Annual Report of
CNH CAPITAL LLC
For the Fiscal Year Ended December 31, 2011

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact contained in this annual 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 which 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.

BUSINESS

Overview

CNH Capital LLC and its wholly owned operating subsidiaries, including New Holland Credit Company, LLC, CNH Capital America LLC and CNH Capital Canada Ltd. (CNH Capital LLC together with its consolidated subsidiaries, "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 Global" and, together with its consolidated subsidiaries, "CNH"). CNH Global is incorporated in and under the laws of The Netherlands.

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 the outstanding common shares of CNH Global through its wholly-owned subsidiary, Fiat Netherlands Holding B.V. ("Fiat Netherlands"). Fiat Industrial is a corporation organized under the laws of the Republic of Italy whose stock is traded on the Milan stock exchange. The Fiat Industrial Group's three sectors design, produce and sell trucks, commercial vehicles, buses and special vehicles, tractors and agricultural and construction equipment, in addition to engines and transmissions for those vehicles and engines for marine applications.

On January 1, 2011, Fiat S.p.A. ("Fiat" and, together with its subsidiaries, the "Fiat Group") effected a "demerger" under Article 2506 of the Italian Civil Code. Pursuant to the demerger, Fiat transferred its ownership interest in Fiat Netherlands to a new holding company, Fiat Industrial, including Fiat's indirect ownership of CNH Global, as well as Fiat's truck and commercial vehicles business and its industrial and marine powertrain business. Consequently, as of January 1, 2011, CNH Global became a subsidiary of Fiat Industrial. In connection with the demerger transaction, shareholders of Fiat received shares of the capital stock of Fiat Industrial. Accordingly, as of January 1, 2011 Fiat Industrial owned approximately 89% of the outstanding common shares of CNH Global through Fiat Netherlands.

CNH manufactures agricultural and construction equipment. CNH Capital provides financial services for CNH America and CNH Canada Ltd. (collectively, "CNH North America") customers located primarily in the United States and Canada. To support CNH North America's sales of agricultural and construction equipment products, CNH Capital offers wholesale financing to CNH North America equipment dealers and retail financing to end-use customers. Wholesale financing consists primarily of dealer floorplan financing and allows dealers the ability to maintain a representative inventory of products. In addition, CNH Capital provides financing to dealers for equipment used in dealer-owned rental yards, parts inventory, working capital, and other financing needs. CNH Capital provides and administers retail financing, primarily retail installment sales contracts and finance leases, to end-use customers for the purchase or lease of new and used CNH North America equipment and other agricultural and construction equipment sold through CNH North America dealers and distributors. In addition, CNH Capital purchases equipment from dealers that is leased to retail customers under operating lease agreements. Customers also use CNH Capital's private-label revolving charge accounts to purchase parts, service, rentals, implements, and attachments from CNH North America dealers. CNH Capital also finances a variety of insurance and equipment protection products offered by CNH Capital Insurance Agency, Inc. in the United States and CNH Capital Canada Insurance Agency Ltd. in Canada (collectively "CNH Capital Insurance") for end users and dealers in conjunction with the purchase of new and used equipment. As a captive finance company, CNH Capital is reliant on the operations of CNH North America, its dealers, and end-use customers.

CNH Capital competes primarily with banks, finance companies, and other financial institutions. Typically, this competition is based upon financial products and services offered, customer service, financial terms and interest rates charged. CNH Capital's long-term profitability is largely dependent on the cyclical nature of the agricultural and construction equipment industries and on prevailing interest rates.

CNH

CNH is a global, full-line company in the agricultural and construction equipment industries, with strong and often leading positions in many geographic and product categories in both of these industries. CNH's global scope and scale includes integrated engineering, manufacturing, marketing and distribution of equipment on five continents. CNH organizes its operations into three business segments: agricultural equipment, construction equipment and Financial Services.

CNH markets its products globally through two well-recognized brand families, Case and New Holland. Case IH (along with Steyr in Europe) and New Holland make up the agricultural brand family. Case and New Holland Construction (along with Kobelco in North America) make up the construction equipment brand family. As of December 31, 2011, CNH was manufacturing products in 37 facilities throughout the world and distributing products in approximately 170 countries through a network of approximately 11,300 dealers and distributors.

In agricultural equipment, CNH believes it is one of the leading global manufacturers of agricultural tractors and combines based on units sold, and has leading positions in hay and forage equipment and specialty harvesting equipment. In construction equipment, CNH believes it has a leading position in backhoe loaders and a strong position in skid steer loaders in North America and crawler excavators in Western Europe. In addition, each brand provides a wide range of replacement parts and services to support its equipment. For the year ended December 31, 2011, CNH sales of agricultural equipment represented 73% of total revenues, sales of construction equipment represented 20% of total revenues and revenue generated by Financial Services represented 7% of total revenues.

CNH believes that it is the most geographically diversified manufacturer and distributor of agricultural and construction equipment in these industries. For the year ended December 31, 2011, 42% of net sales of equipment were generated in North America, 32% in Europe, Africa, the Middle East and the Commonwealth of Independent States, 16% in Latin America and 10% in Asia Pacific. CNH's worldwide manufacturing base includes facilities in Europe, Latin America, North America and Asia.

Relationship with CNH North America

CNH Capital is a key financing source for CNH North America end-use customers and dealers. As a captive finance business, we provide critical financing support for CNH North America equipment sales. CNH North America, CNH's manufacturing entity, offers subsidized financing programs such as low-rate or interest-free periods and other sales incentive programs. We participate in and receive reimbursement for these programs, which often allow us to offer financing to customers at advantageous interest rates or other terms.

Because the use of equipment is typically a key component in producing the end users' source of income, these end users rely heavily on the CNH North America dealer network for replacement equipment purchases, as well as parts and service for existing equipment. CNH Capital supports the relationship between the end users and dealers by providing various financial products and assistance to CNH North America dealers.

