CNH CAPITAL CANADA WHOLESALE TRUST

Financial Statements as at and for the years ended December 31, 2020 and 2019 and Independent Auditor's Report

CNH CAPITAL CANADA WHOLESALE TRUST

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CNH CAPITAL CANADA WHOLESALE TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 AND 2019
(In Canadian Dollars)

GENERAL

Management's Discussion and Analysis ("MD&A"), dated March 31, 2021, should be read in conjunction with the audited financial statements for the years ended December 31, 2020 and 2019. 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 Computershare Trust Company of Canada by a Declaration of Trust dated April 30, 2004. On October 16, 2019, Canadian Western Trust Company (the "Issuer Trustee") succeeded to Computershare Trust Company of Canada as issuer trustee of the Trust. The indenture trustee pursuant to the master trust indenture dated July 1, 2004, as supplemented from time to time, is Computershare Trust Company of Canada (as successor to BNY Trust Company of Canada), with its principal office located at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

The Trust's activities are limited to the securing and administration of wholesale finance receivables originated by CNH Industrial Capital Canada Ltd. ("CNH Industrial Capital Canada", "Administrator", "Servicer" or "Seller") to finance the sale of goods to dealers and distributors of CNH Industrial Canada Ltd. The Trust issues asset-backed notes ("Notes") 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 benefits from Series-specific enhancements in the form of the Due to Seller and amounts deposited in a cash reserve account. The Due to Seller ("Due to Seller") represents the overcollateralization amounts funded by CNH Industrial Capital Canada. These amounts are the amounts by which the aggregate principal balance of the receivables, plus the balance of any restricted cash provided by CNH Industrial Capital Canada as a credit enhancement, exceeds the aggregate principal balance of the Notes. These interests are subordinated to the Notes issued by the Trust. Also included in Due to Seller is the excess spread due to CNH Industrial Capital Canada, which represents the monthly excess of all principal and interest collections on the receivables after the Trust's payment obligations are satisfied.

RESULTS OF OPERATIONS

During 2020, COVID-19 has caused disruption and volatility in global markets and an economic slowdown. In response to COVID-19, national and local governments have instituted certain measures, including travel bans, prohibitions on group events and gatherings, shutdowns of certain businesses, curfews, shelter-in-place orders, and recommendations to practice social distancing. The duration of these measures is unknown and may be extended, reimposed and/or additional measures may be imposed.

The extent of the impact of COVID-19 on the Trust's operational and financial performance will depend on certain developments, including the resurgence of COVID-19, its impact on obligors and governmental and community vaccination efforts to the pandemic, which are uncertain. The Trust will continue to proactively respond to the situation and may take further actions that alter the Trust's operations, as may be required by governmental authorities.

(In Canadian Dollars)

The Trust's ownership interest in receivables decreased by $271,350,847, from $948,618,829 at December 31, 2019 to $677,267,982 at December 31, 2020. The Trust acquired an ownership interest in receivables of $1,882,113,357 and $2,128,047,040, respectively, for the years ending December 31, 2020 and 2019, and principal collections were $2,153,464,204 and $2,243,578,981, respectively.

The Trust has no income other than scheduled interest income derived from the ownership interest in receivables and investment earnings from the restricted cash and cash equivalents. Interest income for the year ended December 31, 2020, totaled $46,950,143 compared to $62,262,187 for the year ended December 31, 2019.

In connection with the Notes and Due to Seller for the year ended December 31, 2020, the Trust incurred interest expense of $46,942,943 compared to $62,254,987 for the year ended December 31, 2019.

There were no credit losses incurred for the years ended December 31, 2020 and 2019.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Trust's unaudited quarterly financial information for the years ended December 31, 2020 and 2019:

	2020				
	Q1	Q2	Q3	Q4	Total
Interest income................................	$ 13,804,396	$ 12,871,826	$ 10,297,362	$ 9,976,559	$ 46,950,143

	2019				
	Q1	Q2	Q3	Q4	Total
Interest income................................	$ 15,585,531	$ 17,514,730	$ 13,498,900	$ 15,663,026	$ 62,262,187

TRANSACTIONS WITH RELATED PARTIES

For the years ended December 31, 2020 and 2019, the Trust's interest expense paid to CNH Industrial Capital Canada was $36,988,871 and $45,554,640, respectively, and the other expenses paid to CNH Industrial Capital Canada amounted to $6,000 and $6,000, 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.

