

**Quarterly Report of  
CNH Capital LLC  
For the Quarterly Period Ended March 31, 2012**

## TABLE OF CONTENTS

---

	<b>Page</b>
Consolidated Statements of Income for the Three Months Ended March 31, 2012 and 2011 (Unaudited)	1
Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2012 and 2011 (Unaudited)	2
Consolidated Balance Sheets as of March 31, 2012 and December 31, 2011 (Unaudited)	3
Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2012 and 2011 (Unaudited)	5
Consolidated Statements of Changes in Stockholder's Equity for the Three Months Ended March 31, 2012 and 2011 (Unaudited)	6
Condensed Notes to Consolidated Financial Statements (Unaudited)	7
Management's Discussion and Analysis of Financial Condition and Results of Operations	35
Controls and Procedures	41
Legal Proceedings	41
Risk Factors	41
Mine Safety Disclosures	41
Other Information	41
List of Exhibits	43

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In thousands) (Unaudited)

---

	2012	2011
REVENUES:		
Interest income on retail and other receivables and finance leases	\$ 111,582	\$ 117,009
Interest income from affiliates	34,993	30,610
Servicing fee income	306	424
Rental income on operating leases	40,342	40,280
Other income	<u>16,040</u>	<u>17,499</u>
Total revenues	<u>203,263</u>	<u>205,822</u>
EXPENSES:		
Interest expense:		
Interest expense to third parties	55,142	56,605
Interest expense to affiliates	<u>10,174</u>	<u>13,385</u>
Total interest expense	<u>65,316</u>	<u>69,990</u>
Operating expenses:		
Fees charged by affiliates	14,748	16,181
Provision (benefit) for credit losses	622	(943)
Depreciation of equipment on operating leases	26,933	28,269
Other expenses	<u>7,204</u>	<u>7,840</u>
Total operating expenses	<u>49,507</u>	<u>51,347</u>
Total expenses	<u>114,823</u>	<u>121,337</u>
INCOME BEFORE TAXES	88,440	84,485
Income tax provision	<u>30,877</u>	<u>31,252</u>
NET INCOME	57,563	53,233
Net income attributed to the noncontrolling interest	<u>(364)</u>	<u>(411)</u>
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	<u>\$ 57,199</u>	<u>\$ 52,822</u>

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

## CNH CAPITAL LLC AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011 (In thousands) (Unaudited)

---

	2012	2011
Net income	\$ 57,563	\$ 53,233
Other comprehensive income		
Foreign currency translation adjustments	11,639	11,710
Defined benefit pension plans:		
Pension liability adjustment (net of tax expense of \$57 and \$71, respectively)	95	105
Unrealized gains on retained interests:		
Unrealized gains on retained interests (net of tax benefit of \$297 and \$419, respectively)	(548)	(531)
Derivative financial instruments:		
Losses reclassified to earnings (net of tax expense of \$711 and \$2,067, respectively)	1,281	3,536
(Gains) losses deferred (net of tax benefit of \$106, and tax expense of \$27, respectively)	<u>(229)</u>	<u>195</u>
Other comprehensive income	<u>12,238</u>	<u>15,015</u>
Comprehensive income	69,801	68,248
Less: comprehensive income attributable to the noncontrolling interest	<u>(364)</u>	<u>(411)</u>
Comprehensive income attributable to CNH Capital LLC	\$ <u>69,437</u>	\$ <u>67,837</u>

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2012 AND DECEMBER 31, 2011 (In thousands) (Unaudited)

	March 31, 2012	December 31, 2011
<b>ASSETS</b>		
Cash and cash equivalents	\$ 236,711	\$ 594,093
Restricted cash	621,737	767,359
Receivables, less allowance for credit losses of \$103,298 and \$106,673, respectively	10,041,684	9,386,549
Retained interests in securitized receivables	13,023	17,289
Affiliated accounts and notes receivable	15,338	193,917
Equipment on operating leases, net	677,639	647,617
Equipment held for sale	17,043	32,131
Goodwill	117,663	116,830
Other intangible assets, net	3,071	3,259
Other assets	<u>73,584</u>	<u>142,107</u>
TOTAL	\$ <u>11,817,493</u>	\$ <u>11,901,151</u>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>LIABILITIES:</b>		
Short-term debt (including current maturities of long-term debt)	\$ 4,755,683	\$ 4,796,035
Accounts payable and other accrued liabilities	451,016	450,828
Affiliated debt	576,581	819,270
Long-term debt	<u>4,717,167</u>	<u>4,587,773</u>
Total liabilities	<u>10,500,447</u>	<u>10,653,906</u>
<b>STOCKHOLDER'S EQUITY:</b>		
Member's capital	--	--
Paid-in capital	836,721	836,721
Accumulated other comprehensive income	40,954	28,716
Retained earnings	<u>384,118</u>	<u>326,919</u>
Total CNH Capital LLC stockholder's equity	1,261,793	1,192,356
Noncontrolling interest	<u>55,253</u>	<u>54,889</u>
Total stockholder's equity	<u>1,317,046</u>	<u>1,247,245</u>
TOTAL	\$ <u>11,817,493</u>	\$ <u>11,901,151</u>

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2012 AND DECEMBER 31, 2011 (In thousands) (Unaudited)

---

The following table presents certain assets and liabilities of consolidated variable interest entities (“VIEs”), which are included in the consolidated balance sheets above. The assets in the table include only those assets that can be used to settle obligations of consolidated VIEs. The liabilities in the table include third-party liabilities of the consolidated VIEs, for which creditors do not have recourse to the general credit of CNH Capital LLC.

	<b>March 31, 2012</b>	<b>December 31, 2011</b>
Restricted cash	\$ 592,929	\$ 738,478
Receivables, less allowance for credit losses of \$53,316 and \$39,309, respectively	8,078,233	7,823,615
Equipment on operating leases, net	<u>244</u>	<u>94,018</u>
TOTAL	\$ <u>8,671,406</u>	\$ <u>8,656,111</u>
Short-term debt (including current maturities of long-term debt)	\$ 4,581,590	\$ 4,583,407
Long-term debt	<u>3,718,056</u>	<u>3,634,629</u>
TOTAL	\$ <u>8,299,646</u>	\$ <u>8,218,036</u>

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011

(In thousands)

(Unaudited)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 57,563	\$ 53,233
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation on property and equipment and equipment on operating leases	26,955	28,306
Amortization on intangibles	263	290
Provision (benefit) for credit losses	622	(943)
Deferred income tax benefit	14,006	49,191
Changes in components of working capital:		
Decrease in affiliated accounts and notes receivables	178,613	34,967
Decrease in other assets and equipment held for sale	85,832	90,821
Decrease in accounts payable and other accrued liabilities	<u>(15,589)</u>	<u>(40,848)</u>
Net cash from operating activities	<u>348,265</u>	<u>215,017</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cost of receivables acquired	(4,319,066)	(3,734,971)
Collections of receivables	3,714,473	3,458,732
Decrease in restricted cash	148,306	98,867
Purchase of equipment on operating leases	(98,590)	(72,992)
Proceeds from disposal of equipment on operating leases	46,170	57,686
Purchase of software	--	(113)
Expenditures for property and equipment	<u>(72)</u>	<u>--</u>
Net cash used in investing activities	<u>(508,779)</u>	<u>(192,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of affiliated debt	198,608	455,588
Payment of affiliated debt	(446,100)	(538,115)
Proceeds from issuance of long-term debt	1,123,525	220,000
Payment of long-term debt	(1,008,542)	(757,734)
(Decrease) increase in revolving credit facilities	<u>(64,359)</u>	<u>389,462</u>
Net cash used in financing activities	<u>(196,868)</u>	<u>(230,799)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(357,382)	(208,573)
CASH AND CASH EQUIVALENTS:		
Beginning of period	<u>594,093</u>	<u>420,792</u>
End of period	\$ <u>236,711</u>	\$ <u>212,219</u>
CASH PAID DURING THE PERIOD FOR INTEREST	\$ <u>60,228</u>	\$ <u>71,838</u>
CASH PAID (REFUNDED) DURING THE PERIOD FOR TAXES	\$ <u>10,256</u>	\$ <u>(17,885)</u>

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011

(In thousands)

(Unaudited)

	Company Stockholder					Non-Controlling Interest	Total
	Member's Capital	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings			
BALANCE – January 1, 2011	\$ --	\$ 836,721	\$ 45,642	\$ 211,873	\$ 53,401	\$ 1,147,637	
Net income	--	--	--	52,822	411	53,233	
Translation adjustment	--	--	11,710	--	--	11,710	
Pension liability adjustment, net of tax	--	--	105	--	--	105	
Unrealized gain on retained interests, net of tax	--	--	(531)	--	--	(531)	
Derivative financial instruments:							
Losses reclassified to earnings, net of tax	--	--	3,536	--	--	3,536	
Losses deferred, net of tax	--	--	195	--	--	195	
BALANCE – March 31, 2011	\$ --	\$ 836,721	\$ 60,657	\$ 264,695	\$ 53,812	\$ 1,215,885	
BALANCE – January 1, 2012	\$ --	\$ 836,721	\$ 28,716	\$ 326,919	\$ 54,889	\$ 1,247,245	
Net income	--	--	--	57,199	364	57,563	
Translation adjustment	--	--	11,639	--	--	11,639	
Pension liability adjustment, net of tax	--	--	95	--	--	95	
Unrealized gain on retained interests, net of tax	--	--	(548)	--	--	(548)	
Derivative financial instruments:							
Losses reclassified to earnings, net of tax	--	--	1,281	--	--	1,281	
Losses deferred, net of tax	--	--	(229)	--	--	(229)	
BALANCE – March 31, 2012	\$ --	\$ 836,721	\$ 40,954	\$ 384,118	\$ 55,253	\$ 1,317,046	

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).



# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

---

### NOTE 1: BASIS OF PRESENTATION

The accompanying consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of (a) the consolidated net income for the three months ended March 31, 2012 and 2011, (b) the consolidated comprehensive income for the three months ended March 31, 2012 and 2011, (c) the consolidated financial position as of March 31, 2012 and December 31, 2011, (d) the consolidated changes in stockholder's equity for the three months ended March 31, 2012 and 2011 and (e) the consolidated cash flows for the three months ended March 31, 2012 and 2011.

The December 31, 2011 financial position data included herein was derived from the audited financial statements for the year ended December 31, 2011, but does not include all disclosures required by generally accepted accounting principles in the United States of America ("U.S. GAAP").