CNH Capital's revenue is generated primarily through the profitability of its lending portfolio and the income generated through marketing programs with CNH North America. The size of the lending portfolio is related in part to the level of equipment sales by CNH North America, which is driven in part by the strength of the agricultural and construction markets. The portfolio profitability also is linked to the credit quality of the borrowers, the value of collateral, and the interest rate environment.

The credit quality of the lending portfolio reflects the underwriting standards of CNH Capital, which are developed internally and independent of CNH North America. Retail borrowers are generally commercial enterprises and, in many cases, have had a previous borrowing relationship with CNH Capital. Retail receivables are secured by the purchased equipment, which generally has a longer useful life than the term of the receivable. Wholesale financings are likewise secured by the equipment purchased by the dealer.

Maintaining access to various funding sources at competitive rates is a key component of CNH Capital's business strategy.

CNH Capital funds its operations and lending activity through a combination of term receivables securitizations, committed asset-backed facilities, unsecured facilities, secured borrowings, unsecured borrowings, asset sales, affiliate financing and retained earnings. CNH Capital continues to explore ways to diversify sources of funding.

In addition to portfolio quality and funding costs, CNH Capital's long-term profitability is also dependent on service levels and operational effectiveness. CNH Capital performs billing and collection services, customer support, repossession and remarketing functions, reporting and data management operations and marketing activities.

CNH Capital LLC and CNH Global entered into a support agreement, dated November 4, 2011, pursuant to which CNH Global has agreed to, among other matters, (a) make cash capital contributions to CNH Capital LLC, to the extent that such payments are necessary to cause the ratio of (i) net earnings available for fixed charges to (ii) fixed charges of CNH Capital LLC and its subsidiaries to be not less than 1.05 for each fiscal quarter of CNH Capital LLC (with such ratio determined, on a consolidated basis and in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), for such fiscal quarter and the immediately preceding three fiscal quarters taken as a whole), (b) generally maintain an ownership of at least fifty-one percent (51%) of the capital stock of CNH Capital LLC having voting power for the election of directors or managers and (c) cause CNH Capital LLC to have, as at the end of any fiscal quarter, a consolidated tangible net worth of at least $50 million. CNH Global is required to cure, directly or indirectly, any deficiency in the ratio of net earnings available for fixed charges to fixed charges or in the consolidated tangible net worth not later than 90 days following the end of the fiscal quarter in which the deficiency occurred. This support agreement is not intended to be and is not a guarantee by CNH Global of any indebtedness or other obligation of CNH Capital LLC. The obligations of CNH Global to CNH Capital LLC pursuant to this support agreement are to CNH Capital LLC only and do not run to, and are not enforceable directly by, any creditor of CNH Capital LLC. No payment by CNH Global was required under this support agreement since its inception.

Products and Services

CNH Capital's financing products are categorized into three main sectors: Retail, Wholesale and Other.

Retail Products and Operations

Retail financing products primarily include installment sales contracts and finance leases to end-use customers. CNH Capital also provides servicing and collection operations for these products.

Retail Installment Sales Contracts and Finance Leases

CNH Capital provides and administers retail financing, primarily retail installment sales contracts and finance leases, to end-use customers for the purchase or lease of new and used CNH North America equipment or other agricultural and construction equipment sold through CNH North America dealers and distributors. In addition, CNH Capital leases equipment to retail customers under operating lease agreements. The terms of retail contracts, finance leases and operating leases (collectively, "receivables") generally range from two to six years, and interest rates on the receivables vary depending on prevailing market interest rates and certain incentive programs offered by CNH North America.

As part of the credit review process, CNH Capital analyzes data regarding the applicant using a credit scoring model that was internally developed by CNH Capital. The model is based on CNH Capital's experience using variables that historically have been predictive of future receivable performance. CNH Capital uses the same credit criteria regardless of the type of receivable or whether the related receivable will be purchased by CNH Capital from a dealer, take the form of a direct receivable payable to CNH Capital from an equipment purchaser, ultimately be sold to a third party, or held on the books of CNH Capital.

CNH Capital requires each prospective customer to complete a credit application that lists the applicant's credit sources, demographic and personal information, and when appropriate the applicant's income, expenses and net worth. In most cases, CNH Capital obtains a credit bureau report on the applicant, or its principals, from an independent credit bureau or checks credit references, which are typically banks, finance companies or suppliers that have furnished credit to the applicant.

The current guidelines that determine the amount that CNH Capital will finance vary based on the applicant's credit history, the type of equipment financed, whether the equipment is new or used, the payment schedule and the payment period. The amount financed may also include the cost of insurance and equipment protection products offered through CNH Capital Insurance, which contribute to maintaining the value of the equipment, as well as taxes and administrative and filing fees. We do not finance an amount in excess of the total purchase price of the equipment, including actual taxes incurred and the cost of insurance and equipment protection products and administrative and filing fees, unless specifically approved by an authorized credit underwriter with the appropriate approval authority.

Retail Servicing and Collections

Retail servicing and collection activities for CNH Capital LLC are generally performed through its subsidiary, New Holland Credit Company, LLC.

When receivables become delinquent, CNH Capital follows a multi-stage collection process. Receivables are considered delinquent as soon as any payment is one day past due. Past due accounts are assigned to collection queues and normal collection procedures are followed. Collectors are generally assigned to specific geographic areas and work closely with local dealers to gather insight into any known regional or borrower difficulties. CNH Capital may consider a change in the payment schedule for a receivable when the delinquency results from a temporary interruption in the customer's cash flow, such as a delay in harvesting due to weather conditions. Given the importance of the equipment to the customer, and based on studies of historical performance data, CNH Capital has determined that providing for limited payment schedule changes ultimately results in a lower loss rate.

If a delinquency cannot be resolved, further actions will be taken, including using outside cash collection agencies, repossessing and selling the equipment, and pursuing customer deficiencies. Sale of repossessed equipment is performed through our equipment remarketing operations, as described below.

Wholesale Products and Operations

CNH Capital extends credit to CNH North America dealers based upon established credit limits. Currently, credit is extended to approximately 1,230 dealers with approximately 2,300 locations in North America.