As at December 31, 2020 and 2019, the Due to Seller was $299,810,302 and $411,074,143, respectively.

ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements, and revenues and expenses for the years reported. The key areas of estimation include the fair value of the ownership interest in receivables on acquisition 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 approximates its fair value due to its short-term nature and floating interest rate. Actual results could differ from those estimates.

COVID-19 RISK

COVID-19 was first identified in late 2019, spread globally and was declared a global pandemic by the World Health Organization in March 2020. The rapid spread of the virus has had a material, dramatic, and almost immediate impact on public health and has led governments around the world to implement numerous measures to contain the virus, such as travel bans, mandated shutdowns, border closures and other restrictions on the free movement of people and goods. Travel bans, border closures, restrictions or disruption of transportation, port closures, quarantines, shelter in place orders and other restrictions on the free movement of people and goods, and the introduction of social distancing measures in CNH Industrial Capital Canada's office has impacted and may further impact CNH Industrial Capital Canada's future ability to operate as well as the ability of CNH Industrial Capital Canada's suppliers and distributors to operate. Any future closing of manufacturing facilities due to government mandates, insufficient staffing, weaker demand, or supply constraints, or similar limitations or restrictions for suppliers, or the impact of the COVID-19 pandemic on CNH Industrial Capital Canada's ability to execute business continuity plans, could have a material adverse effect on the Trust's future performance and results in subsequent periods. There is no certainty that measures taken by governmental authorities will be sufficient to mitigate the risks posed by the virus, and CNH Industrial Capital Canada's ability to perform critical functions could be harmed.

Disruption caused by business responses to the COVID-19 pandemic, including remote working arrangements, may create increased vulnerability to cybersecurity or data privacy incidents, including breaches of information technology and systems which could interfere with CNH Industrial Capital Canada's operations, and compromise confidential information.

From an economic perspective, the COVID-19 pandemic has significantly increased economic uncertainty and has led to disruption in global markets. The COVID-19 pandemic may materially adversely impact the capacity of obligors to fulfill their obligations in a timely manner, which could negatively impact the Trust's future performance and results.

The extent to which the COVID-19 pandemic will impact the Trust's future performance and results in subsequent periods will depend on the scale, duration, severity and geographic reach of future developments, which are highly uncertain and cannot be predicted, including notably the possibility of a recurrence or "multiple waves" of COVID-19. There have been instances of re-imposed local lockdowns where infection rates have started to increase again and there is a risk that widespread measures such as strict social distancing and curtailing or ceasing normal business activities may be reintroduced in the future until effective treatments or vaccines have been fully deployed. Uncertainties also include: the impact of the pandemic on CNH Industrial Capital Canada's customers and dealers, and delays in their plans to purchase equipment; requests by obligors for, or government mandated, payment deferrals and contract modifications; difficulties in collecting financial receivables resulting in increased allowances for credit losses; a deterioration in the market value of used equipment resulting in further reserve requirements. In addition, the ultimate impact of the COVID-19 pandemic will also depend on any new information which may emerge concerning the severity of the COVID-19 pandemic, how quickly normal economic conditions and operations can resume, and any additional actions to contain the spread or mitigate the impact of the virus.

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. Both the ownership interest in receivables and the Notes are impacted by floating interest rates. Interest rate risk can arise because the pricing bases are not identical and the spread over prime charged to customers is not fixed. Therefore, the differential between the rate earned on the Trust's ownership interest in receivables and paid on the debt can vary. CNH Industrial Capital Canada has the ability to raise rates on the underlying receivables so that CNH Industrial Capital Canada can offset any adverse increase in debt costs with an increase in the underlying receivables' income. However, if CNH Industrial Capital Canada chooses to allow net interest margin to narrow, a 1% increase or decrease applied to the Trust's ownership interest in receivables as at December 31, 2020 and 2019, with no change in the debt rate, would increase or decrease interest income by $6,772,680 and $9,486,188, respectively. A 1% increase or decrease in the rate on the Notes outstanding as at December 31, 2020 and 2019, with no change in interest rate of the ownership interest in receivables, would increase or decrease interest expense by $4,004,400 and $5,729,700, respectively.