CNH Capital LLC and its wholly-owned operating subsidiaries, including New Holland Credit Company, LLC and CNH Capital America LLC, and its majority-owned operating subsidiary CNH Capital Canada Ltd. (collectively, "CNH Capital" or the "Company"), are each a wholly-owned subsidiary of CNH America LLC ("CNH America"), which is an indirect wholly-owned subsidiary of CNH Global N.V. ("CNH"). CNH manufactures agricultural and construction equipment. CNH Capital provides financial services for CNH America and CNH Canada Ltd. (collectively, "CNH North America") customers primarily located in the United States and Canada.

As of December 31, 2011, Fiat Industrial S.p.A. ("Fiat Industrial", and together with its subsidiaries, the "Fiat Industrial Group") owned approximately 88% of CNH's outstanding common shares through its wholly-owned subsidiary, Fiat Netherlands Holding B.V. ("Fiat Netherlands").

The Company has prepared the accompanying consolidated financial statements in accordance with U.S. GAAP. The consolidated financial statements include the Company and its consolidated subsidiaries. The consolidated financial statements are expressed in U.S. dollars. The consolidated financial statements include the accounts of the Company's subsidiaries in which the Company has a controlling financial interest and reflect the noncontrolling interests of the minority owners of the subsidiaries that are not fully owned for the periods presented, as applicable. A controlling financial interest may exist based on ownership of a majority of the voting interest of a subsidiary, or based on the Company's determination that it is the primary beneficiary of a variable interest entity ("VIE"). The primary beneficiary of a VIE is the party that has the power to direct the activities that most significantly impact the economic performance of the entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity. The Company assesses whether it is the primary beneficiary on an ongoing basis, as prescribed by the accounting guidance on the consolidation of VIEs. The consolidated status of the VIEs with which the Company is involved may change as a result of such reassessments.

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and reported amounts of revenues and expenses. Significant estimates in these consolidated financial statements include the residual values of equipment on operating leases and allowance for credit losses. Actual results could differ from those estimates.

These interim financial statements should be read in conjunction with the audited financial statements and the notes thereto included in the annual report for the year ended December 31, 2011. Interim results are not necessarily indicative of those expected for the entire year.

### NOTE 2: NEW ACCOUNTING PRONOUNCEMENTS

There were no new accounting standards adopted during the three months ended March 31, 2012.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

### NOTE 3: ACCUMULATED OTHER COMPREHENSIVE INCOME

Comprehensive income and its components are presented in the consolidated statements of changes in stockholder's equity. The components of accumulated other comprehensive income as of March 31, 2012 and December 31, 2011 are as follows:

	March 31, 2012	December 31, 2011
Cumulative translation adjustment	\$ 55,475	\$ 43,836
Pension liability adjustment net of taxes of \$3,210 and \$3,267, respectively	(5,299)	(5,394)
Unrealized gains on retained interests net of taxes of \$1,662 and \$1,959, respectively	2,686	3,234
Unrealized loss on derivative financial instruments net of taxes of \$6,352 and \$6,957, respectively	<u>(11,908)</u>	<u>(12,960)</u>
Total	\$ <u>40,954</u>	\$ <u>28,716</u>

### NOTE 4: RECEIVABLES

A summary of receivables included in the consolidated balance sheets as of March 31, 2012 and December 31, 2011 is as follows:

	March 31, 2012	December 31, 2011
Wholesale receivables	\$ 87,231	\$ 87,600
Retail receivables	591,107	731,807
Finance leases	59,596	53,391
Restricted receivables	9,350,738	8,566,514
Other notes	<u>83,809</u>	<u>82,098</u>
Gross receivables	10,172,481	9,521,410
Less:		
Unearned finance charges	(27,499)	(28,188)
Allowance for credit losses	<u>(103,298)</u>	<u>(106,673)</u>
Total receivables, net	\$ <u>10,041,684</u>	\$ <u>9,386,549</u>

#### *Restricted Receivables and Securitization*

As part of its overall funding strategy, the Company periodically transfers certain financial receivables into VIEs that are special purpose entities ("SPEs") as part of its asset-backed securitization programs.

SPEs utilized in the securitization programs differ from other entities included in the Company's consolidated financial statements because the assets they hold are legally isolated from the Company's assets. For bankruptcy analysis purposes, the Company has sold the receivables to the SPEs in a true sale and the SPEs are separate legal entities. Upon transfer of the receivables to the SPEs, the receivables and certain cash flows derived from them become restricted for use in meeting obligations to the SPEs' creditors. The SPEs have ownership of cash balances that also have restrictions for the SPEs' investors. The Company's interests in the SPEs' receivables are subordinate to the interests of third-party investors. None of the receivables that are directly or indirectly sold or transferred in any of these transactions are available to pay the Company's creditors.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

The following table summarizes the restricted and off-book receivables and the related retained interests as of March 31, 2012 and December 31, 2011:

	Restricted Receivables		Off-Book Receivables		Retained Interests	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Wholesale receivables	\$ 3,418,154	\$ 2,884,516	\$ --	\$ --	\$ --	\$ --
Retail receivables	5,703,463	5,454,279	93,795	108,476	13,023	17,289
Finance lease receivables	37,788	47,000	--	--	--	--
Revolving account receivables	<u>191,333</u>	<u>180,719</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total	\$ <u>9,350,738</u>	\$ <u>8,566,514</u>	\$ <u>93,795</u>	\$ <u>108,476</u>	\$ <u>13,023</u>	\$ <u>17,289</u>

With regard to the wholesale receivable securitization programs, the Company sells eligible receivables on a revolving basis to structured master trust facilities, which are limited-purpose, bankruptcy-remote SPEs. The Company's involvement with the securitization trusts includes servicing the wholesale receivables, retaining an undivided interest ("seller's interest") in the receivables and holding cash reserve accounts. The seller's interest in the trusts represents the Company's undivided interest in the receivables transferred to the trust. The Company maintains cash reserve accounts at predetermined amounts to provide security to investors in the event that cash collections from the receivables are not sufficient to remit principal and interest payments on the securities. The investors and the securitization trusts have no recourse beyond the Company's retained interests for failure of debtors to pay when due. The Company's retained interests are subordinate to investors' interests to the Company.

Within the U.S. retail asset securitization programs, qualifying retail finance receivables are sold to limited purpose, bankruptcy-remote SPEs. In turn, these SPEs establish separate trusts to which the receivables are transferred in exchange for proceeds from asset-backed securities issued by the trusts. In Canada, the receivables are transferred directly to the trusts. The Company receives compensation for servicing the receivables transferred and earns other related ongoing income customary with the securitization programs. The Company also may retain all or a portion of subordinated interests in the SPEs.

Three private retail transactions totaling \$93,795 and \$108,476 were not included in the Company's consolidated balance sheets as of March 31, 2012 and December 31, 2011, respectively.

The Company, through a trust, securitizes originated revolving account receivables. The committed asset-backed facility has an original two year term and is renewable in October 2012. The Company's continuing involvement with the securitization trust includes servicing the receivables and maintaining a cash reserve account, which provides security to investors in the event that cash collections from the receivables are not sufficient to remit principal and interest payments on the securities. The investors and the securitization trust have no recourse to the Company for failure of debtors to pay when due beyond the Company's retained interest assets. Further, the Company's retained interests are subordinate to the investors' interests.

### *Allowance for Credit Losses*

The allowance for credit losses is established to cover probable losses for receivables owned by the Company and consists of two components, depending on whether the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers all or a portion of receivables specifically reviewed by management for which the Company has determined it will not collect all of the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, amounts past due, collateral value, days past due and prior collection history. These receivables are subject to impairment measurement at the loan level based either on the present value of expected future cash flows discounted at the receivables' effective interest rate or the fair value of the collateral for collateral-dependent

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

---

receivables and receivables for which foreclosure is deemed to be probable. When the values are lower than the carrying value of the receivables, impairment is recognized.

The second component of the allowance for credit losses covers all receivables that are not yet individually identifiable. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for retail credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquencies. The allowance for wholesale credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and dealer risk ratings. The loss forecast models are updated on a quarterly basis to incorporate information reflecting the current economic environment.

Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is determined to be probable that all amounts due will not be collected.

The Company's allowance for credit losses is segregated into three portfolio segments: retail, wholesale and other. A portfolio segment is the level at which the Company develops a systematic methodology for determining its allowance for credit losses. The retail segment includes retail and finance lease receivables. The wholesale segment includes wholesale financing to CNH North America dealers, and the other portfolio includes the Company's commercial revolving accounts.

Further, the Company evaluates its portfolio segments by class of receivable: United States and Canada. Typically, the Company's finance receivables within a geographic area have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

---

Allowance for credit losses activity for the three months ended March 31, 2012 is as follows:

	Retail	Wholesale	Other	Total
<b>Allowance for credit losses:</b>				
Beginning balance	\$ 83,233	\$ 12,163	\$ 11,277	\$ 106,673
Charge-offs	(4,338)	--	(2,430)	(6,768)
Recoveries	1,856	58	763	2,677
Provision	488	(605)	739	622
Currency translation and other	<u>41</u>	<u>24</u>	<u>29</u>	<u>94</u>
Ending balance	\$ <u>81,280</u>	\$ <u>11,640</u>	\$ <u>10,378</u>	\$ <u>103,298</u>
Ending balance: individually evaluated for impairment	\$ <u>40,137</u>	\$ <u>9,542</u>	\$ <u>--</u>	\$ <u>49,679</u>
Ending balance: collectively evaluated for impairment	\$ <u>41,143</u>	\$ <u>2,098</u>	\$ <u>10,378</u>	\$ <u>53,619</u>
<b>Receivables:</b>				
Ending balance	\$ <u>6,364,455</u>	\$ <u>3,505,385</u>	\$ <u>275,142</u>	\$ <u>10,144,982</u>
Ending balance: individually evaluated for impairment	\$ <u>78,896</u>	\$ <u>65,611</u>	\$ <u>--</u>	\$ <u>144,507</u>
Ending balance: collectively evaluated for impairment	\$ <u>6,285,559</u>	\$ <u>3,439,774</u>	\$ <u>275,142</u>	\$ <u>10,000,475</u>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

---

Allowance for credit losses activity for the three months ended March 31, 2011 is as follows:

	Retail	Wholesale	Other	Total
<b>Allowance for credit losses:</b>				
Beginning balance	\$ 73,123	\$ 31,148	\$ 14,459	\$ 118,730
Charge-offs	(6,685)	(9,071)	(3,810)	(19,566)
Recoveries	1,320	14	780	2,114
Provision	(1,025)	(2,847)	2,929	(943)
Currency translation and other	<u>(422)</u>	<u>47</u>	<u>21</u>	<u>(354)</u>
Ending balance	\$ <u>66,311</u>	\$ <u>19,291</u>	\$ <u>14,379</u>	\$ <u>99,981</u>
Ending balance: individually evaluated for impairment	\$ <u>40,689</u>	\$ <u>15,773</u>	\$ <u>110</u>	\$ <u>56,572</u>
Ending balance: collectively evaluated for impairment	\$ <u>25,622</u>	\$ <u>3,518</u>	\$ <u>14,269</u>	\$ <u>43,409</u>
<b>Receivables:</b>				
Ending balance	\$ <u>5,755,642</u>	\$ <u>3,017,045</u>	\$ <u>280,491</u>	\$ <u>9,053,178</u>
Ending balance: individually evaluated for impairment	\$ <u>101,088</u>	\$ <u>66,986</u>	\$ <u>300</u>	\$ <u>168,374</u>
Ending balance: collectively evaluated for impairment	\$ <u>5,654,554</u>	\$ <u>2,950,059</u>	\$ <u>280,191</u>	\$ <u>8,884,804</u>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

Allowance for credit losses activity for the year ended December 31, 2011 is as follows:

	Retail	Wholesale	Other	Total
<b>Allowance for credit losses:</b>				
Beginning balance	\$ 73,123	\$ 31,148	\$ 14,459	\$ 118,730
Charge-offs	(27,770)	(12,613)	(12,770)	(53,153)
Recoveries	5,850	447	3,431	9,728
Provision	33,353	(6,801)	6,301	32,853
Currency translation and other	<u>(1,323)</u>	<u>(18)</u>	<u>(144)</u>	<u>(1,485)</u>
Ending balance	\$ <u>83,233</u>	\$ <u>12,163</u>	\$ <u>11,277</u>	\$ <u>106,673</u>
Ending balance: individually evaluated for impairment	\$ <u>42,879</u>	\$ <u>10,101</u>	\$ <u>--</u>	\$ <u>52,980</u>
Ending balance: collectively evaluated for impairment	\$ <u>40,354</u>	\$ <u>2,062</u>	\$ <u>11,277</u>	\$ <u>53,693</u>
<b>Receivables:</b>				
Ending balance	\$ <u>6,258,289</u>	\$ <u>2,972,116</u>	\$ <u>262,817</u>	\$ <u>9,493,222</u>
Ending balance: individually evaluated for impairment	\$ <u>73,920</u>	\$ <u>56,444</u>	\$ <u>265</u>	\$ <u>130,629</u>
Ending balance: collectively evaluated for impairment	\$ <u>6,184,369</u>	\$ <u>2,915,672</u>	\$ <u>262,552</u>	\$ <u>9,362,593</u>

As part of the ongoing monitoring of the credit quality of the wholesale portfolio, the Company utilizes an internal credit scoring model that assigns a risk grade for each dealer. The scoring model considers the strength of the dealer's financial statements, payment history and audit performance. Each quarter, the Company updates its dealers' ratings and considers the ratings in the credit allowance analysis. A description of the general characteristics of the dealer's risk grades is as follows:

*Grades A and B* – Includes receivables to dealers that have significant capital strength, moderate leverage, stable earnings and growth, and excellent payment performance.

*Grade C* – Includes receivables to dealers with moderate credit risk. Dealers of this grade are differentiated from higher grades on a basis of leverage or payment performance.

*Grade D* – Includes receivables to dealers with moderate credit risk. These dealers may require higher monitoring due to weaker financial strength or payment performance.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

---

A breakdown of the wholesale portfolio by its credit quality indicators as of March 31, 2012 and December 31, 2011 is as follows:

	March 31, 2012	December 31, 2011
A	\$ 2,000,614	\$ 1,662,920
B	1,117,424	897,914
C	256,541	287,793
D	<u>130,806</u>	<u>123,489</u>
Total	\$ <u>3,505,385</u>	\$ <u>2,972,116</u>

Utilizing an internal credit scoring model, which considers customers' attributes, prior credit history and each retail transaction's attributes, the Company assigns a credit quality rating to each retail customer, by specific transaction, as part of the retail underwriting process. This rating is used in setting the interest rate on the transaction. The credit quality rating is not updated after the transaction is finalized. A description of the general characteristics of the customers' risk grades is as follows:

*Titanium* – Customers where the Company expects no collection or loss activity.

*Platinum* – Customers where the Company expects minimal, if any, collection or loss activity.

*Gold, Silver, Bronze* – Customers are defined as those with the potential for collection or loss activity.

A breakdown of the retail portfolio by the customer's risk grade at the time of origination as of March 31, 2012 and December 31, 2011 is as follows:

	March 31, 2012	December 31, 2011
Titanium	\$ 3,298,684	\$ 3,195,785
Platinum	1,848,672	1,837,604
Gold	1,010,161	999,950
Silver	183,600	197,108
Bronze	<u>23,338</u>	<u>27,842</u>
Total	\$ <u>6,364,455</u>	\$ <u>6,258,289</u>



# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

The following tables present information at the level at which management assesses and monitors its credit risk. 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 aging of receivables as of March 31, 2012 and December 31, 2011 is as follows:

March 31, 2012							
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Receivables	Recorded Investment > 90 Days and Accruing
<b>Retail</b>							
United States	\$ 32,875	\$ 6,013	\$ 34,479	\$ 73,367	\$ 5,214,261	\$ 5,287,628	\$ 3,413
Canada	\$ 2,928	\$ 1,412	\$ 857	\$ 5,197	\$ 1,071,630	\$ 1,076,827	\$ 300
<b>Wholesale</b>							
United States	\$ 868	\$ 100	\$ 528	\$ 1,496	\$ 2,634,898	\$ 2,636,394	\$ 2
Canada	\$ 271	\$ 223	\$ 380	\$ 874	\$ 868,117	\$ 868,991	\$ 5
<b>Total</b>							
Retail	\$ 35,803	\$ 7,425	\$ 35,336	\$ 78,564	\$ 6,285,891	\$ 6,364,455	\$ 3,713
Wholesale	\$ 1,139	\$ 323	\$ 908	\$ 2,370	\$ 3,503,015	\$ 3,505,385	\$ 7
December 31, 2011							
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Receivables	Recorded Investment > 90 Days and Accruing
<b>Retail</b>							
United States	\$ 21,547	\$ 6,100	\$ 30,720	\$ 58,367	\$ 5,162,963	\$ 5,221,330	\$ 3,257
Canada	\$ 3,550	\$ 975	\$ 753	\$ 5,278	\$ 1,031,681	\$ 1,036,959	\$ 77
<b>Wholesale</b>							
United States	\$ 1,232	\$ 1,967	\$ 818	\$ 4,017	\$ 2,266,517	\$ 2,270,534	\$ 362
Canada	\$ 57	\$ 14	\$ 287	\$ 358	\$ 701,224	\$ 701,582	\$ 56
<b>Total</b>							
Retail	\$ 25,097	\$ 7,075	\$ 31,473	\$ 63,645	\$ 6,194,644	\$ 6,258,289	\$ 3,334
Wholesale	\$ 1,289	\$ 1,981	\$ 1,105	\$ 4,375	\$ 2,967,741	\$ 2,972,116	\$ 418

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

Impaired receivables are receivables for which the Company has determined it will not collect all the principal and interest payments as per the terms of the original contract. As of March 31, 2012 and December 31, 2011, the Company's recorded investment in impaired receivables individually evaluated for impairment and the related unpaid principal balances and allowances are as follows:

	March 31, 2012			December 31, 2011		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
<b>With no related allowance recorded</b>						
Retail						
United States	\$ 11,362	\$ 11,314	\$ --	\$ 6,805	\$ 6,791	\$ --
Canada	\$ 629	\$ 619	\$ --	\$ 303	\$ 303	\$ --
Wholesale						
United States	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Canada	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>With an allowance recorded</b>						
Retail						
United States	\$ 66,905	\$ 61,653	\$ 40,137	\$ 66,747	\$ 61,300	\$ 42,861
Canada	\$ --	\$ --	\$ --	\$ 65	\$ 65	\$ 18
Wholesale						
United States	\$ 65,591	\$ 65,589	\$ 8,970	\$ 55,167	\$ 53,168	\$ 9,690
Canada	\$ 20	\$ 6	\$ 572	\$ 1,277	\$ 1,247	\$ 411
<b>Total</b>						
Retail	\$ 78,896	\$ 73,586	\$ 40,137	\$ 73,920	\$ 68,459	\$ 42,879
Wholesale	\$ 65,611	\$ 65,595	\$ 9,542	\$ 56,444	\$ 54,415	\$ 10,101

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

For the three months ended March 31, 2012 and 2011, the Company's average recorded investment in impaired receivables individually evaluated for impairment (based on a four month average) and the related interest income recognized are as follows:

	2012		2011	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
<b>With no related allowance recorded</b>				
Retail				
United States	\$ 9,804	\$ 201	\$ 2,741	\$ 390
Canada	\$ 633	\$ 19	\$ 355	\$ 9
Wholesale				
United States	\$ --	\$ --	\$ --	\$ --
Canada	\$ --	\$ --	\$ --	\$ --
<b>With an allowance recorded</b>				
Retail				
United States	\$ 62,987	\$ 383	\$ 81,927	\$ 4,261
Canada	\$ --	\$ --	\$ 71	\$ 9
Wholesale				
United States	\$ 60,917	\$ 459	\$ 64,061	\$ 2,226
Canada	\$ 686	\$ --	\$ 4,173	\$ 153
<b>Total</b>				
Retail	\$ 73,424	\$ 603	\$ 85,094	\$ 4,669
Wholesale	\$ 61,603	\$ 459	\$ 68,234	\$ 2,379

Recognition of income is generally suspended when management determines that collection of future finance income is not probable or when an account becomes 120 days delinquent, whichever occurs first. Interest accrual is resumed if the receivable becomes contractually current and collection becomes probable. Previously suspended income is recognized at that time. The receivables on nonaccrual status as of March 31, 2012 and December 31, 2011 are as follows:

	March 31, 2012			December 31, 2011		
	Retail	Wholesale	Total	Retail	Wholesale	Total
United States	\$ 60,129	\$ 66,490	\$ 126,619	\$ 54,798	\$ 53,168	\$ 107,966
Canada	\$ 557	\$ 114	\$ 671	\$ 676	\$ 1,247	\$ 1,923

In the second quarter of 2012, the Company charged off approximately \$14 million related to a retail receivable that was fully reserved and on nonaccrual status as of March 31, 2012.