Dealers may establish lines of credit to finance purchases of new and used agricultural and construction equipment and new parts. These agreements provide CNH Capital with a first priority security interest in the equipment and parts and possibly other collateral. A majority of dealers also provide a personal or corporate guaranty. The amount of the credit lines offered to an existing dealer or a prospective dealer is based upon, among other things, such dealer's expected annual sales, effective net worth, utilization of existing credit lines and inventory turnover. The amount of credit available to a dealer is reviewed on a regular basis, which is usually annually, and such amount is adjusted when appropriate by CNH Capital.

Under the standard terms of CNH Capital's wholesale finance agreements, receivables typically have interest-free periods of up to twelve months and stated original maturities of up to twenty-four months, with repayment accelerated upon the sale of the underlying equipment by the dealer to the end user. The length of these interest-free periods is determined based on the type of equipment sold and the time of year of the sale. During the interest-free period, the Company is compensated by CNH North America for the difference between market interest rates and the amount paid by the dealer. After the interest-free period, CNH Capital begins to assess the dealer interest and will require the dealer to make certain principal curtailment payments.

CNH Capital evaluates and assesses dealers on an ongoing basis as to their credit worthiness, and conducts audits of dealer equipment inventories on a regular basis. The timing of each audit visit is varied and no advance notice is given. Under some circumstances, such as delinquent payments or a deterioration of the dealer's financial condition, CNH Capital may classify a dealer as under credit watch status, upon which CNH Capital will approve any additional extensions of credit on a case-by-case basis and may assume control of equipment or parts releases to such dealer. If a dealer receives payment for selling a piece of equipment, but does not repay the amounts owed on the equipment as required, then the dealer is considered to have sold the equipment out of trust. Selling equipment out of trust is a breach of the wholesale financing agreement between the dealer and CNH Capital. In the event of a dealer default or dealer contract termination, CNH North America may be obligated to repurchase all new equipment. There were no material losses in 2011 or 2010 relating to the termination of dealer contracts.

Other Products

Commercial Revolving Accounts

CNH Capital offers private-label commercial revolving account ("CRA") products, which can be used to purchase parts, service, rentals, implements and attachments predominantly from CNH North America dealers. These CRA products are not a general purpose credit card. CNH Capital is responsible for underwriting and approving customer accounts and has engaged unaffiliated entities to provide other processing and collection services.

Insurance

CNH Capital finances a variety of insurance and equipment protection products, including physical damage insurance, extended service coverage, and credit life insurance, for end users and dealers in conjunction with the purchase of new and used equipment, through CNH Capital Insurance. CNH Capital Insurance is contracted as an agent for third-party insurers and assumes no insurance risk in these transactions.

Equipment Remarketing Operations

CNH Capital disposes of repossessed equipment, equipment returned at the end of a lease and certain other equipment through its internal remarketing operations. CNH Capital owns and operates a website that lists and sells equipment globally to registered dealers and wholesalers. Generally, the net return realized on equipment sold via the website is higher than it would be if sold via a public auction. Nearly all of the remarketed equipment is sold through the Company's internal remarketing channels.

Competition

CNH Capital's financing products and services are intended to be competitive with those available from third parties. The Company competes primarily with banks, finance companies, and other financial institutions. Typically, this competition is based upon financial products and services offered, customer service, financial terms and interest rates charged. In addition, some of our competitors may be eligible to participate in government programs providing access to capital at more favorable rates, which may create a competitive disadvantage for CNH Capital.

CNH Capital believes that its strong, long-term relationship with the dealers and end-use customers and the ease-of-use of our products provides a competitive edge over other third-party financing options. In addition, the marketing programs offered by CNH North America have a positive influence on the proportion of CNH's equipment sales that are financed by CNH Capital.

Employees

At December 31, 2011, CNH Capital had approximately 500 employees, none of which were represented by unions.

RISK FACTORS

The following risks should be considered in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 13 and the other risks described in the Cautionary Note Regarding Forward-Looking Statements on page i. These risks may affect our operating results and, individually or in the aggregate, could cause our actual results to differ materially from past and anticipated future results. Except as may be required by law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise.

Risks Related to Our Indebtedness and Liquidity

Credit rating changes could affect our cost of funds.

Our access to, and cost of, funding depends on, among other things, the credit ratings of us, our parent CNH, our asset-backed securitization ("ABS") transactions and Fiat Industrial. The rating agencies may change our credit ratings or take other similar actions, which could affect our access to the capital markets and the cost and terms of future borrowings and, therefore, could adversely affect our financial position and results of operations.

We have significant outstanding indebtedness, which may limit our ability to obtain additional funding and limit our financial and operating flexibility.

As of December 31, 2011, we had an aggregate of $10.2 billion of consolidated indebtedness and our equity was $1.2 billion.

The extent of our indebtedness could have important consequences to our operations and financial results, including:

- we may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- we may need to use a portion of our projected future cash flow from operations to pay principal and interest on our indebtedness, which may reduce the amount of funds available to us for other purposes;
- we may be more financially leveraged than some of our competitors, which could put us at a competitive disadvantage;
- we may not be able to adjust rapidly to changing market conditions, which may make us more vulnerable to a downturn in general economic conditions or our business; and
- we may not be able to access the capital markets on favorable terms, which may adversely affect our ability to provide competitive retail and wholesale financing programs.

Restrictive covenants in our debt agreements could limit our financial and operating flexibility.

The indentures governing our outstanding indebtedness, and other credit agreements to which we are a party, contain covenants that restrict our ability and/or that of our subsidiaries to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- use assets as security in other transactions;
- enter into sale and leaseback transactions; and
- sell certain assets or merge with or into other companies.

In addition, we are required to maintain certain coverage levels for leverage and EBITDA.

Our ability to meet any of these restrictive covenants may be affected by events beyond our control, which could result in material adverse consequences that negatively impact our business, results of operations and financial position. We cannot assure you that we will continue to comply with each restrictive covenant at all times, particularly if we were to encounter challenging and volatile market conditions.