CNH Industrial Capital Canada is required to maintain dealer interest rates at a level such that the amount paid by dealers and CNH Industrial Canada Ltd. equals or exceeds the rate of interest payable to investors of the Notes.

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. In addition to the impacts from COVID-19 previously discussed, 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 the foregoing risks through amounts deposited in a cash reserve account and the Due to Seller, which provide the Trust with overcollateralization designed to minimize these credit risks.

As at December 31, 2020, the Trust's ownership interest in receivables by product line and by industry was as follows:

Product Line	Agriculture	Construction	Total Portfolio
Dealer floorplan	$ 524,336,502	$ 87,232,475	$ 611,568,977
Parts	35,330,386	3,348,667	38,679,053
Rental equipment	16,320,733	10,699,219	27,019,952
	$ 575,987,621	$ 101,280,361	$ 677,267,982

(In Canadian Dollars)

As at December 31, 2019, the Trust's ownership interest in receivables by product line and by industry was as follows:

Product Line	Agriculture	Construction	Total Portfolio
Dealer floorplan	$ 780,034,034	$ 111,504,741	$ 891,538,775
Parts	26,016,370	2,394,124	28,410,494
Rental equipment	17,579,465	11,090,095	28,669,560
	$ 823,629,869	$ 124,988,960	$ 948,618,829

There were no credit losses incurred for the years ended December 31, 2020 and 2019. The principal balance of accounts greater than 30 days delinquent was $7,381 and $28,416 at December 31, 2020 and 2019, respectively, which represented Nil% and Nil%, respectively, of the Trust's portfolio. In addition, when a receivable is greater than 120 days delinquent, the receivable is not eligible for funding from the Notes, rather, the funding must be provided through the Due to Seller.

As at December 31, 2020 and 2019, the Trust's maximum credit exposure was $678,284,557 and $950,908,749, respectively, equal to the total of its assets recorded on the Statements of Net Assets less its restricted cash and cash equivalents.

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, 2020 and 2019, 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, 2020 and 2019, 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 auditor's report

To the Issuer Trustee of
CNH Capital Canada Wholesale Trust

Opinion

We have audited the financial statements of **CNH Capital Canada Wholesale Trust** [the "Trust"], which comprise the statements of net assets as at December 31, 2020 and 2019, and the statements of net income and comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRS"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 31, 2021

CNH CAPITAL CANADA WHOLESALE TRUST

STATEMENTS OF NET ASSETS
AS AT DECEMBER 31, 2020 AND 2019
(In Canadian Dollars)

	Notes	2020	2019
ASSETS			
Restricted cash and cash equivalents	3	$ 22,201,875	$ 33,786,411
Accrued interest receivable		1,016,575	2,289,920
Ownership interest in receivables	4 & 6	677,267,982	948,618,829
TOTAL		$ 700,486,432	$ 984,695,160
LIABILITIES			
Accrued interest payable		$ 236,030	$ 650,821
Other accrued payables		100	196
Notes payable	5	400,440,000	572,970,000
Due to Seller	7	299,810,302	411,074,143
Total liabilities		700,486,432	984,695,160
NET ASSETS		—	—
TOTAL		$ 700,486,432	$ 984,695,160

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 INDUSTRIAL CAPITAL CANADA LTD.