### *Troubled Debt Restructurings*

A restructuring of a receivable constitutes a troubled debt restructuring ("TDR") when the lender grants a concession it would not otherwise consider to a borrower experiencing financial difficulties. As a collateral based lender, the Company typically will repossess collateral in lieu of restructuring receivables. As such, for retail receivables, concessions are typically provided based on bankruptcy court proceedings. For wholesale receivables, concessions granted may include extended contract maturities, inclusion of interest only periods, modification of a contractual interest rate to a below market interest rate, extended skip payment periods and waiving of interest and principal.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

---

TDRs are reviewed along with other receivables as part of management's ongoing evaluation of the adequacy of the allowance for credit losses. The allowance for credit losses attributable to TDRs is based on the most probable source of repayment, which is normally the liquidation of collateral. In determining collateral value, the Company estimates the current fair market value of the equipment collateral and considers credit enhancements such as additional collateral and third-party guarantees.

Before removing a receivable from TDR classification, a review of the borrower is conducted. If concerns exist about the future ability of the borrower to meet its obligations under the loans based on a credit review, the TDR classification is not removed from the receivable.

For the three months ended March 31, 2012, the Company had 139 retail and finance lease receivable contracts that were involved in legal proceedings, primarily bankruptcies. The pre-modification value was \$4,694 and the post-modification value was \$4,688. For the three months ended March 31, 2011, the Company had 267 retail and finance lease receivable contracts of which the pre-modification value was \$10,474 and the post-modification value was \$10,462. The court has yet to determine the concessions in some of the outstanding cases that will be granted, if any. As the outcome of the bankruptcy cases is determined by the court based on available assets, subsequent defaults are unusual and were not material for retail and finance lease receivable contracts that were modified in a TDR during the previous 12 months ended March 31, 2012 and 2011.

For wholesale receivables, the Company restructured no wholesale agreements for the three months ended March 31, 2012 and 2011. During the previous 12 months ended March 31, 2012 and 2011, wholesale receivables that were modified in a TDR and subsequently defaulted were immaterial.

### NOTE 5: DEBT

On March 16, 2012 and March 19, 2012, the Company redeemed C\$28,076 (\$28,171) and C\$23,198 (\$23,276), respectively, of asset-backed notes, issued by a Canadian trust.

On March 21, 2012, the Company, through a bankruptcy-remote trust, issued \$996,027 of amortizing, asset-backed notes secured by U.S. retail loan contracts.

On March 22, 2012, the Company borrowed \$127,498, which is secured by U.S. equipment on operating leases. The final maturity date is April 20, 2017.

On March 23, 2012, the Company renewed a \$200,000 U.S. wholesale committed asset-backed facility, with a maturity date of March 22, 2013.

### NOTE 6: INCOME TAXES

The effective tax rate was 34.9% for the three month period ended March 31, 2012, compared to 37.0% for the same period in 2011. The lower rate in 2012 was due primarily to the geographic mix of earnings that resulted in better utilization of the Company's tax attributes.

The Company's provision for income taxes is based on an estimated tax rate for the year applied to the year-to-date federal, state and foreign income. The Company's provision for income taxes for the three months ended March 31, 2012 reflects an estimated annual effective tax rate of 35.1% compared to 36.9% for the full year 2011. The decrease from the full-year 2011 effective tax rate is primarily due to changes in the geographic mix of pre-tax profits within North America. The 2012 estimated annual tax rate is expected to be slightly higher than the U.S. federal corporate income tax rate of 35% primarily due to profits in tax jurisdictions with higher rates, in addition to unfavorable changes in certain state income tax legislation.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

---

### NOTE 7: FINANCIAL INSTRUMENTS

The Company may elect to measure many financial instruments and certain other items at fair value. This fair value option must be applied on an instrument-by-instrument basis with changes in fair value reported in earnings. The election can be made at the acquisition of an eligible financial asset, financial liability, or firm commitment or when certain specified reconsideration events occur. The fair value election may not be revoked once made. The Company did not elect the fair value measurement option for eligible items.

#### *Fair-Value Hierarchy*

U.S. GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

*Level 1* – Quoted prices for *identical* instruments in active markets.

*Level 2* – Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; 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*.

This hierarchy requires the use of observable market data when available.

#### *Determination of Fair Value*

When available, the Company uses quoted market prices to determine fair value and classifies such items in Level 1. In some cases where a market price is not available, the Company will make use of observable market-based inputs to calculate fair value, in which case the items are classified in Level 2.

If quoted or observable market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters such as interest rates, currency rates, or yield curves. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

The following section describes the valuation methodologies used by the Company to measure various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate, the description includes details of the valuation models, the key inputs to those models, as well as any significant assumptions.

#### *Interest Rate Derivatives*

The Company utilizes derivative instruments to mitigate its exposure to interest rate risk. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract. The Company does not hold or issue derivative or other financial instruments for speculative purposes. The credit risk for the interest rate hedges is reduced through diversification among counterparties and utilizing mandatory termination clauses. Derivative instruments are generally classified in Level 2 or 3 of the fair value hierarchy. The cash flows underlying all derivative contracts were recorded in operating activities in the consolidated statements of cash flows.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

---

The Company has entered into interest rate derivatives in order to manage interest rate exposures arising in the normal course of business. Interest rate derivatives that have been designated in cash flow hedging relationships are being used by the Company to mitigate the risk of rising interest rates related to the anticipated issuance of short-term LIBOR based debt in future periods. Further, the Company used these swaps to mitigate the risk of rising interest rates related to the variable-rate debt in certain asset-backed securitization (“ABS”) trusts associated with its retail securitization programs. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, are deferred in accumulated other comprehensive income (loss) and recognized in interest expense over the period in which the Company recognizes interest expense on the related debt. Ineffectiveness recognized related to these hedging relationships was not significant for the three months ended March 31, 2012 and 2011. These amounts are recorded in “Other expenses” in the consolidated statements of income. The maximum length of time over which the Company is hedging its interest rate exposure through the use of derivative instruments designated in cash flow hedge relationships is 52 months. The after-tax losses deferred in accumulated other comprehensive income that will be recognized in interest expense over the next 12 months is approximately \$4,155.

The Company also enters into offsetting interest rate derivatives with substantially similar economic terms that are not designated as hedging instruments to mitigate interest rate risk related to the Company’s asset-backed commercial paper facilities and various ABS trusts. These facilities and trusts require the Company to enter into interest rate derivatives. To ensure that these transactions do not result in the Company being exposed to this risk, the Company enters into a compensating position. Unrealized and realized gains and losses resulting from fair value changes in these instruments are recognized directly in income and were insignificant for the three months ended March 31, 2012 and 2011.

Most of the Company’s interest rate derivatives are considered Level 2. The fair market value of these derivatives is calculated using market data input for forecasted benchmark interest rates and can be compared to actively traded derivatives. The future notional amount of some of the Company’s interest rate derivatives is not known in advance. These derivatives are considered Level 3 derivatives. The fair market value of these derivatives is calculated using market data input and a forecasted future notional balance. The total notional amount of the Company’s interest rate derivatives was approximately \$3,434,013 and \$1,602,710 at March 31, 2012 and December 31, 2011, respectively. The three month average notional amount as of March 31, 2012 was approximately \$2,576,859.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

---

### *Financial Statement Impact of the Company's Derivatives*

The fair values of the Company's interest rate derivatives as of March 31, 2012 and December 31, 2011 in the consolidated balance sheets are recorded as follows:

	March 31, 2012	December 31, 2011
<b>Derivatives Designated as Hedging Instruments:</b>		
Derivative assets:		
Other assets	\$ 6	\$ 80
Derivative liabilities:		
Accounts payable and other accrued liabilities	\$ --	\$ 19
<b>Derivatives Not Designated as Hedging Instruments:</b>		
Derivative assets:		
Other assets	\$ 6,542	\$ 3,518
Derivative liabilities:		
Accounts payable and other accrued liabilities	\$ 6,616	\$ 3,585

The location on the consolidated statements of income and impact of the Company's interest rate derivatives for the three months ended March 31, 2012 and 2011 are as follows:

	2012	2011
<b>Cash Flow Hedges</b>		
Recognized in accumulated other comprehensive income (effective portion)	\$ (310)	\$ 225
Reclassified from accumulated other comprehensive income (effective portion)		
Interest expense to third parties	\$ (1,991)	\$ (5,502)
Recognized directly in income (ineffective portion)		
Other expenses	\$ 26	\$ (98)
<b>Not Designated as Hedges</b>		
Other expenses	\$ (47)	\$ (398)

### *Retained Interests*

For transactions that are considered sales and are off-book, the Company carries retained interests at estimated fair value, which is determined by discounting the projected cash flows over the expected life of the assets sold in connection with such transactions using prepayment, default, loss and interest rate assumptions. The Company recognizes declines in the value of its retained interests, and resulting charges to income or equity, when the fair value is less than carrying value. The portion of the decline, from discount rates exceeding those in the initial transaction is charged to equity. All other credit related declines are charged to income. Retained interests in securitized assets are classified in Level 3 of the fair value hierarchy. Assumptions used to determine fair values of retained interests are based on internal evaluations that include constant prepayment rates, annual credit loss rates and discount rates. Although the Company believes its methodology is reasonable, actual results could differ from its expectations. As of March 31, 2012 and December 31, 2011, retained interests in securitized assets are \$13,023 and \$17,289, respectively.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

### *Items Measured at Fair Value on a Recurring Basis*

The following tables present for each of the fair-value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at March 31, 2012 and December 31, 2011:

	Level 2		Level 3		Total	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
<b>Assets</b>						
Interest rate derivatives	\$ 6,548	\$ 3,438	\$ --	\$ 160	\$ 6,548	\$ 3,598
Retained interests	<u>--</u>	<u>--</u>	<u>13,023</u>	<u>17,289</u>	<u>13,023</u>	<u>17,289</u>
Total assets	\$ <u>6,548</u>	\$ <u>3,438</u>	\$ <u>13,023</u>	\$ <u>17,449</u>	\$ <u>19,571</u>	\$ <u>20,887</u>
<b>Liabilities</b>						
Interest rate derivatives	\$ <u>6,616</u>	\$ <u>3,459</u>	\$ --	\$ 145	\$ <u>6,616</u>	\$ <u>3,604</u>
Total liabilities	\$ <u>6,616</u>	\$ <u>3,459</u>	\$ --	\$ <u>145</u>	\$ <u>6,616</u>	\$ <u>3,604</u>

There were no transfers between Level 1 and Level 2 hierarchy levels.