Risks Related to Our Business, Strategy and Operations

Reduced demand for equipment would reduce the opportunities for us to finance equipment.

Our business is largely dependent upon the demand for CNH North America’s products and its customers’ willingness to enter into financing or leasing arrangements with respect thereto, which may be negatively affected by challenging global economic conditions. As a result, a significant and prolonged decrease in demand for CNH North America’s products could have a material adverse effect on our business, financial position, results of operations and cash flows. Our primary business is to provide retail and wholesale financing alternatives for CNH North America’s products to CNH North America’s customers and dealers. The demand for CNH North America’s products and our financing products and services is influenced by a number of factors, including:

- general economic conditions, including shifts in key economic indicators such as gross domestic product;
- demand for food;
- commodity 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;
- CNH North America's ability to maintain key dealerships;
- currency exchange rates and interest rates;
- pricing policies by CNH North America or its competitors; and
- political, economic and legislative changes.

In the equipment industry, changes in demand can occur suddenly, resulting in imbalances in inventories, product capacity, and prices for new and used equipment. If fewer pieces of equipment are sold, CNH Capital will be presented with fewer opportunities to finance equipment.

Change in support from CNH North America.

We participate in certain marketing programs sponsored by CNH North America that allow us to offer financing to customers at advantageous interest rates or other terms. This support from CNH North America provides a material competitive advantage in offering financing to customers of CNH North America's products. Any elimination or reduction of these marketing programs, which affects our ability to offer competitively priced financing to customers, in turn could reduce the percentage of CNH North America's products financed by us and could have a material adverse effect on our business, financial condition, results of operations and cash flows. CNH North America also provides us with other types of operational and administrative support, such as human resources and legal assistance. CNH North America also provides a portion of our funding. Any change in support from CNH North America could negatively impact our results of operations.

Customer Credit Risk and Collateral Valuation.

Fundamental to any organization that extends credit is the credit risk associated with its customers. The creditworthiness of each customer, and the rates of delinquencies, repossessions and net losses relating to customer loans are impacted by many factors, including:

- relevant industry and general economic conditions;
- the availability of capital;
- changes in interest rates;
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- weather; and
- the value of the collateral securing the extension of credit.

A deterioration in the quality of our financial assets, an increase in delinquencies or a reduction in collateral recovery rates could have an adverse impact on our performance. These risks become more acute in any economic slowdown or recession due to decreased demand for (or the availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in foreclosures and losses. In such circumstances, our loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.

When loans default and we repossess collateral securing the repayment of the loan, our ability to sell the collateral to recover or mitigate losses is subject to the market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment on the market. They are also dependent upon the strength of the general economy and the strength or weakness of market demand for new and used agricultural and construction equipment. In addition, repossessed collateral may be in poor condition, which would reduce its value.

Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry wide decrease in demand for agricultural or construction equipment could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting our financial position and results of operations.

Changes in interest rates and market liquidity.

Changes in interest rates and market liquidity conditions could have a material adverse effect on our earnings and cash flows. Because a significant number of our receivables are generated at fixed interest rates, our business is subject to fluctuations in interest rates. Changes in market interest rates may influence our financing costs, returns on financial investments and the valuation of derivative contracts and could reduce our earnings and/or cash flow. We also rely on the debt capital markets and a variety of funding programs to provide liquidity for our operations, including committed asset-backed and unsecured facilities and the issuance of secured and unsecured debt. Significant changes in market liquidity conditions could impact our access to funding and the associated funding costs and reduce our earnings and cash flow.

Although we manage interest rate and market liquidity risks with a variety of techniques, including a match funding program, the selective use of derivatives and a diversified funding program, there can be no assurance that fluctuations in interest rates and market liquidity conditions will not have a material adverse effect on our earnings and cash flow. If any of the variety of instruments and strategies we use to hedge our exposure to these various types of risk are ineffective, we may incur losses.

Funding Risk.

We have traditionally relied upon the ABS market and committed asset-backed facilities as a primary source of funding and liquidity. Access to funding at competitive rates is essential to our business. From mid-2007 through 2009, events occurred in the global financial market, including weakened financial condition of several major financial institutions, problems related to subprime mortgages and other financial assets, the devaluation of various assets in secondary markets, the forced sale of asset-backed and other securities by certain investors, and the lowering of ratings on certain ABS transactions, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS market adversely affected our ability to sell receivables on a favorable or timely basis. Similar conditions in the future could have an adverse effect on our financial position, results of operations and cash flow.

To maintain competitiveness in the capital markets and to promote the efficient use of various funding sources, additional reserve support was added to certain previously issued ABS transactions. Such optional support may be required to maintain credit ratings assigned to certain transactions if loss experiences are higher than anticipated. The provision of additional reserve support could have an adverse effect on our financial position, results of operations and cash flow.

Repurchase Risk.

In connection with our ABS transactions, we make customary representations and warranties regarding the assets being securitized, as disclosed in the related offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by our trusts to require us to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on our financial position, results of operations and cash flow.

Regulatory Risk.

Our operations are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are also subject to various laws and judicial and administrative decisions and interpretations imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers' insurance coverage;
- require disclosure to customers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon us, or applicable laws prohibit interest rates we charge from rising to a level commensurate with risk and market conditions, such events could adversely affect our business and our financial position and results of operations.

Potential Impact of Dodd-Frank Act.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was signed into law in July 2010. The various requirements of the Dodd-Frank Act, including the many implementing regulations yet to be released, may substantially affect our origination, servicing and securitization programs. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and capital market activities by the SEC and increases the regulation of the securitization markets through, among other things, a mandated risk retention requirement for securitizers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organizations. While we will continue to monitor these developments and their impact on our access to the ABS market, these and future SEC regulations may impact our ability to engage in these activities or increase the effective cost of asset-backed transactions in the future, which could adversely affect our financial position, results of operations and cash flow.

Market Risk.

