

CNH CAPITAL CANADA WHOLESALE TRUST

**Financial Statements as at and for the years ended
December 31, 2008 and 2007 and Auditors' Report**



CNH CAPITAL CANADA WHOLESALE TRUST

TABLE OF CONTENTS DECEMBER 31, 2008 AND 2007

	Page
Management's Discussion and Analysis	1-6
Auditors' Report	7
Statements of Net Assets	8
Statements of Operations, Comprehensive Income and Undistributed Income	9
Statements of Cash Flows	10
Notes to Financial Statements	11-17

CNH CAPITAL CANADA WHOLESALE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

GENERAL

Management's Discussion and Analysis ("MD&A"), dated April 3, 2009, should be read in conjunction with the audited financial statements for the years ended December 31, 2008 and 2007. 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.

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 (the "Notes") 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 were 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. 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, 2008 AND 2007 (In Canadian Dollars)

BUSINESS OF THE TRUST (continued)

In April 2008, the Trust paid \$93,669,999 in principal to the holders of the Series CW2004-VFN Notes and the remaining balance of \$56,330,001 was paid in May 2008. No additional Series of Notes have been issued to date.

RESULTS OF OPERATIONS

The Trust's pool balance of Purchased Assets increased by \$15,549,320 to \$607,071,846 as at December 31, 2008 from \$591,522,526 as at December 31, 2007. The Trust's pool balance of Purchased Assets was \$690,177,861 as at December 31, 2006. During the year ended December 31, 2008, principal collections were \$1,601,174,152 and there were credit losses of \$434,029 (2007 – nil) with respect to the Purchased Assets. As a result of the repayment of the Series CW2004-VFN Notes, the Trust interest previously held by holders of the Series CW2004-VFN 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, 2008 totaled \$43,851,805 compared to \$54,452,356 for the year ended December 31, 2007 and \$53,842,101 for the year ended December 31, 2006. The decrease in the current year was largely due to lower 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, 2008, the Trust incurred interest expense of \$43,845,570 compared to \$54,381,109 for the year ended December 31, 2007 and \$53,109,116 for the year ended December 31, 2006. The decrease in interest expense in the current year was attributable to lower debt outstanding and lower average interest rates on the Notes and seller's interest payable for the year.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Trust's unaudited financial information for each of the quarters in the years ended December 31, 2008 and 2007:

	2008			
	Q1	Q2	Q3	Q4
Interest income	\$11,671,757	\$11,046,527	\$10,400,964	\$10,732,557
	2007			
	Q1	Q2	Q3	Q4
Interest income	\$13,119,925	\$15,051,230	\$14,650,824	\$11,630,377

CNH CAPITAL CANADA WHOLESALE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

TRANSACTIONS WITH RELATED PARTIES

For the year ended December 31, 2008, the Trust's interest expense paid to CNH Capital Canada with respect to residual indebtedness was \$34,484,077 (2007 - \$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, 2008, the amount due to related parties with respect to residual indebtedness is \$425,417,622 (2007 - \$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 assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and revenues and expenses for the year reported. Actual results could differ from those estimates. During the fiscal year, there have been no significant accounting estimates used in the preparation of the financial statements.

ACCOUNTING POLICIES

Changes in accounting policies – Adopted in Fiscal 2007

On January 1, 2007, the Trust adopted four new accounting standards that were issued by the Canadian Institute of Chartered Accountants ("CICA"): Section 1530, "Comprehensive Income" ("Section 1530"); Section 3855, "Financial Instruments – Recognition and Measurement" ("Section 3855"); Section 3861, "Financial Instruments – Disclosure and Presentation" ("Section 3861"); and Section 3865, "Hedges" ("Section 3865"). The Trust adopted these standards retroactively without restatement; accordingly, comparative amounts were not restated.

Section 1530 introduces Comprehensive Income ("CI"), which consists of Net Income and Other Comprehensive Income ("OCI"). CI represents changes in net assets during a period arising from transactions and other events with non-owner sources. There were no transactions resulting in OCI for the years ended December 31, 2008 and 2007.

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that all financial assets and 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.

CNH CAPITAL CANADA WHOLESALE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

ACCOUNTING POLICIES (continued)

Changes in accounting policies – Adopted in Fiscal 2007 (continued)

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. The Trust does not enter into derivative transactions.

Effective January 1, 2007, the Trust 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 transition adjustments resulting in an adjustment to either undistributed income or accumulated other comprehensive income as at January 1, 2007.

Changes in accounting policies – Adopted in Fiscal 2008

On January 1, 2008, the Trust adopted three new accounting standards that were issued by the CICA: Section 1535, "Capital Disclosures" ("Section 1535"); Section 3862, "Financial Instruments – Disclosures" ("Section 3862"); and Section 3863, "Financial Instruments – Presentation" ("Section 3863"). These new standards have been applied prospectively.