The following table presents the changes in the Level 3 fair-value category for the three months ended March 31, 2012 and 2011:

	Retained Interests	Derivative Financial Instruments
Balance at January 1, 2011	\$ 37,914	\$ (5,375)
Total gains or losses (realized/unrealized):		
Included in earnings	289	2,722
Included in other comprehensive (loss) income	497	--
Settlements	<u>(1,440)</u>	<u>--</u>
Balance at March 31, 2011	\$ <u>37,260</u>	\$ <u>(2,653)</u>
Balance at January 1, 2012	\$ 17,289	\$ 15
Total gains or losses (realized/unrealized):		
Included in earnings	693	65
Included in other comprehensive (loss) income	281	(80)
Settlements	<u>(5,240)</u>	<u>--</u>
Balance at March 31, 2012	\$ <u>13,023</u>	\$ <u>--</u>

### *Fair Value of Financial Instruments*

The carrying amount of cash and cash equivalents, restricted cash, floating-rate affiliated accounts and notes receivable, accounts payable and other accrued liabilities, floating-rate short-term debt, floating-rate affiliated debt and floating-rate long-term debt was assumed to approximate its fair value.



# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

---

### *Financial Instruments Not Carried at Fair Value*

The carrying amount and estimated fair value of assets and liabilities considered financial instruments as of March 31, 2012 and December 31, 2011 are as follows:

	March 31, 2012		December 31, 2011	
	Carrying Amount	Estimated Fair Value *	Carrying Amount	Estimated Fair Value *
Receivables	\$ 10,041,684	\$ 10,102,658	\$ 9,386,549	\$ 9,710,124
Affiliated debt	\$ 576,581	\$ 576,683	\$ 819,270	\$ 823,028
Long-term debt	\$ 4,717,167	\$ 4,829,403	\$ 4,587,773	\$ 4,648,139

\* Under the fair value hierarchy, all measurements are Level 2.

### *Financial Assets*

The fair value of receivables was generally determined by discounting the estimated future payments using a discount rate which includes an estimate for credit risk.

### *Financial Liabilities*

The fair values of fixed-rate debt were based on current market quotes for identical or similar borrowings and credit risk.

## **NOTE 8: SEGMENT AND GEOGRAPHICAL INFORMATION**

The Company's segment data is based on disclosure requirements of accounting guidance on segment reporting, which requires financial information be reported on the basis that is used internally for measuring segment performance. The Company's reportable segments are strategic business units that are organized around differences in geographic areas. Each segment is managed separately as they require different knowledge of regulatory environments and marketing strategies. The operating segments offer primarily the same services within each of the respective segments.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

---

A summary of the Company's reportable segment information is as follows:

	Three Months Ended March 31,	
	2012	2011
<b>Revenues</b>		
United States	\$ 157,099	\$ 159,113
Canada	<u>46,164</u>	<u>46,709</u>
	\$ <u>203,263</u>	\$ <u>205,822</u>
<b>Interest expense</b>		
United States	\$ 50,599	\$ 54,717
Canada	<u>14,717</u>	<u>15,273</u>
	\$ <u>65,316</u>	\$ <u>69,990</u>
<b>Segment profit</b>		
United States	\$ 43,218	\$ 40,204
Canada	<u>14,345</u>	<u>13,117</u>
	\$ <u>57,563</u>	\$ <u>53,321</u>
<b>Depreciation and amortization</b>		
United States	\$ 19,235	\$ 20,791
Canada	<u>7,983</u>	<u>7,805</u>
	\$ <u>27,218</u>	\$ <u>28,596</u>
<b>Expenditures for equipment on operating leases and for non-lease assets</b>		
United States	\$ 76,614	\$ 51,773
Canada	<u>21,976</u>	<u>21,219</u>
	\$ <u>98,590</u>	\$ <u>72,992</u>
<b>Provision for credit losses</b>		
United States	\$ 351	\$ (1,028)
Canada	<u>271</u>	<u>85</u>
	\$ <u>622</u>	\$ <u>(943)</u>
<b>Reconciliation:</b>		
<b>Segment profit</b>		
Profit from segments	\$ 57,563	\$ 53,321
Less: inter-segment balances	<u>--</u>	<u>(88)</u>
Total	\$ <u>57,563</u>	\$ <u>53,233</u>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

---

	As of March 31, 2012	As of December 31, 2011
<b>Segment assets</b>		
United States	\$ 9,521,087	\$ 9,654,594
Canada	<u>2,406,770</u>	<u>2,358,198</u>
Total	\$ <u>11,927,857</u>	\$ <u>12,012,792</u>
<b>Managed portfolio</b>		
United States	\$ 8,257,831	\$ 7,827,253
Canada	<u>1,980,946</u>	<u>1,774,445</u>
Total	\$ <u>10,238,777</u>	\$ <u>9,601,698</u>
<b>Reconciliation:</b>		
<b>Segment assets</b>		
Assets from segments	\$ 11,927,857	\$ 12,012,792
Less: inter-segment balances	(4,992)	(6,269)
Less: investment in subsidiaries	<u>(105,372)</u>	<u>(105,372)</u>
Total	\$ <u>11,817,493</u>	\$ <u>11,901,151</u>

### NOTE 9: RELATED-PARTY TRANSACTIONS

The Company receives compensation from CNH North America for retail installment sales contracts and finance leases that were created under certain low-rate financing programs and interest waiver programs offered to customers by CNH North America. The amount recognized from CNH North America for below-market interest rate financing are included in "Interest income on retail and other receivables and finance leases" in the accompanying consolidated statements of income, and was \$53,343 and \$57,780 for the three months ended March 31, 2012 and 2011, respectively.

For selected operating leases, CNH North America compensates the Company for the difference between the market rental rates and the amount paid by the customer and is included in "Rental income on operating leases" in the accompanying consolidated statements of income. For the three months ended March 31, 2012 and 2011, the amount recognized from CNH North America for these operating leases is \$7,274 and \$5,807, respectively.

Similarly, for selected wholesale receivables, CNH North America compensates the Company for the difference between market rates and the amount paid by the dealer and are included in "Interest income from affiliates". For the three months ended March 31, 2012 and 2011, the amount recognized by CNH North America for these wholesale receivables is \$33,683 and \$29,439, respectively.

Accounts payable and other accrued liabilities of \$130,223 and \$24,221, respectively, as of March 31, 2012 and December 31, 2011, were payable to related parties.

On March 30, 2012, the Company redeemed C\$129,000 (\$129,436) of affiliated debt with Fiat. The Company incurred \$2,016 in losses on the early redemption.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

---

### NOTE 10: COMMITMENTS AND CONTINGENCIES

#### *Legal Matters*

The Company is party to various litigation matters and claims arising from its operations. Management believes that the outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on the Company's financial position or results of operations.

#### *Guarantees*

The Company provides payment guarantees on the financial debt of various CNH European affiliates for approximately \$300,802. The guarantees are in effect for the term of the underlying funding facilities, which have various maturities through 2017.

#### *Commitments*

At March 31, 2012, the Company has various agreements to extend credit for the following managed portfolios:

	<b>Total Credit Limit</b>	<b>Utilized</b>	<b>Unfunded Commitment</b>
Private label commercial revolving accounts	\$ 3,717,152	\$ 270,452	\$ 3,446,700
Wholesale and dealer financing	\$ 4,941,525	\$ 3,429,228	\$ 1,512,297

The commercial revolving accounts are issued by the Company to retail customers for purchases of parts and services at CNH North America equipment dealers.

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

### NOTE 11: SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION

CNH Capital America LLC and New Holland Credit Company, LLC, which are wholly-owned subsidiaries of CNH Capital LLC (the “Guarantor Entities”), guarantee certain indebtedness of CNH Capital LLC. As the guarantees are full, unconditional, and joint and several and as the Guarantor Entities are wholly-owned by CNH Capital LLC, the Company has included the following condensed consolidating financial information as of March 31, 2012 and December 31, 2011 and for the three months ended March 31, 2012 and 2011. The condensed consolidating financial information reflects investments in consolidated subsidiaries under the equity method of accounting.

	Condensed Statements of Income for the Three Months Ended March 31, 2012				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
<b>REVENUES</b>					
Interest income on retail and other receivables and finance leases	\$ --	\$ 8,319	\$ 103,263	\$ --	\$ 111,582
Interest income from affiliates	--	31,154	34,255	(30,416)	34,993
Servicing fee income	--	18,813	59	(18,566)	306
Rental income on operating leases	--	24,836	15,506	--	40,342
Other income	--	<u>6,282</u>	<u>9,758</u>	--	<u>16,040</u>
Total revenues	--	<u>89,404</u>	<u>162,841</u>	<u>(48,982)</u>	<u>203,263</u>
<b>EXPENSES</b>					
Interest expense:					
Interest expense to third parties	9,884	842	44,416	--	55,142
Interest expense to affiliates	<u>66</u>	<u>30,873</u>	<u>9,651</u>	<u>(30,416)</u>	<u>10,174</u>
Total interest expense	<u>9,950</u>	<u>31,715</u>	<u>54,067</u>	<u>(30,416)</u>	<u>65,316</u>
Operating expenses:					
Fees charged by affiliates	--	11,583	21,731	(18,566)	14,748
(Benefit) provision for credit losses	--	(14,212)	14,834	--	622
Depreciation of equipment on operating leases	--	16,499	10,434	--	26,933
Other expenses (income)	--	<u>8,772</u>	<u>(1,568)</u>	--	<u>7,204</u>
Total operating expenses	--	<u>22,642</u>	<u>45,431</u>	<u>(18,566)</u>	<u>49,507</u>
Total expenses	<u>9,950</u>	<u>54,357</u>	<u>99,498</u>	<u>(48,982)</u>	<u>114,823</u>
(Loss) income before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(9,950)	35,047	63,343	--	88,440
Income tax (benefit) provision	(3,899)	13,097	21,679	--	30,877
Equity in income of consolidated subsidiaries accounted for under the equity method	<u>63,250</u>	<u>41,300</u>	--	<u>(104,550)</u>	--
<b>NET INCOME</b>	57,199	63,250	41,664	(104,550)	57,563
Net income attributed to the noncontrolling interest	--	--	<u>(364)</u>	--	<u>(364)</u>
<b>NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC</b>	\$ <u>57,199</u>	\$ <u>63,250</u>	\$ <u>41,300</u>	\$ <u>(104,550)</u>	\$ <u>57,199</u>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