We hold retained interests in securitization transactions, which we refer to collectively as retained interests. We carry these retained interests at estimated fair value, which we determine 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. We are required to recognize declines in the value of our retained interests, and resulting charges to income or equity, when their fair value is less than carrying value. The portion of the decline, from discount rates exceeding those in the initial deal, is charged to equity. All other credit related declines are charged to income. Assumptions used to determine fair values of retained interests are based on internal evaluations and, although we believe our methodology is reasonable, actual results may differ from our expectations. Our current estimated valuation of retained interests may change in future periods, and we may incur additional impairment charges as a result.

Weather, climate change, and natural disasters can impact our operations and our results.

Poor or unusual weather conditions, particularly in the spring, can significantly affect purchasing decisions of CNH North America's potential customers and therefore affect our ability to finance equipment purchases. In addition, natural disasters such as tornadoes, hurricanes, earthquakes, floods, droughts and other forms of severe weather in an area in which we finance equipment purchases could have an adverse effect on our customers and their ability to repay debt.

Competitive activity, or failure by us to respond to actions by our competitors, could adversely affect our results of operations.

We operate in a highly competitive environment, with financing for users of CNH North America equipment available through a variety of sources, such as banks, finance companies and other financial institutions. Our operations may be unable to compete successfully due to the inability to access capital on favorable terms, or due to issues relating to funding resources, products, licensing or other governmental regulations, and the number, type and focus of services offered. In addition, some of our competitors may be eligible to participate in government programs providing access to capital at favorable rates for which we are ineligible, which may put us at a competitive disadvantage. The success of our business also depends on our ability to develop, produce and market quality products and services that meet our customers' needs. Increasing competition may adversely affect our business if we are unable to match the products and services of our competitors. If we are unable to effectively compete, our financial position and results of operations will suffer.

Adverse economic conditions could place a financial strain on our dealers and adversely affect our operating results.

Global economic conditions continue to place financial stress on many of our dealers. Dealer financial difficulties may impact their equipment financing and inventory management decisions, as well as their ability to provide services to their customers purchasing our equipment. Accordingly, additional financial strains on members of our dealer network resulting from current or future economic conditions could adversely impact our financial position and results of operations.

A decrease in the residual value of the equipment that we lease could adversely affect our results.

Declines in the residual value of equipment leased by us may reduce our earnings. We recognize the residual value of leased equipment, which is the estimated future wholesale market value of leased equipment at the time of the expiration of the lease term. We estimate the residual value of leased equipment at the inception of the lease based on a number of factors, including historical wholesale market sales prices, past remarketing experience and any known significant market/product trends. If estimated future market values significantly decline due to economic factors, obsolescence or other adverse circumstances, we may not realize such residual value, which could reduce our earnings, either through an increase in depreciation expense or a decrease in finance revenue.

Our business operations may be impacted by various types of claims, lawsuits, and other contingent obligations.

We are involved in various lawsuits and other legal proceedings that arise in the ordinary course of our business. We estimate such potential claims and contingent liabilities and, where appropriate, establish reserves to address these contingent liabilities. The ultimate outcome of the legal matters pending against us or our subsidiaries is uncertain. Further, we could in the future become subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on our results of operations in any particular period. In addition, while we maintain insurance coverage with respect to certain claims, we may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

Potential conflicts of interest with Fiat Industrial.

As of December 31, 2011, Fiat Industrial owned, indirectly through Fiat Netherlands, approximately 88% of the outstanding common shares of CNH Global. CNH Global is the indirect owner of 100% of CNH Capital. As long as Fiat Industrial continues to own shares representing more than 50% of the combined voting power of CNH Global's capital stock, it will be able to direct the election of all of the members of CNH Global's board of directors and determine the outcome of all matters submitted to a vote of the shareholders. Circumstances may arise in which the interests of Fiat Industrial could be in conflict with the interests of other debt and equity security holders of CNH Global or any of its subsidiaries, including CNH Capital. In addition, Fiat Industrial may pursue certain transactions that in its view will enhance its equity investment, even though such transactions may not be viewed as favorably by other debt and equity security holders of CNH Global or any of its subsidiaries, including CNH Capital.

Fiat Industrial provides financing to us. In the recent past, due to the then existing capital markets crisis and its material adverse impact on the ABS markets, we relied more heavily upon financing provided by Fiat. In the event of a repeat of the severe downturn in the ABS markets, we might need to again look to other financing sources, including Fiat Industrial, though Fiat Industrial would have no obligation to provide such financing.

We believe our business relationships with Fiat Industrial can offer economic benefits to us; however, Fiat Industrial's ownership of our corporate parent's capital stock and its ability to direct the election of directors could create, or appear to create, potential conflicts of interest when Fiat Industrial is faced with decisions that could have different implications for Fiat Industrial, CNH and CNH Capital.

Our participation in cash management pools exposes us to Fiat Industrial Group credit risk.

We participate in a group-wide cash management system with other companies within the Fiat Industrial Group, including CNH America and CNH Canada Ltd. Our positive cash deposits with Fiat Industrial, if any, are either invested by Fiat Industrial treasury subsidiaries in highly rated, highly liquid money market instruments or bank deposits, or may be applied by Fiat Industrial treasury subsidiaries to meet the financial needs of other Fiat Industrial Group members and vice versa. While we believe participation in such Fiat Industrial treasury subsidiaries' cash management pools provides us with financial benefits, it exposes us to Fiat Industrial credit risk.

In the event of a bankruptcy or insolvency of Fiat Industrial (or any other Fiat Industrial Group member, including CNH America and CNH Canada Ltd., in the jurisdictions with set off agreements) or in the event of a bankruptcy or insolvency of the Fiat Industrial entity in whose name the deposit is pooled, we may be unable to secure the return of such funds to the extent they belong to us, and we may be viewed as a creditor of such Fiat Industrial Group entity with respect to such deposits. It is possible that our claims as a creditor could be subordinated to the rights of third-party creditors in certain situations. If we are not able to recover our deposits, our financial position and results of operations may be materially impacted.

