances to Canadian domestic agricultural and construction equipment and parts dealers, are pledged as collateral for the notes and Seller's interest. At December 31, 2007, all wholesale receivables bear interest at Canadian prime plus a spread and have maturities of one year or less. Due to their short term nature and the fact that these instruments bear interest at floating rates, the carrying amount of the investment in wholesale receivables approximates fair value.

The Trust's investment in the Purchased Assets results in significant concentrations of credit risk in the agricultural and construction industries. 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 constructions (especially housing starts). The Trust manages this risk through a Reserve Account and through the subordination of indebtedness to CNH Capital Canada to amounts owing on the Notes, each of which provide the Trust with overcollateralization designed to minimize the impact of credit risk on the trusts ability to make payments on its notes. At December 31, 2007 all of the Trust's investment in wholesale receivables represents exposure to the agricultural and construction industries. For the years ended December 31, 2007 and 2006 there were no credit losses with respect to the Purchased Assets.

## (In Canadian Dollars)

### NOTE 6: NOTES PAYABLE

The following are the outstanding notes issued by the Trust as of December 31, 2007:

| Notes Description | Principal Amount | Annual Interest Rate | Scheduled Final Payment Date |
|---|---|---|---|
| Series CW2006-1 Class A notes | $ 175,598,000 | One month CDOR plus 0.17% | August 17, 2009 |
| Series CW2006-1 Class B notes | 14,402,000 | One month CDOR plus 0.65% | August 17, 2009 |
| Series CW2004-VFN note | 150,000,000 | Floating Rate | August 15, 2008 |
| | $ 340,000,000 | | |

The following are the outstanding notes issued by the Trust as of December 31, 2006:

| Notes Description | Principal Amount | Annual Interest Rate | Scheduled Final Payment Date |
|---|---|---|---|
| Series CW2004-2 Class A notes | $ 175,000,000 | One month CDOR plus 0.28% | August 15, 2007 |
| Series CW2004-2 Class B notes | 14,353,000 | One month CDOR plus 1.20% | August 15, 2007 |
| Series CW2006-1 Class A notes | 175,598,000 | One month CDOR plus 0.17% | August 17, 2009 |
| Series CW2006-1 Class B notes | 14,402,000 | One month CDOR plus 0.65% | August 17, 2009 |
| Series CW2004-VFN note | 161,000,000 | Floating Rate | August 15, 2007 |
| | $ 540,353,000 | | |

In July 2004, the Series CW2004-2 Notes were offered to the public pursuant to a prospectus. In July 2006, the Trust issued the CNH Capital Canada Wholesale Trust Floating Rate Wholesale Receivables Backed Notes, Series CW2006-1, Classes A and B. Related to this issuance, the Series CW2004-1 Class A and B Notes were repaid.

The Series CW2004-2 and CW2006-1 Notes are interest bearing and are secured by the Trust's ownership interest in the Purchased Assets and the related custodial accounts. The Series CW2004-2 and CW2006-1 Notes bear interest, on each Class, on their respective outstanding principal amounts. Interest on each Class of Series CW2004-2 and CW2006-1Notes is payable on the $15^{th}$ day of each month, in arrears.

The Series CW2004 VFN Note was issued and sold on a private placement basis in July 2004. The Series CW2004 VFN Note is interest bearing and is secured by the Trust's ownership interest in the Purchased Assets and the related custodial accounts. For the year ending December 31, 2006 thru August 13, 2007, the maximum limit for this Series was $250,000,000. On August 14, 2007, the maximum limit for this Series was reduced to $150,000,000. The Trust can borrow and repay on this Note to fund purchases of additional receivables. The Series CW2004 VFN Note bears interest on its outstanding principal amounts. Interest on the Series CW2004 VFN Note is payable on the $15^{th}$ day of each month, in arrears.

Interest paid to non-related parties by the Trust on the Series CW2006-1 Notes and Series CW2004-VFN Notes for the year ended December 31, 2007 amounted to $23,489,639 compared to $24,387,900 for the year ended December 31, 2006.

Given that the notes payable bear interest at floating rates, their carrying value approximates fair value.

**NOTE 7: RELATED PARTIES**

For the years ending December 31, 2007 and 2006, the Trust's interest expense paid to CNH Capital Canada with respect to residual indebtedness was $30,891,470 and $28,721,216, respectively. For the years ending December 31, 2007 and 2006, the Trust's purchases of receivables from CNH Capital Canada amounted to $1,293,136,411 and $1,374,110,596, respectively. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Total interest expense on the statements of operations, comprehensive income and undistributed income includes amounts paid to related parties for interest on the residual indebtedness.

As at December 31, 2007 and 2006, the amounts due to related parties with respect to residual indebtedness are $262,071,426 and $164,521,208, respectively.