/s/ CARLO ALBERTO SISTO	/s/ ROBERT KEATING
Carlo Alberto Sisto	Robert Keating
President	*Controller*

CNH CAPITAL CANADA WHOLESALE TRUST

STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Canadian Dollars)

	Notes	2020	2019
Interest income		$ 46,950,143	$ 62,262,187
Interest expense:			
Interest expense to third parties	5	9,954,072	16,700,347
Interest expense to affiliate	7	36,988,871	45,554,640
Total interest expense		46,942,943	62,254,987
Other expenses	7	6,000	6,000
Total expenses		46,948,943	62,260,987
TOTAL NET INCOME AND COMPREHENSIVE INCOME		$ 1,200	$ 1,200

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

CNH CAPITAL CANADA WHOLESALE TRUST

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Canadian Dollars)

	2020	2019
NET ASSETS, BEGINNING OF YEAR	$ —	$ —
Net income and comprehensive income for the year	1,200	1,200
Distribution to beneficiary	(1,200)	(1,200)
NET ASSETS, 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, 2020 AND 2019
(In Canadian Dollars)

	2020	2019
OPERATING ACTIVITIES		
Net income and comprehensive income for the year	$ 1,200	$ 1,200
Working capital adjustments:		
Change in accrued interest receivable	1,273,345	(434,005)
Change in accrued interest and other accrued payables	(414,887)	(21,428)
Cash from (used in) operating activities	859,658	(454,233)
INVESTING ACTIVITIES		
Acquisition of ownership interest in receivables	(1,882,113,357)	(2,128,047,040)
Collections on ownership interest in receivables	2,153,464,204	2,243,578,981
Change in restricted cash and cash equivalents	11,584,536	947,441
Cash from (used in) investing activities	282,935,383	116,479,382
FINANCING ACTIVITIES		
Proceeds from issuance of notes payable and Due to Seller	301,080,544	218,717,514
Payment of notes payable and Due to Seller	(584,874,385)	(334,741,463)
Distribution to beneficiary	(1,200)	(1,200)
Cash from (used in) financing activities	(283,795,041)	(116,025,149)
NET CHANGE IN CASH AND CASH EQUIVALENTS	—	—
CASH AND CASH EQUIVALENTS		
Beginning of year	—	—
End of year	$ —	$ —
CASH RECEIVED DURING THE YEAR FOR INTEREST	$ 48,223,488	$ 61,828,182
CASH PAID DURING THE YEAR FOR INTEREST	$ 47,357,734	$ 62,276,415

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

NOTE 1: NATURE OF OPERATIONS

CNH Capital Canada Wholesale Trust (the "Trust") was established by Computershare Trust Company of Canada by a Declaration of Trust dated April 30, 2004. On October 16, 2019, Canadian Western Trust Company (the "Issuer Trustee") succeeded to Computershare Trust Company of Canada as issuer trustee of the Trust. The indenture trustee pursuant to the master trust indenture dated July 1, 2004, as supplemented from time to time, is Computershare Trust Company of Canada (as successor to BNY Trust Company of Canada), with its principal office located at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

The Trust's activities are limited to the securing and administration of wholesale finance receivables originated by CNH Industrial Capital Canada Ltd. ("CNH Industrial Capital Canada", "Administrator", "Servicer" or "Seller") to finance the sale of goods to dealers and distributors of CNH Industrial Canada Ltd. The Trust issues asset-backed notes ("Notes") 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's financial statements for the year ended December 31, 2020 were authorized for issue by CNH Industrial Capital Canada, as Administrator, on March 31, 2021.

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. 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.

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.

In accordance with IFRS 9, *Financial Instruments* ("IFRS 9"), financial assets are classified as measured at either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on the business model for managing such financial assets and the asset's contractual cash flow characteristics. Financial liabilities are classified as measured at amortized cost using the effective interest method.

Financial assets acquired through a regular way purchase are recognized on the settlement date and, on initial recognition, are measured at fair value, including transaction costs. Subsequent measurement depends on the business model for managing the asset and the cash flow characteristics of the asset.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following summarizes the classification and measurement of the Trust's financial assets and financial liabilities:

- Restricted cash and cash equivalents are measured at fair value through profit or loss. 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.
- Ownership interest in receivables and accrued interest receivable are measured at amortized cost using the effective interest method as they are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest.
- Financial liabilities consist of notes payable, Due to Seller, accrued interest payable and other accrued payables. 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

During 2020 and 2019, the Trust had only restricted cash. 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

Ownership interest in receivables represents secured loans to CNH Industrial Capital Canada, for accounting purposes, secured by wholesale contracts. 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.