Our financial statements may be impacted by changes in accounting standards.

Our financial statements are subject to the application of U.S. GAAP, which are periodically revised. At times, we are required to adopt new or revised accounting standards issued by recognized bodies. It is possible such changes could have a material adverse effect on our reported results of operations or financial position. See "Note 2: Summary of Significant Accounting Policies" to our consolidated financial statements for the year ended December 31, 2011 for additional information on the adoption of new accounting guidance.

Data security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers and business partners, and personally identifiable information of our customers and employees, in our data centers and on our networks. The secure processing, maintenance, and transmission of this information by us and any contracted third parties is critical to our operations. We have not experienced any significant known or threatened data security incidents to date and we employ and seek to improve security measures and initiatives designed to reduce the impact of such risk. Despite our security measures and initiatives, our information technology and infrastructure may be subject to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise our networks and the information stored could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure or other loss could result in legal claims or proceedings and harm our business and reputation.

PROPERTIES

Our principal executive offices are located at 5729 Washington Avenue, Racine, WI 53406. We also maintain the following offices:

Location	Primary Function	Tenant	Ownership Status
Burlington, ON	Office	CNH Capital Canada Ltd.	Leased
New Holland, PA	Office	New Holland Credit Company, LLC	Leased from New Holland North America, Inc.
Racine, WI	Office	CNH Capital LLC	Leased from CNH America

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.

MINE SAFETY DISCLOSURES

Not applicable.

MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDERS MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

All of CNH Capital LLC’s equity interests are owned by CNH America, which is indirectly wholly-owned by CNH Global. There is currently no established trading market for CNH Capital LLC’s equity interests.

In 2011 and 2010, CNH Capital LLC declared and paid cash dividends of $85 million and $295 million, respectively, to CNH America.

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 customers and dealers. The principal products offered are retail financing for the purchase or lease of new and used CNH 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.

As of the beginning of 2010, we adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities ("VIEs"). As a significant portion of our securitization trusts and facilities were no longer exempt from consolidation under the new accounting guidance, we were required to consolidate their receivables and related liabilities.

As we adopted the guidance prospectively, the financial statements prepared for the year ended December 31, 2010 and for subsequent periods reflect the new accounting requirements, but the financial statements for periods ended on or before December 31, 2009 reflected the accounting guidance applicable during those periods. Our statements of income for the year ended December 31, 2010 and for subsequent periods no longer reflect securitization income and initial gains or losses on new securitization transactions, but include interest income and other income associated with the securitized receivables, and interest expense associated with the debt issued from the securitization trusts and facilities. Therefore, 2011 and 2010 results and balances are not comparable to prior period results and balances. In addition, because our new securitization transactions that do not meet the requirements for derecognition under the new guidance are accounted for as secured borrowings rather than asset sales, the cash flows from these transactions are presented as cash flows from financing transactions in 2011 and 2010 rather than cash flows from operating or investing activities.

Trends and Economic Conditions

Our business is closely related to the agricultural and construction equipment industries because we offer financing products for such equipment. For the year ended December 31, 2011, CNH agricultural equipment sales increased 23% compared to the year ended December 31, 2010. CNH construction equipment sales increased 32% for the year ended December 31, 2011 compared to the year ended December 31, 2010.

In general, our receivable mix between agricultural and construction equipment financing directionally reflects the mix of equipment sales by CNH. 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 global 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 related equipment, which typically has a long useful life and is a key component in the operation of a farmer's business. 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 $200.0 million for the year ended December 31, 2011, compared to $160.6 million for the year ended December 31, 2010. Net interest margin improved in 2011 due to a higher average portfolio. In addition, there was a $43.5 million reduction in the provision for credit losses in 2011 compared to 2010. Delinquent retail receivables greater than 30 days past due were 1.0% of our retail receivables at December 31, 2011, 103 bps lower than the December 31, 2010 level. The delinquency improvement was a key factor in the provision reduction in 2011. Significant further reductions in the delinquency rate are not expected.

During 2011, we entered into two unsecured funding transactions. In November 2011, CNH Capital completed a private offering of $500 million in aggregate principal amount of its 6.250% notes due 2016 issued at par. In July 2011, CNH Capital entered into a $250 million five-year unsecured credit facility consisting of a $150 million term facility and a $100 million revolving credit facility.

We expect to further diversify our funding sources and expand our investor base as part of our strategy to create a stand-alone funding profile and achieve investment grade credit ratings.

Our business and operations are also significantly affected by macroeconomic conditions, including, among other things, the uncertainty of the global economic recovery, the repayment capabilities of sovereign and state governments, capital market disruptions, the availability of credit for us and our customers, the effectiveness of governmental actions in respect to monetary policies, general economic conditions and financial regulatory reform.

Results of Operations

Year Ended December 31, 2011 Compared to Year Ended December 31, 2010

Revenues

Revenues for the years ended December 31, 2011 and 2010 were as follows (dollars in thousands):

	Year Ended December 31,			
	2011	2010	$ Change	% Change
Interest income on retail and other receivables and finance leases	$ 454,874	$ 494,759	$ (39,885)	(8.1)%
Interest income from affiliates	138,944	126,902	12,042	9.5
Gain on retail, wholesale and revolving credit notes sold	--	38	(38)	N/M
Servicing fee income	1,747	3,340	(1,593)	(47.7)
Rental income on operating leases	164,247	163,262	985	0.6
Other income	71,187	75,250	(4,063)	(5.4)
Total revenues	$ 830,999	$ 863,551	$ (32,552)	(3.8)%

Revenues totaled $831.0 million for the year ended December 31, 2011 compared to $863.6 million for the year ended December 31, 2010. The decrease was primarily due to the decrease in interest income on retail and wholesale receivables.