### Condensed Statements of Comprehensive Income for the Three Months Ended March 31, 2012

	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
Net income	\$ 57,199	\$ 63,250	\$ 41,664	\$ (104,550)	\$ 57,563
Other comprehensive income, net of tax					
Foreign currency translation adjustments	--	--	11,639	--	11,639
Defined benefit pensions plans	--	95	--	--	95
Unrealized gains on retained interests	--	(155)	(393)	--	(548)
Derivative financial instruments	--	135	917	--	1,052
Other comprehensive income, net of tax	--	75	12,163	--	12,238
Comprehensive income	57,199	63,325	53,827	(104,550)	69,801
Less: comprehensive income attributed to the noncontrolling interest	--	--	(364)	--	(364)
Comprehensive income attributable to CNH Capital LLC	\$ <u>57,199</u>	\$ <u>63,325</u>	\$ <u>53,463</u>	\$ <u>(104,550)</u>	\$ <u>69,437</u>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

	Condensed Balance Sheets as of March 31, 2012				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Cash and cash equivalents	\$ --	\$ 164,033	\$ 72,678	\$ --	\$ 236,711
Restricted cash	--	100	621,637	--	621,737
Receivables, less allowance for credit losses	--	671,264	9,370,420	--	10,041,684
Retained interests in securitized receivables	--	5,449	11,406	(3,832)	13,023
Affiliated accounts and notes receivable	642,773	1,146,937	1,109,126	(2,883,498)	15,338
Equipment on operating leases, net	--	490,099	187,540	--	677,639
Equipment held for sale	--	12,905	4,138	--	17,043
Investments in consolidated subsidiaries accounted for under the equity method	1,278,920	1,620,525	--	(2,899,445)	--
Goodwill and intangible assets	--	84,573	36,161	--	120,734
Other assets	<u>14,173</u>	<u>847</u>	<u>58,564</u>	<u>--</u>	<u>73,584</u>
<b>TOTAL</b>	<b><u>\$ 1,935,866</u></b>	<b><u>\$ 4,196,732</u></b>	<b><u>\$ 11,471,670</u></b>	<b><u>\$ (5,786,775)</u></b>	<b><u>\$ 11,817,493</u></b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>					
<b>LIABILITIES:</b>					
Short-term debt, including current maturities of long-term debt	\$ --	\$ 123,565	\$ 4,632,118	\$ --	\$ 4,755,683
Accounts payable and other accrued liabilities	14,561	2,163,858	430,892	(2,158,295)	451,016
Affiliated debt	9,512	379,740	916,364	(729,035)	576,581
Long-term debt	<u>650,000</u>	<u>250,649</u>	<u>3,816,518</u>	<u>--</u>	<u>4,717,167</u>
Total liabilities	674,073	2,917,812	9,795,892	(2,887,330)	10,500,447
<b>STOCKHOLDER'S EQUITY</b>	<u>1,261,793</u>	<u>1,278,920</u>	<u>1,675,778</u>	<u>(2,899,445)</u>	<u>1,317,046</u>
<b>TOTAL</b>	<b><u>\$ 1,935,866</u></b>	<b><u>\$ 4,196,732</u></b>	<b><u>\$ 11,471,670</u></b>	<b><u>\$ (5,786,775)</u></b>	<b><u>\$ 11,817,493</u></b>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

	Condensed Statements of Cash Flows for the Three Months Ended March 31, 2012				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Net cash from operating activities	\$ (59)	\$ 8,227	\$ 334,188	\$ 5,909	\$ 348,265
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Cost of receivables acquired	--	(3,443,074)	(4,828,432)	3,952,440	(4,319,066)
Collections of receivables	--	3,620,584	4,046,775	(3,952,886)	3,714,473
Decrease in restricted cash	--	--	148,306	--	148,306
Purchase of equipment on operating leases, net	--	(129,304)	76,884	--	(52,420)
Other investing activities	--	(72)	--	--	(72)
Net cash from investing activities	--	48,134	(556,467)	(446)	(508,779)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Intercompany activity	59	(223,219)	(18,869)	(5,463)	(247,492)
Net increase in indebtedness	--	24,683	25,941	--	50,624
Net cash from financing activities	59	(198,536)	7,072	(5,463)	(196,868)
DECREASE IN CASH AND CASH EQUIVALENTS	--	(142,175)	(215,207)	--	(357,382)
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of period	--	306,208	287,885	--	594,093
End of period	\$ --	\$ 164,033	\$ 72,678	\$ --	\$ 236,711



# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

	Condensed Statements of Income for the Three Months Ended March 31, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
<b>REVENUES</b>					
Interest income on retail and other receivables and finance leases	\$ --	\$ 10,447	\$ 106,562	\$ --	\$ 117,009
Interest income from affiliates	--	26,415	30,381	(26,186)	30,610
Servicing fee income	--	16,739	190	(16,505)	424
Rental income on operating leases	--	22,530	17,750	--	40,280
Other income	--	6,914	10,585	--	17,499
Total revenues	<u>--</u>	<u>83,045</u>	<u>165,468</u>	<u>(42,691)</u>	<u>205,822</u>
<b>EXPENSES</b>					
Interest expense:					
Interest expense to third parties	--	(8,020)	64,625	--	56,605
Interest expense to affiliates	39	31,408	8,124	(26,186)	13,385
Total interest expense	<u>39</u>	<u>23,388</u>	<u>72,749</u>	<u>(26,186)</u>	<u>69,990</u>
Operating expenses:					
Fees charged by affiliates	--	13,021	19,665	(16,505)	16,181
Provision (benefit) for credit losses	--	1,306	(2,249)	--	(943)
Depreciation of equipment on operating leases	--	15,798	12,471	--	28,269
Other expenses	--	15,876	(8,036)	--	7,840
Total operating expenses (income)	<u>--</u>	<u>46,001</u>	<u>21,851</u>	<u>(16,505)</u>	<u>51,347</u>
Total expenses	<u>39</u>	<u>69,389</u>	<u>94,600</u>	<u>(42,691)</u>	<u>121,337</u>
(Loss) income before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(39)	13,656	70,868	--	84,485
Income tax (benefit) provision	(15)	3,786	27,481	--	31,252
Equity in income of consolidated subsidiaries accounted for under the equity method	52,846	42,976	--	(95,822)	--
<b>NET INCOME</b>	52,822	52,846	43,387	(95,822)	53,233
Net income attributed to the noncontrolling interest	--	--	(411)	--	(411)
<b>NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC</b>	<u>\$ 52,822</u>	<u>\$ 52,846</u>	<u>\$ 42,976</u>	<u>\$ (95,822)</u>	<u>\$ 52,822</u>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands)

(Unaudited)

### Condensed Statements of Comprehensive Income for the Three Months Ended March 31, 2011

	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
Net income	\$ 52,822	\$ 52,846	\$ 43,387	\$ (95,822)	\$ 53,233
Other comprehensive income, net of tax					
Foreign currency translation adjustments	--	--	11,710	--	11,710
Defined benefit pensions plans	--	105	--	--	105
Unrealized gains on retained interests	--	(338)	(193)	--	(531)
Derivative financial instruments	--	<u>1,223</u>	<u>2,508</u>	--	<u>3,731</u>
Other comprehensive income, net of tax	--	<u>990</u>	<u>14,025</u>	--	<u>15,015</u>
Comprehensive income	52,822	53,836	57,412	(95,822)	68,248
Less: comprehensive income attributed to the noncontrolling interest	--	--	<u>(411)</u>	--	<u>(411)</u>
Comprehensive income attributable to CNH Capital LLC	\$ <u>52,822</u>	\$ <u>53,836</u>	\$ <u>57,001</u>	\$ <u>(95,822)</u>	\$ <u>67,837</u>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

	Condensed Balance Sheets as of December 31, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Cash and cash equivalents	\$ --	\$ 306,208	\$ 287,885	\$ --	\$ 594,093
Restricted cash	--	100	767,259	--	767,359
Receivables, less allowance for credit losses	--	834,392	8,552,157	--	9,386,549
Retained interests in securitized receivables	--	6,464	15,103	(4,278)	17,289
Affiliated accounts and notes receivable	641,566	1,184,507	1,436,347	(3,068,503)	193,917
Equipment on operating leases, net	--	377,294	270,323	--	647,617
Equipment held for sale	--	27,106	5,025	--	32,131
Investments in consolidated subsidiaries accounted for under the equity method	1,203,432	1,567,061	--	(2,770,493)	--
Goodwill and intangible assets	--	84,720	35,369	--	120,089
Other assets	<u>13,588</u>	<u>33,283</u>	<u>95,236</u>	<u>--</u>	<u>142,107</u>
<b>TOTAL</b>	<b>\$ <u>1,858,586</u></b>	<b>\$ <u>4,421,135</u></b>	<b>\$ <u>11,464,704</u></b>	<b>\$ <u>(5,843,274)</u></b>	<b>\$ <u>11,901,151</u></b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>					
<b>LIABILITIES:</b>					
Short-term debt, including current maturities of long-term debt	\$ --	\$ 160,200	\$ 4,635,835	\$ --	\$ 4,796,035
Accounts payable and other accrued liabilities	6,777	2,265,212	528,047	(2,349,208)	450,828
Affiliated debt	9,453	602,960	930,430	(723,573)	819,270
Long-term debt	<u>650,000</u>	<u>189,331</u>	<u>3,748,442</u>	<u>--</u>	<u>4,587,773</u>
Total liabilities	666,230	3,217,703	9,842,754	(3,072,781)	10,653,906
<b>STOCKHOLDER'S EQUITY</b>	<b><u>1,192,356</u></b>	<b><u>1,203,432</u></b>	<b><u>1,621,950</u></b>	<b><u>(2,770,493)</u></b>	<b><u>1,247,245</u></b>
<b>TOTAL</b>	<b>\$ <u>1,858,586</u></b>	<b>\$ <u>4,421,135</u></b>	<b>\$ <u>11,464,704</u></b>	<b>\$ <u>(5,843,274)</u></b>	<b>\$ <u>11,901,151</u></b>

# CNH CAPITAL LLC AND SUBSIDIARIES

## CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Dollars in thousands) (Unaudited)

	Condensed Statements of Cash Flows for the Three Months Ended March 31, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Net cash from operating activities	\$ (39)	\$ (163,773)	\$ 373,242	\$ 5,587	\$ 215,017
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Cost of receivables acquired	--	(2,952,796)	(3,402,512)	2,620,337	(3,734,971)
Collections of receivables	--	3,143,267	2,936,378	(2,620,913)	3,458,732
Decrease in restricted cash	--	--	98,867	--	98,867
Purchase of equipment on operating leases, net	--	49,814	(65,120)	--	(15,306)
Other investing activities	--	(113)	--	--	(113)
Net cash from investing activities	--	240,172	(432,387)	(576)	(192,791)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Intercompany activity	39	(62,735)	(14,820)	(5,011)	(82,527)
Net decrease in indebtedness	--	(46,464)	(101,808)	--	(148,272)
Net cash from financing activities	39	(109,199)	(116,628)	(5,011)	(230,799)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	--	(32,800)	(175,773)	--	(208,573)
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of period	--	200,287	220,505	--	420,792
End of period	\$ --	\$ 167,487	\$ 44,732	\$ --	\$ 212,219

### NOTE 12: SUBSEQUENT EVENTS

On April 23, 2012, CNH Capital LLC entered into a \$250 million, senior unsecured credit agreement with a consortium of banks. The facility has a term of three years.