The credit losses were determined under IFRS 9 and reflect management's estimate of forward-looking expected credit losses. The Trust did not recognize any provisions for credit losses under IFRS 9.

Due to Seller

The Due to Seller represents the Series-specific overcollateralization amounts funded by CNH Industrial Capital Canada. These amounts are the amounts by which the aggregate principal balance of the receivables, plus the balance of any restricted cash provided by CNH Industrial Capital Canada as a credit enhancement, exceed the aggregate principal balance of the Notes. These interests are subordinated to the Notes issued by the Trust. In addition, the Due to

(In Canadian Dollars)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Seller includes the excess spread, which is the monthly excess of all principal and interest collections on the receivables after the Trust's payment obligations are satisfied.

Income Taxes

The Trust is subject to federal and provincial income tax under the *Income Tax Act* (Canada) on the amount of its taxable income for the year and is permitted a deduction in computing its income taxes for all amounts paid or payable to the Trust's 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.

Use of Estimates

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 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 approximates its fair value due to its short-term nature and floating interest rate. Actual results could differ from those estimates.

The COVID-19 pandemic has resulted in uncertainties in the Company's business, which may cause actual results to differ materially from the estimates and assumptions used in preparation of the financial statements. Changes in estimates are recorded in results of operations in the period that the events or circumstances giving rise to such changes occur.

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS

The Trust held restricted cash and cash equivalents in the following accounts as at December 31, 2020 and 2019:

	2020	2019
Reserve accounts	$ 18,019,800	$ 25,783,650
Collection accounts	3,738,161	6,820,881
Cash in transit	443,914	1,181,880
Total restricted cash and cash equivalents	$ 22,201,875	$ 33,786,411

As at December 31, 2020 and 2019, these amounts were maintained in bank balances at an average rate of 0.2% and 1.7%, 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 Due to Seller or any operating expenses.

(In Canadian Dollars)

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS (Continued)

The reserve accounts include amounts on deposit, which 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 wholesale contracts that bear interest at the Canadian prime rate plus a spread and have maturities of one year or less.

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, 2020 and 2019, all of the Trust's ownership interest in receivables represents exposure to the agricultural and construction industries.

There were no credit losses incurred for the years ended December 31, 2020 and 2019. In addition to the impacts from COVID-19 previously discussed and taking into consideration historic losses and forward-looking macroeconomic factors, credit losses are not expected to exceed the cash reserve accounts. As such, no allowance for credit losses is recorded and the ownership interest in receivables is subject to Stage 1 allowances under IFRS 9.

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 $7,381 and $28,416, which represented Nil% and Nil%, respectively, of the Trust's portfolio as at December 31, 2020 and 2019, respectively.

NOTE 5: NOTES PAYABLE

The Notes bear interest at a commercial paper rate plus a spread as determined at issuance. The payment of principal and interest on the Notes is distributed in accordance with the prioritization outlined in the Sales and Servicing Agreement based on total collections received. As a result, payments of principal on the Notes 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 interest 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.

The following are the outstanding notes payable issued by the Trust as at December 31, 2020:

Notes Description	Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
Series CW2010-1 VFN.......................	$ 376,000,000	Cost of funds rate plus 0.78%	December 15, 2022
Series CW2010-1 Class B-2	24,440,000	Cost of funds rate plus 1.45%	December 15, 2022
Total notes payable..........................	$ 400,440,000		

The following are the outstanding notes payable issued by the Trust as at December 31, 2019:

Notes Description	Principal Amount	Annual Interest Rate	Scheduled Final Payment Date
Series CW2010-1 VFN.......................	$ 538,000,000	Cost of funds rate plus 0.78%	December 15, 2021
Series CW2010-1 Class B-2	34,970,000	Cost of funds rate plus 1.45%	December 15, 2021
Total notes payable..........................	$ 572,970,000		

NOTE 5: NOTES PAYABLE (Continued)

In December 2020, the Trust extended the Purchase Termination Date under the Note Purchase Agreements with respect to the Trust's Variable Funding Notes ("VFN"), Series CW2010-1 VFN and Class B-2 Notes from December 15, 2021 to December 15, 2022.