Interest income on retail and other receivables and finance leases for the year ended December 31, 2011 was $454.9 million, a decrease of $39.9 million from the year ended December 31, 2010. The decrease was primarily due to a $54.5 million unfavorable impact from lower interest rates on new and existing retail and wholesale receivables, partially offset by a $14.6 million favorable impact from higher average earning assets. The annualized average yield was 6.8% for the year ended December 31, 2011 compared to 7.1% for the year ended December 31, 2010.

Interest income from affiliates for the year ended December 31, 2011 was $138.9 million compared to $126.9 million for the year ended December 31, 2010. The increase was primarily due to higher average earning wholesale assets.

Rental income on operating leases for the year ended December 31, 2011 was $164.2 million, an increase of $0.9 million from the year ended December 31, 2010. The increase was primarily due to a $5.8 million favorable impact in higher average earning assets, partially offset by a $4.9 million unfavorable impact from lower interest rates.

Expenses

Interest expense totaled $268.8 million for the year ended December 31, 2011 compared to $313.0 million for the year ended December 31, 2010. The decrease was primarily due to lower average interest rates, partially offset by an increase in average total debt.

Administrative and operating expenses were $242.6 million for the year ended December 31, 2011 compared to

$303.0 million for the year ended December 31, 2010. The decrease was primarily due to a reduction of $43.5 million in the provision for credit losses and a reduction of $7.5 million in depreciation of equipment on operating leases.

The provision for credit losses for the year ended December 31, 2011 totaled $32.9 million compared to $76.4 million for the year ended December 31, 2010. The decrease was primarily due to lower loss rates on construction equipment retail receivables and improvements in the delinquency rates of the retail portfolio.

The provision for income taxes was $118.1 million in 2011 (for a 36.9% effective rate) compared to $85.1 million in 2010 (for a 34.4% effective rate). The increase in the effective tax rate was primarily due to the geographic mix of income earned within the U.S.

Receivables and Equipment on Operating Leases Originated and Held

Receivables and equipment on operating lease originations and balances held for the years ended December 31, 2011 and 2010 were as follows (dollars in thousands):

	Originations			Balance at December 31,		
	2011	2010	% Change	2011	2010	% Change
Retail receivables	$3,777,794	$3,292,071	14.8%	$6,258,289	$5,708,497	9.6%
Wholesale receivables	13,308,030	11,507,312	15.6	2,972,116	2,757,048	7.8
Other	951,084	934,259	1.8	262,817	280,398	(6.3)
Equipment on operating leases	386,361	356,902	8.3	647,617	613,893	5.5
Total receivables and equipment on operating leases	$18,423,269	$16,090,544	14.5%	$10,140,839	$9,359,836	8.3%

Retail receivables originations increased in 2011 compared to 2010, primarily due to increases in retail sales of CNH equipment. Wholesale receivables originations increased primarily due to an increase in net sales of CNH equipment.

The total retail receivables balance 30 days or more past due as a percentage of the retail receivables portfolio was 1.0% and 2.1% at December 31, 2011 and 2010, respectively. The total wholesale receivables balance 30 days or more past due as a percentage of the wholesale receivables portfolio was not significant with respect to either of the foregoing periods. Total retail receivables on non-accrual status, which represent receivables for which we have ceased accruing finance income, were $55.5 million and $51.4 million at December 31, 2011 and 2010, respectively. Total wholesale receivables on non-accrual status, were $54.4 million and $62.3 million at December 31, 2011 and 2010, respectively.

Total receivable write-off amounts, net of recoveries, by product, for the 2011 and 2010 fiscal years were as follows (in thousands):

	Year Ended December 31,	
	2011	2010
Retail receivables	$21,920	$60,282
Wholesale receivables	12,166	11,248
Other	9,339	14,605
Total write-offs, net of recoveries	$43,425	$86,135

The decrease in retail write-offs in 2011 was consistent with improved conditions in the construction market and favorable delinquency trends in both the agricultural and construction equipment loan portfolios compared to 2010.

Our allowance for credit losses on all receivables financed totaled $106.7 million at December 31, 2011 and $118.7 million at December 31, 2010. 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.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

As referred to above, effective January 1, 2010 we adopted Accounting Standards Codification ("ASC") 860, *Transfers and Servicing*, formerly SFAS No. 166, *Accounting for Transfers of Financial Assets, an amendment of FASB Statement No. 140*, and ASC 810, *Consolidations*, formerly SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*. As a result, our reported results for 2010 are not comparable to our reported results for 2009 under U.S. GAAP. We have therefore highlighted the impact of the change in accounting in the following discussion.

Revenues

Revenues for the years ended December 31, 2010 and 2009 were as follows (dollars in thousands):

	Year Ended December 31,			
	2010	2009	$ Change	% Change
Interest income on retail and other receivables and finance leases	$494,759	$236,237	$258,522	109.4%
Interest income from affiliates	126,902	55,500	71,402	128.7
Gain on retail, wholesale and revolving credit notes sold	38	147,461	(147,423)	N/M
Servicing fee income	3,340	57,941	(54,601)	(94.2)
Rental income on operating leases	163,262	155,851	7,411	4.8
Other income	75,250	49,210	26,040	52.9
Total revenues	$863,551	$702,200	$161,351	23.0%

Revenues totaled $863.6 million for the year ended December 31, 2010 compared to $702.2 million for the year ended December 31, 2009. The increase was primarily due to the change in accounting guidance in January 2010 (approximately $230 million), offset by lower interest rates on retail receivables and lower average receivables. Interest income, interest expense, provision for credit losses and other operating expenses specific to receivables that were previously reported as off-book are now reported as on-book.

Interest income on retail and other receivables and finance leases for the year ended December 31, 2010 was $494.8 million, an increase of $258.5 million from the year ended December 31, 2009. The increase was primarily due to the change in accounting ($366 million), partially offset by a $78.2 million unfavorable impact of lower interest rates on new and existing retail and wholesale receivables along with a $28.8 million unfavorable impact of lower average receivables (mostly construction equipment). The annualized average yield was 7.1% for the year ended December 31, 2010 compared to 7.5% for the year ended December 31, 2009.