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. The adoption of Section 1535 had no impact on the Trust's disclosures as the Trust has nominal capital.

Sections 3862 and 3863 replace Section 3861 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.

Future accounting changes - Transition to International Financial Reporting Standards ("IFRS")

The CICA Accounting Standards Board has confirmed January 1, 2011, as the date that IFRS will replace Canadian generally accepted accounting principles for publicly accountable enterprises. Management is currently evaluating the impact of this change and is developing an IFRS conversion plan for the Trust.

CNH CAPITAL CANADA WHOLESALE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

RISK MANAGEMENT

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, equity or commodity prices and credit spreads.

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. The Trust issues floating rate Notes. The interest rate exposure generated by these Notes is offset by the wholesale receivables that also bear interest at floating rates, and at their inception, have short to medium term maturities. The payment of the Notes is satisfied by the collections and other amounts received in respect of the Trust's purchase of the portfolio of wholesale receivables.

The Trust is not exposed to losses from foreign exchange rates, equity or commodity prices. All of the Trust's transactions are denominated in Canadian dollars and the Trust does not invest in equities or commodities.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations and may arise directly from claims against a debtor or obligor, an issuer of securities or indirectly from claims against a guarantor of credit obligation.

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 \$2,567,558 (2007 - \$4,315,795) at December 31, 2008, which represented 0.42% (2007 - 0.73%) of the Trust's portfolio.

As of December 31, 2008, the portfolio of the wholesale receivables by product line and by industry is as follows:

Product Line	Agriculture	Construction	Total Portfolio
Dealer floorplan	\$ 389,264,880	\$ 106,774,138	\$ 496,039,018
Parts	30,909,115	4,754,005	35,663,120
Rental equipment	<u>30,937,502</u>	<u>44,432,206</u>	<u>75,369,708</u>
	\$ <u>451,111,497</u>	\$ <u>155,960,349</u>	\$ <u>607,071,846</u>

CNH CAPITAL CANADA WHOLESALE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

Liquidity risk

Liquidity and funding risk is the risk that the Trust may be unable to generate or obtain sufficient cash or its equivalents in a timely and cost effective manner to meet its commitments as they come due.

The current worldwide financial and credit crisis has had a material impact on the asset-backed securitization market. While the Trust has issued additional VPN loans to meet its debt obligations, there can be no assurance that the Trust will be able to access these sources of financing in the future. If the Trust is unable to access additional VPN loans, the noteholders would be paid as collections were received.

The Trust's restricted cash and cash equivalents balance totalled \$6,760,648 as of December 31, 2008 compared to \$9,016,478 as at December 31, 2007. 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 \$615,417,622 as at December 31, 2008 compared to \$602,071,426 as at December 31, 2007. 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.

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, 2008, 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. Based on that evaluation, management concluded that the design and operation of the Trust's disclosure controls and procedures were effective as at December 31, 2008.

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, 2008, 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, 2008, 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



Deloitte & Touche LLP
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

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, 2008 and 2007 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, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Licensed Public Accountants
April 3, 2009

CNH CAPITAL CANADA WHOLESALE TRUST

STATEMENTS OF NET ASSETS AS AT DECEMBER 31, 2008 and 2007 (In Canadian Dollars)

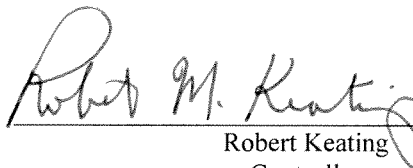
	2008	2007
ASSETS		
Restricted cash and cash equivalents (Note 3)	\$ 6,760,648	\$ 9,016,478
Accrued interest receivable (Note 4)	2,265,951	2,755,475
Investment in wholesale receivables (Note 5)	<u>607,071,846</u>	<u>591,522,526</u>
TOTAL	\$ <u>616,098,445</u>	\$ <u>603,294,479</u>
LIABILITIES AND NET ASSETS		
Interest and other accrued payables	\$ 680,823	\$ 1,223,053
Notes payable (Note 6)	190,000,000	340,000,000
Seller's interest (Note 7)	<u>425,417,622</u>	<u>262,071,426</u>
TOTAL	\$ <u>616,098,445</u>	\$ <u>603,294,479</u>

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
President



Robert Keating
Controller

CNH CAPITAL CANADA WHOLESALE TRUST

STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME AND UNDISTRIBUTED INCOME FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