Interest expense to third parties on the outstanding Notes for the years ended December 31, 2020 and 2019 was $9,954,072 and 16,700,347, respectively.

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 flows 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. Both the ownership interest in receivables and the Notes are impacted by floating interest rates. Interest rate risk can arise because the pricing bases are not identical and the spread over prime charged to customers is not fixed. Therefore, the differential between the rate earned on the Trust's ownership interest in receivables and paid on the debt can vary. CNH Industrial Capital Canada has the ability to raise rates on the underlying receivables so that CNH Industrial Capital Canada can offset any adverse increase in debt costs with an increase in the underlying receivables' income. However, if CNH Industrial Capital Canada chooses to allow net interest margin to narrow, a 1% increase or decrease applied to the Trust's ownership interest in receivables as at December 31, 2020 and 2019, with no change in the debt rate, would increase or decrease interest income by $6,772,680 and $9,486,188, respectively. A 1% increase or decrease in the rate on the Notes outstanding as at December 31, 2020 and 2019, with no change in interest rate of the ownership interest in receivables, would increase or decrease interest expense by $4,004,400 and $5,729,700, respectively.

CNH Industrial Capital Canada is required to maintain dealer interest rates at a level such that the amount paid by dealers and CNH Industrial Canada Ltd. equals or exceeds the rate of interest payable to investors of the Notes.

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 Due to Seller, which provide the Trust with overcollateralization designed to minimize its credit risk.

(In Canadian Dollars)

NOTE 6: RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

As at December 31, 2020, the Trust's ownership interest in receivables by product line and by industry is as follows:

Product Line	Agriculture	Construction	Total Portfolio
Dealer floorplan	$ 524,336,502	$ 87,232,475	$ 611,568,977
Parts	35,330,386	3,348,667	38,679,053
Rental equipment	16,320,733	10,699,219	27,019,952
	$ 575,987,621	$ 101,280,361	$ 677,267,982

As at December 31, 2019, the Trust's ownership interest in receivables by product line and by industry is as follows:

Product Line	Agriculture	Construction	Total Portfolio
Dealer floorplan	$ 780,034,034	$ 111,504,741	$ 891,538,775
Parts	26,016,370	2,394,124	28,410,494
Rental equipment	17,579,465	11,090,095	28,669,560
	$ 823,629,869	$ 124,988,960	$ 948,618,829

There were no credit losses incurred for the years ended December 31, 2020 and 2019. The principal balance of accounts greater than 30 days delinquent was $7,381 and $28,416 as at December 31, 2020 and 2019, respectively, which represented Nil% and Nil%, respectively, of the Trust's portfolio. In addition, when a receivable is greater than 120 days delinquent, the receivable is not eligible for funding from the Notes; rather, the funding must be provided through the Due to Seller.

As at December 31, 2020 and 2019, the Trust's maximum credit exposure was $678,284,557 and $950,908,749, respectively, equal to the total of its assets recorded on the Statements of Net Assets less its restricted cash and cash equivalents.

Liquidity Risk

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

Measurement of Fair Values and Categorization of Financial Instruments

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

(In Canadian Dollars)

NOTE 6: RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

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 restricted cash and cash equivalents, accrued interest receivable, accrued interest payable and other accrued payables approximate their fair values, and are classified as Level 1. The carrying amounts of ownership interest in receivables, notes payable and Due to Seller also approximate their fair values due to their short-term nature and floating interest rates, and are classified as Level 2. During the years ended December 31, 2020 and 2019, there were no transfers between the Level 1, Level 2 and Level 3 hierarchy levels.

NOTE 7: RELATED PARTY TRANSACTIONS

For the years ended December 31, 2020 and 2019, the Trust's related party transactions are as follows:

	2020	2019
Interest expense to affiliate	$ 36,988,871	$ 45,554,640
Other expenses	6,000	6,000

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 represents the interest on the residual indebtedness. Other expenses represent the administration fee paid to CNH Industrial Capital Canada.

As at December 31, 2020 and 2019, the amounts Due to Seller were $299,810,302 and $411,074,143, respectively.