On May 30, 2012, the Board of Directors of CNH Global N.V. received a proposal from Fiat Industrial to enter into a combination transaction. Fiat Industrial currently owns approximately 88% of CNH's shares. The Board of Directors of CNH Global N.V. expects to evaluate the proposal through a committee of independent directors which would retain independent financial and legal advisors to assist it. The Board of Directors of CNH Global N.V. has not yet evaluated the proposal and there can be no assurance that the proposal will lead to any definitive offer, that any agreement will be reached or that any transaction will be consummated.

Subsequent events have been evaluated by management through May 30, 2012, the date of issuance of these financial statements.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Overview**

#### ***Organization***

We offer a range of financial products and services to our North American dealers and customers. The principal products offered are retail financing for the purchase or lease of new and used CNH North America equipment and wholesale financing to our dealers. Wholesale financing consists primarily of floor plan financing as well as financing equipment used in dealer-owned rental yards, parts inventory and working capital needs. In addition, we purchase equipment from dealers that is leased to retail customers under operating lease agreements, and we finance customers using our private-label commercial revolving accounts.

#### ***Trends and Economic Conditions***

Our business is closely related to the agricultural and construction equipment industries because we offer financing products for such equipment. CNH North America forecasts full year 2012 industry tractor sales to be 0%-5% better and combines to be flat compared to full year 2011. For construction equipment, CNH North America forecasts full-year 2012 industry sales to increase approximately 20% for light equipment and 15-20% for heavy equipment compared to full year 2011.

In general, our loan mix between agricultural and construction equipment financing directionally reflects the mix of equipment sales by CNH North America. As such, changes in the agricultural industry or with respect to our agricultural equipment borrowers ("farmers") may affect the majority of our lending portfolio.

Overall, the North American agricultural industry has shown stability during the recent economic crisis. During the past five years, farm income in North America has experienced some of its highest historical levels. The relatively fixed supply of North American agricultural farm land combined with the growing demand for food products has been one of the drivers of strong commodity prices and growth in farm equity. The financing we provide to our borrowers is secured by the financed equipment, which typically has a long useful life and is a key component in the farmers' sources of income. All of these factors contribute in part to the strong credit performance of our lending portfolio in recent periods.

Net income attributable to CNH Capital LLC was \$57.2 million for the three months ended March 31, 2012, compared to \$52.8 million for the three months ended March 31, 2011. We generated improved financial margins on a higher average portfolio. The total retail receivables balance 30 days or more past due as a percentage of the retail receivables was 1.2%, 1.0% and 2.1% at March 31, 2012, December 31, 2011 and March 31, 2011, respectively. Market conditions stabilized in the construction and agricultural equipment sectors during the relevant periods.

Macroeconomic issues for the Company include the uncertainty of the global economic recovery, the impact of sovereign and state debt, capital market disruptions, the availability of credit for the Company and its customers, the effectiveness of governmental actions in respect to monetary policies, general economic conditions and financial regulatory reform.

## Results of Operations

### *Three Months Ended March 31, 2012 Compared to Three Months Ended March 31, 2011*

#### *Revenues*

Revenues for the three months ended March 31, 2012 and 2011 were as follows (dollars in thousands):

	2012	2011	\$ Change	% Change
Interest income on retail and other receivables and finance leases	\$ 111,582	\$ 117,009	\$ (5,427)	(4.6)%
Interest income from affiliates	34,993	30,610	4,383	14.3
Servicing fee income	306	424	(118)	(27.8)
Rental income on operating leases	40,342	40,280	62	0.2
Other income	<u>16,040</u>	<u>17,499</u>	<u>(1,459)</u>	(8.3)
Total revenues	\$ <u>203,263</u>	\$ <u>205,822</u>	\$ <u>(2,559)</u>	(1.2)%

Revenues totaled \$203.3 million for the three months ended March 31, 2012 compared to \$205.8 million for the same period in 2011. The decrease was primarily due to the decrease in interest income on retail receivables, partially offset by an increase in interest income from affiliates.

Interest income on retail and other receivables and finance leases for the three months ended March 31, 2012 was \$111.6 million, representing a decrease of \$5.4 million from the same period in 2011. The decrease was primarily due to a \$10.9 million unfavorable impact from lower interest rates on new and existing retail and wholesale receivables, partially offset by a \$5.5 million favorable impact from higher average earning assets.

Interest income from affiliates for the three months ended March 31, 2012 was \$35.0 million compared to \$30.6 million for the three months ended March 31, 2011. The increase was primarily due to higher average earning wholesale assets.

Rental income on operating leases for the three months ended March 31, 2012 was \$40.3 million, an increase of \$0.1 million from the same period in 2011. The increase was due to a \$1.9 million favorable impact from higher average earning assets, partially offset by a \$1.8 million unfavorable impact from lower interest rates on new and existing operating leases.

#### *Expenses*

Interest expense totaled \$65.3 million for the three months ended March 31, 2012 compared to \$70.0 million for the same period in 2011. The decrease was primarily due to lower average interest rates.

Administrative and operating expenses were \$49.5 million for the three months ended March 31, 2012 compared to \$51.3 million for the same period in 2011. The decrease was primarily due to a reduction in fees charged by affiliates.

The provision for credit losses was \$0.6 million for the three months ended March 31, 2012 compared to a benefit of \$0.9 million for the same period in 2011. The increase in provision for credit losses was primarily due to a higher average portfolio.

The effective tax rate was 34.9% for the three months ended March 31, 2012 compared to 37.0% for the same period in 2011. The lower rate in 2012 was due primarily to the geographic mix of earnings that resulted in better utilization of the Company's tax attributes.

*Receivables and Equipment on Operating Leases Originated and Held*

Receivable and equipment on operating lease originations for the three months ended March 31, 2012 and 2011 were as follows (dollars in thousands):

	<b>2012</b>	<b>2011</b>	<b>\$ Change</b>	<b>% Change</b>
Retail receivables	\$ 918,445	\$ 813,153	\$ 105,292	12.9%
Wholesale receivables	3,195,959	2,736,920	459,039	16.8
Other	204,662	184,898	19,764	10.7
Equipment on operating leases	<u>98,590</u>	<u>72,992</u>	<u>25,598</u>	35.1
Total originations	<u>\$ 4,417,656</u>	<u>\$ 3,807,963</u>	<u>\$ 609,693</u>	16.0%

Retail receivables originations increased in the three months ended March 31, 2012 compared to the same period in 2011, primarily due to increases in retail sales of CNH North America equipment. Wholesale receivables originations increased primarily due to an increase in net sales of CNH North America equipment.

Total receivables and equipment on operating leases held as of March 31, 2012, December 31, 2011 and March 31, 2011 were as follows (in thousands):

	<b>March 31, 2012</b>	<b>December 31, 2011</b>	<b>March 31, 2011</b>
Retail receivables	\$ 6,364,455	\$ 6,258,289	\$ 5,755,642
Wholesale receivables	3,505,385	2,972,116	3,017,045
Other	275,142	262,817	280,491
Equipment on operating leases	<u>677,639</u>	<u>647,617</u>	<u>605,662</u>
Total receivables and equipment on operating leases	<u>\$ 10,822,621</u>	<u>\$ 10,140,839</u>	<u>\$ 9,658,840</u>

The total retail receivables balance 30 days or more past due as a percentage of the retail receivables was 1.2%, 1.0% and 2.1% at March 31, 2012, December 31, 2011 and March 31, 2011, respectively. Market conditions stabilized in the construction and agricultural equipment sectors during the relevant periods. The total wholesale receivables balance 30 days or more past due as a percentage of the wholesale receivables was not significant with respect to any of the foregoing periods. Total retail receivables on nonaccrual status, which represent receivables for which we have ceased accruing finance income, were \$60.7 million, \$55.5 million and \$41.1 million at March 31, 2012, December 31, 2011 and March 31, 2011, respectively. Total wholesale receivables on nonaccrual status were \$66.6 million, \$54.4 million and \$65.1 million at March 31, 2012, December 31, 2011 and March 31, 2011, respectively.

Total receivable write-off amounts, net of recoveries, by product for the three months ended March 31, 2012 and 2011 were as follows (in thousands):

	<b>2012</b>	<b>2011</b>
Retail receivables	\$ 2,482	\$ 5,365
Wholesale receivables	(58)	9,057
Other	<u>1,667</u>	<u>3,030</u>
Total write-offs, net of recoveries	<u>\$ 4,091</u>	<u>\$ 17,452</u>

The decrease in retail write-offs is consistent with improved conditions in the construction market and delinquency trends in both the construction and agricultural markets. Higher wholesale write-offs for the three months ended March 31, 2011 were primarily due to losses incurred with one dealer.

Our allowance for credit losses on all receivables financed totaled \$103.3 million at March 31, 2012, \$106.7 million at December 31, 2011 and \$100.0 million at March 31, 2011. The level of the allowance is based on many quantitative and qualitative factors, including historical loss experience by product category, portfolio duration, delinquency trends, economic conditions and credit risk quality. We believe our allowance is sufficient to provide for losses in our existing receivable portfolio.

## Liquidity and Capital Resources

The following discussion of liquidity and capital resources principally focuses on our statements of cash flows, balance sheets and capitalization. The majority of our originated receivables are securitized, and cash generated from such receivables is utilized to pay the related debt. In addition, we have committed secured and unsecured facilities, affiliate borrowing and cash to fund our liquidity and capital needs.