	2008	2007
Interest income	\$ <u>43,851,805</u>	\$ <u>54,452,356</u>
Interest expense (Note 6 and 7)	43,845,570	54,381,109
Other expenses	<u>4,535</u>	<u>68,047</u>
Total expenses	<u>43,850,105</u>	<u>54,449,156</u>
Net income and comprehensive income for the year	1,700	3,200
Undistributed income, beginning of year	--	--
Distribution to beneficiary	<u>(1,700)</u>	<u>(3,200)</u>
Undistributed income, end of year	\$ <u>=====</u> --	\$ <u>=====</u> --

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, 2008 AND 2007 (In Canadian Dollars)

	2008	2007
OPERATING ACTIVITIES:		
Net income for the year	\$ 1,700	\$ 3,200
Adjustments:		
Decrease in accrued interest receivable	489,524	106,180
Decrease in interest and other accrued payables	<u>(542,230)</u>	<u>(392,903)</u>
Cash used in operating activities	<u>(51,006)</u>	<u>(283,523)</u>
INVESTING ACTIVITIES:		
Purchase of wholesale receivables	(1,616,723,472)	(1,293,136,411)
Collections of wholesale receivables	1,601,174,152	1,391,791,746
Decrease in restricted cash and cash equivalents	<u>2,255,830</u>	<u>4,434,170</u>
Cash (used in) from investing activities	<u>(13,293,490)</u>	<u>103,089,505</u>
FINANCING ACTIVITIES:		
Proceeds from issuance of notes and seller's interest	311,364,363	534,654,879
Payment of notes and seller's interest	(298,018,167)	(637,457,661)
Distribution to beneficiary	<u>(1,700)</u>	<u>(3,200)</u>
Cash from (used in) financing activities	<u>13,344,496</u>	<u>(102,805,982)</u>
NET CHANGE IN CASH	<u>---</u>	<u>---</u>
CASH, BEGINNING AND END OF YEAR	\$ <u>---</u>	\$ <u>---</u>
CASH PAID DURING THE YEAR FOR INTEREST	\$ <u>44,385,725</u>	\$ <u>54,792,704</u>

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

CNH CAPITAL CANADA WHOLESALE TRUST

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

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.

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 (the “Notes”) 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, after the payment of all obligations, are one or more 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

Changes in accounting policies – Adopted in Fiscal 2008

On January 1, 2008, the Trust adopted three new accounting standards that were issued by the CICA: Section 1535, “Capital Disclosures” (“Section 1535”); Section 3862, “Financial Instruments – Disclosures” (“Section 3862”); and Section 3863, “Financial Instruments – Presentation” (“Section 3863”). These new standards have been applied prospectively.

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. The adoption of Section 1535 had no impact on the Trust’s disclosures as the Trust has nominal capital.

CNH CAPITAL CANADA WHOLESALE TRUST

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Changes (continued)

Sections 3862 and 3863 replace Section 3861 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. The expanded disclosures are included in Note 8.

Changes in accounting policies – Adopted in Fiscal 2007

On January 1, 2007, the Trust adopted four new accounting standards that were issued by the Canadian Institute of Chartered Accountants (“CICA”): Section 1530, “Comprehensive Income” (“Section 1530”); Section 3855, “Financial Instruments – Recognition and Measurement” (“Section 3855”); Section 3861, “Financial Instruments – Disclosure and Presentation” (“Section 3861”); and Section 3865, “Hedges” (“Section 3865”). The Trust adopted these standards retroactively without restatement; accordingly, comparative amounts were not restated.

Section 1530 introduces Comprehensive Income (“CI”), which consists of Net Income and Other Comprehensive Income (“OCI”). CI represents changes in net assets during a period arising from transactions and other events with non-owner sources. There were no transactions resulting in OCI for the year ended December 31, 2008 and 2007.

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that all financial assets and 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. The Trust does not enter into derivative transactions.

Effective January 1, 2007, the Trust 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 transition adjustments resulting in an adjustment to either undistributed income or accumulated other comprehensive income as at January 1, 2007.

CNH CAPITAL CANADA WHOLESALE TRUST

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future accounting changes - Transition to International Financial Reporting Standards ("IFRS")

The CICA Accounting Standards Board has confirmed January 1, 2011, as the date that IFRS will replace Canadian GAAP for publicly accountable enterprises. Management is currently evaluating the impact of this change and is developing an IFRS conversion plan for the Trust.

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. There have been no significant accounting estimates used in the preparation of the financial statements.

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. If the value of these receivables suffers a decline in value that is other than temporary, the carrying value is appropriately reduced to fair value and an impairment charge is recognized in income. 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, 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.

CNH CAPITAL CANADA WHOLESALE TRUST

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 have 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, and other operating expenses, which are recorded on an accrual basis.