CNH Capital's current funding strategy is to maintain sufficient liquidity and flexible access to a wide variety of financial instruments and funding options. In the past, securitization has been one of our most economical sources of funding, and with our current non-investment grade rating, we expect securitization to continue to represent a substantial portion of our capital structure. In addition to our current funding and liquidity sources, which include a combination of term receivables securitizations, committed asset-backed and unsecured facilities, secured and unsecured borrowings and affiliate funding sources, we expect changes to our funding profile as costs and terms of accessing the unsecured term market improve.

### Cash Flows

	For the Three Months Ended	
	March 31,	
	2012	2011
	(in thousands)	
Cash flows from operating activities	\$ 348,265	\$ 215,017
Cash flows used in investing activities	(508,779)	(192,791)
Cash flows used in financing activities	<u>(196,868)</u>	<u>(230,799)</u>
Net cash used	\$ <u>(357,382)</u>	\$ <u>(208,573)</u>

Operating activities in the three months ended March 31, 2012 generated cash of \$348 million, resulting primarily from net income of \$57 million, a decrease in affiliated accounts and notes receivables of \$179 million and a decrease in other assets and equipment held for sale of \$86 million. The increase of cash generated from operating activities in the three months ended March 31, 2012 compared to the three months ended March 31, 2011 was primarily due to the year over year decrease in affiliated accounts and notes receivables.

Cash flows used in investing activities in the three months ended March 31, 2012 totaled \$509 million, resulting primarily from a net growth in receivables of \$605 million and \$99 million in expenditures for equipment on operating leases, partially offset proceeds from the sale of equipment on operating lease of \$46 million and decrease in restricted cash of \$148 million. The increase of cash used in investing activities in the three months ended March 31, 2012 compared to the three months ended March 31, 2011 was primarily due to a higher growth in receivables and a decrease in restricted cash.

Cash flows used in financing activities in the three months ended March 31, 2012 of \$197 million primarily reflected the net cash payment of \$247 million to reduce affiliated debt and net cash received of \$50 million of long-term debt and short-term borrowings. The increase in cash paid in the three months ended March 31, 2012 compared to the three months ended March 31, 2011 was primarily due to increased payments to reduce affiliated debt.

### Securitization

CNH Capital and its predecessor entities have been securitizing receivables since 1992. Because this market generally remains a cost effective financing source and allows access to a wide investor base, we expect to continue utilizing securitization as one of our core sources of funding in the near future. CNH Capital has completed public and private issuances of asset-backed securities in both the U.S. and Canada and, as of March 31, 2012, the amounts outstanding were approximately \$6.1 billion.

We will strive to continue to tailor our transactions to applicable market conditions while optimizing economic terms and reducing execution risks.



### ***Committed Asset-Backed Facilities***

CNH Capital has committed asset-backed facilities with several banks, primarily through their commercial paper conduit programs. Committed asset-backed facilities for the U.S. and Canada totaled \$3.5 billion at March 31, 2012, with original maturities of one to two years. The excess availability under the facilities varies during the year, depending on origination volume and the refinancing of receivables with term securitization transactions. At March 31, 2012, approximately \$1.2 billion of funding was available for use under these facilities.

### ***Unsecured Financing Transactions***

On April 23, 2012 CNH Capital LLC entered into a \$250 million, senior unsecured credit agreement with a consortium of banks. The facility has a term of three years.

### ***Other Financing Transactions***

CNH Capital has also met some of its funding needs through financing opportunities such as bank loans secured by various receivables, third-party direct sale transactions and private short-term lending agreements.

### ***Affiliate Sources***

CNH Capital borrows, as needed, from CNH. This source of funding is primarily used to finance various on-book assets and provides additional flexibility when evaluating market conditions and potential third-party financing options. We have obtained financing from Fiat Industrial treasury subsidiaries and, from time to time, have entered into term loan agreements. At March 31, 2012, affiliated debt was \$0.6 billion, down from \$0.8 billion at December 31, 2011.

### ***Equity Position***

Our equity position also supports our capabilities to access various funding sources. Our stockholder's equity at March 31, 2012 was \$1.3 billion, compared to \$1.2 billion at December 31, 2011.

### ***Liquidity***

The vast majority of CNH Capital's debt is self-liquidating from the cash generated by the underlying amortizing receivables. Normally, additional liquidity should not be necessary for the repayment of such debt. New originations of retail receivables are usually warehoused in committed asset-backed facilities until being refinanced in the term ABS market or with other third-party debt. New wholesale receivables are typically financed through a master trust and funded by variable funding notes ("VFNs") or in the term ABS market. As of March 31, 2012, CNH Capital had excess availability under these programs to fund new originations of both retail and wholesale receivables. Cash and commitments under the facilities shown in the table below totaled \$4.5 billion, of which \$1.5 billion was available for use at March 31, 2012.

	<b>(in thousands)</b>
Cash, cash equivalents and restricted cash	\$ 858,448
Committed asset-backed facilities	3,539,082
Committed unsecured facility	<u>100,000</u>
Total cash and facilities	4,497,530
Less: restricted cash	621,737
Less: facilities utilization	<u>2,334,268</u>
Total available for use	\$ <u>1,541,525</u>

The liquidity available for use varies due to changes in origination volumes, reflecting the financing needs of our customers, and is influenced by the timing of any refinancing of underlying receivables.

In connection with a limited number of funding transactions, CNH Capital America LLC provides financial guarantees to various parties on behalf of certain foreign CNH Financial Services subsidiaries, in an amount not to exceed \$300.8 million as of March 31, 2012.

### *Cautionary Note Regarding Forward-Looking Statements*

All statements other than statements of historical fact contained in this quarterly report, including statements regarding our competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, capital expenditures, capital structure or other financial items; costs; and plans and objectives of management regarding operations, products and services, are forward-looking statements. These statements may include terminology such as “may,” “will,” “expect,” “could,” “should,” “intend,” “estimate,” “anticipate,” “believe,” “outlook,” “continue,” “remain,” “on track,” “design,” “target,” “objective,” “goal,” or similar terminology.

Our outlook is predominantly based on our interpretation of what we consider to be key economic assumptions and involves risks and uncertainties that could cause actual results to differ (possibly materially) from such forward-looking statements. Macro-economic factors including monetary policy, interest rates, currency exchange rates, inflation, deflation, credit availability and government intervention in an attempt to influence such factors may have a material impact on our customers and the demand for our services. The demand for CNH’s products and, in turn, our products and services is influenced by a number of factors, including, among other things: general economic conditions; demand for food; commodity prices, raw material and component prices and stock levels; net farm income levels; availability of credit; developments in biofuels; infrastructure spending rates; housing starts; commercial construction; seasonality of demand; changes and uncertainties in the monetary and fiscal policies of various governmental and regulatory entities; the ability to maintain key dealer relationships; currency exchange rates and interest rates; pricing policies by CNH or its competitors; political, economic and legislative changes; and the other risks described in “Risk Factors.” Some of the other significant factors that may affect our results include our access to credit, restrictive covenants in our debt agreements, actions by rating agencies concerning the ratings on our debt and asset-backed securities and the credit ratings of CNH Global and Fiat Industrial, risks related to our relationship with Fiat Industrial, weather, climate change and natural disasters, actions taken by our competitors, the effect of changes in laws and regulations, the results of legal proceedings and employee relations.

Furthermore, in light of recent difficult economic conditions, both globally and in the industries in which we operate, it is particularly difficult to forecast our results and any estimates or forecasts of particular periods that we provide are uncertain. We can give no assurance that the expectations reflected in our forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in these forward-looking statements. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by the factors we disclose that could cause our actual results to differ materially from our expectations. We undertake no obligation to update or revise publicly any forward-looking statements.

## **Critical Accounting Policies and Estimates**

See our critical accounting policies and estimates discussed in our annual report for the year ended December 31, 2011 under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 2 to our audited consolidated financial statements included in such annual report. There were no material changes to these policies or estimates during the three months ended March 31, 2012.

## **New Accounting Pronouncements**

There were no new accounting standards adopted during the three months ended March 31, 2012.

## **CONTROLS AND PROCEDURES**

### **Disclosure Controls and Procedures**

Under the supervision, and with the participation, of our management, including our President and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2012. Based on that evaluation, our President and Chief Financial Officer concluded that the disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by us is recorded, processed, summarized and reported within the required time periods and that such information is accumulated and communicated to our management, including our President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### **Changes in Internal Control over Financial Reporting**

There has been no change in our internal control over financial reporting during the three months ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **LEGAL PROCEEDINGS**

CNH Capital is party to various litigation matters and claims arising from its operations. Management believes that the outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on CNH Capital’s financial position or results of operations.

## **RISK FACTORS**

Our Annual Report for the year ended December 31, 2011 includes a detailed discussion of our risk factors under the caption “Risk Factors”. These risks should be considered in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and the other risks described in the Cautionary Note Regarding Forward-Looking Statements in this quarterly report. The risks described in our annual report and this quarterly report are not the only risks faced by us. Additional risks and uncertainties not currently known to us or that are currently judged to be immaterial may also materially affect our business, financial condition or operating results.

## **MINE SAFETY DISCLOSURES**

Not applicable.

## **OTHER INFORMATION**

On May 30, 2012, the Board of Directors of CNH Global N.V. received a proposal from Fiat Industrial to enter into a combination transaction. Fiat Industrial currently owns approximately 88% of CNH’s shares. The Board of Directors of CNH Global N.V. expects to evaluate the proposal through a committee of independent directors which would retain independent financial and legal advisors to assist it. The Board of Directors of CNH Global N.V. has

not yet evaluated the proposal and there can be no assurance that the proposal will lead to any definitive offer, that any agreement will be reached or that any transaction will be consummated.

**LIST OF EXHIBITS**

12      Computation of Ratio of Earnings to Fixed Charges

**COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**

For the three months ended March 31, 2012 and 2011, the computation of ratios of earnings to fixed charges is as follows (dollars in thousands):

	Three Months Ended March 31,	
	2012	2011
<b>Earnings:</b>		
Income before taxes	\$ 88,440	\$ 84,485
<b>Add:</b>		
Fixed charges	65,341	70,024
Amortization of capitalized interest	--	--
<b>Less:</b>		
Interest capitalized	--	--
Earnings	\$ <u>153,781</u>	\$ <u>154,509</u>
<b>Fixed charges</b>		
Interest expense inclusive of amortized premiums, discounts and capitalized expenses related to indebtedness	\$ 65,316	\$ 69,990
Interest capitalized	--	--
Estimate of the interest component of rental expense	<u>25</u>	<u>34</u>
Fixed charges	\$ <u>65,341</u>	\$ <u>70,024</u>
Ratio of earnings to fixed charges	2.35	2.21