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents include cash accumulated in the Collections Account. At December 31, 2008 and 2007, these amounts are invested in short-term deposits with a financial institution at an average rate of 2.110% and 2.587%, with maturities on or before January 15, 2009 and January 15, 2008, 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 are pledged as collateral for the Notes and Seller's interest. At December 31, 2008, 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, 2008 all of the Trust's investment in wholesale receivables represents exposure to the agricultural and construction industries. For the year ended December 31, 2008, there were credit losses of \$434,029 (2007 – nil) with respect to the Purchased Assets.

CNH CAPITAL CANADA WHOLESALE TRUST

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

NOTE 6: NOTES PAYABLE

The following are the outstanding Notes issued by the Trust as of December 31, 2008:

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	<u>14,402,000</u>	One month CDOR plus 0.65%	August 17, 2009
	\$ <u>190,000,000</u>		

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	<u>150,000,000</u>	Floating Rate	August 15, 2008
	\$ <u>340,000,000</u>		

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. The Series 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 CW2006-1 Notes bear interest, on each Class, on their respective outstanding principal amounts and interest is payable on the 15th 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. The Trust borrowed and repaid on this Note to fund purchases of additional receivables. The Series CW2004 VFN Note bears interest on its outstanding principal amounts and interest is payable on the 15th day of each month, in arrears. The Series CW2004 VFN Note was partially repaid in April 2008, with the remaining balance repaid in May 2008.

Interest paid to non-related parties by the Trust on the Series CW2006-1 Notes and Series CW2004-VFN Note for the year ended December 31, 2008 amounted to \$9,361,493 compared to \$23,489,639 for the year ended December 31, 2007.

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

CNH CAPITAL CANADA WHOLESALE TRUST

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

NOTE 7: RELATED PARTIES

For the years ended December 31, 2008 and 2007, the Trust's interest expense paid to CNH Capital Canada with respect to residual indebtedness was \$34,484,077 and \$30,891,470, 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, 2008 and 2007, the amounts due to related parties with respect to residual indebtedness are \$425,417,622 and \$262,071,426, respectively.

NOTE 8: RISK MANAGEMENT

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, equity or commodity prices and credit spreads.

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. The Trust issues floating rate Notes. The interest rate exposure generated by these Notes is offset by the wholesale receivables that also bear interest at floating rates, and at their inception, have short to medium term maturities. The payment of the Notes is satisfied by the collections and other amounts received in respect of the Trust's purchase of the portfolio of wholesale receivables.

The Trust is not exposed to losses from foreign exchange rates, equity or commodity prices. All of the Trust's transactions are denominated in Canadian dollars and the Trust does not invest in equities or commodities.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations and may arise directly from claims against a debtor or obligor, an issuer of securities or indirectly from claims against a guarantor of credit obligation.

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. During the year ended December 31, 2008, there were credit losses of \$434,029 (2007 – nil). The principal balance of accounts greater than 30 days delinquent was \$2,567,558 at December 31, 2008, which represented 0.42% of the Trust's portfolio of wholesale receivables. The Trust's maximum credit exposure is the total of its financial assets recorded on the statements of net assets.

CNH CAPITAL CANADA WHOLESALE TRUST

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 AND 2007 (In Canadian Dollars)

NOTE 8: RISK MANAGEMENT (continued)

Credit Risk (continued)

As at December 31, 2008, the portfolio of the wholesale receivables by product line and by industry is as follows:

Product Line	Agriculture	Construction	Total Portfolio
Dealer floorplan	\$ 389,264,880	\$ 106,774,138	\$ 496,039,018
Parts	30,909,115	4,754,005	35,663,120
Rental equipment	<u>30,937,502</u>	<u>44,432,206</u>	<u>75,369,708</u>
	\$ <u>451,111,497</u>	\$ <u>155,960,349</u>	\$ <u>607,071,846</u>

Liquidity risk

Liquidity and funding risk is the risk that the Trust may be unable to generate or obtain sufficient cash or its equivalents in a timely and cost effective manner to meet its commitments as they come due. As at December 31, 2008, 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.

The current worldwide financial and credit crisis has had a material impact on the asset-backed securitization market. While the Trust has issued additional VPN loans to meet its debt obligations, there can be no assurance that the Trust will be able to access these sources of financing in the future. If the Trust is unable to access additional VPN loans, the noteholders would be paid as collections were received.

The Trust's restricted cash and cash equivalents balance totalled \$6,760,648 as of December 31, 2008 compared to \$9,016,478 as at December 31, 2007. 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 \$615,417,622 as at December 31, 2008 compared to \$602,071,426 as at December 31, 2007. Interest on the Notes is payable monthly in arrears on the 15th day of each month.