Gain on retail, wholesale and revolving credit notes sold for 2010 was immaterial compared to $147.5 million for the year ended December 31, 2009, primarily due to our new accounting guidance related to VIEs.

Servicing fee income for the year ended December 31, 2010 was $3.3 million compared to $57.9 million for the year ended December 31, 2009. The decrease was primarily due to our new accounting guidance related to VIEs.

Rental income on operating leases for the year ended December 31, 2010 was $163.3 million, an increase of $7.4 million from the year ended December 31, 2009. The increase was primarily due to a $6.0 million favorable impact in higher average earning assets and a $1.4 million favorable impact from higher interest rates.

Expenses

Interest expense totaled $313.0 million for the year ended December 31, 2010 compared to $180.1 million for the year ended December 31, 2009. The increase was primarily due to the change in accounting ($251 million), offset by a reduction in the cost of funds in 2010. This reduction was primarily driven by lower base rates and spreads and, to a lesser extent, a reduction in average assets in 2010.

Administrative and operating expenses were $303.0 million for the year ended December 31, 2010 compared to $354.0 million for the year ended December 31, 2009. The decrease was primarily due to a decrease in the impairments of retained interest driven by our new accounting guidance related to VIEs.

The provision for credit losses for the year ended December 31, 2010 totaled $76.4 million compared to $88.9 million for the year ended December 31, 2009. The decrease was primarily due to lower write-offs of construction equipment retail receivables ($65 million) and lower losses on the commercial revolving accounts ($9 million), partially offset by increases in risk in our Ag input receivables portfolio ($23 million) and the change in accounting ($46 million).

The provision for income taxes was $85.1 million in 2010 (for a 34.4% effective rate) compared to $52.3 million in 2009 (for a 31.1% effective rate). The increase in the effective tax rate was primarily due to the geographic mix of income earned within the U.S.

Receivables and Equipment on Operating Leases Originated and Held

Receivables and equipment on operating lease originations and balances held for the years ended December 31, 2010 and 2009 were as follows (dollars in thousands):

	Originations			Balance at December 31,		
	2010	2009	% Change	2010	2009	% Change **
Retail receivables	$3,292,071	$2,847,859	15.6%	$5,708,497	$1,552,343	N/M
Wholesale receivables	11,507,312	9,585,662	20.0	2,757,048	700,749	N/M
Other	934,259	912,623	2.4	280,398	235,772	N/M
Equipment on operating leases	356,902	260,047	37.2	613,893	600,700	N/M
Total receivables and equipment on operating leases	$16,090,544	$13,606,191	18.3%	$9,359,836	$3,089,564	N/M

** Note: The percentage change in receivables balance between 2009 and 2010 is not meaningful given the change in accounting treatment in 2010.

Retail receivables originations increased in 2010 compared to 2009, primarily due to increases in retail sales of CNH agricultural equipment.

The total retail receivables balance 30 days or more past due as a percentage of the retail receivables portfolio was 2.1% and 3.8% at December 31, 2010 and 2009, respectively. The total wholesale receivables balance 30 days or more past due as a percentage of the wholesale receivables portfolio was not significant with respect to any of the foregoing periods. Total retail receivables on non-accrual status, which represent receivables for which we have ceased accruing finance income, were $51.4 million and $82.2 million at December 31, 2010 and 2009, respectively. Total wholesale receivables on non-accrual status were $62.3 million and $67.6 million at December 31, 2010 and 2009, respectively.

Total receivable write-off amounts, net of recoveries, by product, for the 2010 and 2009 fiscal years were as follows (in thousands):

	Year Ended December 31,	
	2010	2009
Retail receivables	$60,282	$28,357
Wholesale receivables	11,248	2,890
Other	14,605	17,091
Total write-offs, net of recoveries	$86,135	$48,338

Our allowance for credit losses on all receivables financed totaled $118.7 million at December 31, 2010 and $73.2 million at December 31, 2009. This increase in the allowance was primarily due to the change in accounting guidance.

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. In addition to our offering of unsecured notes in November 2011 and our access to unsecured committed bank facilities, we continue to evaluate financing alternatives to diversify our funding base.

Cash Flows

	For the Years Ended December 31,		
	2011	2010	2009
		(in thousands)	
Cash flows provided by (used in):			
Operating activities	$ 465,102	$ 357,027	$ 205,836
Investing activities	(966,553)	(556,891)	1,902,044
Financing activities	674,752	222,641	(1,879,306)
Net cash increase (decrease)	$ 173,301	$ 22,777	$ 228,574

Operating activities in 2011 generated $465 million of cash, resulting primarily from net income of $202 million, adjusted by depreciation and amortization of $112 million and deferred income tax expense of $59 million. The increase of cash generated from operating activities in 2011 compared to 2010 was primarily due to the increase in net income of $39 million and a $114 million improvement in working capital. At the beginning of 2010, we adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of VIEs. Under this guidance, certain securitization transactions were accounted for as secured borrowings rather than asset sales. The increase of cash generated from operating activities in 2010 compared to 2009 was primarily due to the increase in net income of $47 million and the reduction of gains on retail, wholesale and revolving credit notes sold due to the new accounting guidance.

Cash flows used by investing activities in 2011 totaled $967 million, resulting from a net growth in receivables of $819 million and $386 million in expenditures for equipment on operating leases, partially offset by proceeds from the sale of equipment on operating leases of $238 million. Cash flows used by investing activities in 2010 totaled $557 million, resulting from a new growth in receivables of $278 million, $357 million in expenditures for equipment on operating leases, and a $146 million increase in restricted cash, partially offset by proceeds from the sale of equipment on operating lease of $226 million. The increase in cash flows used by investing activities for 2011 compared to 2010 was primarily due to an increase in the net growth in receivables. The $1.9 billion in cash generated by investing activities in 2009 primarily related to securitizations in 2009. The cash flows from these securitization transactions were presented as investing activities in 2009 and as financing activities in 2010 and 2011.

Cash provided by financing activities in 2011 of $675 million primarily reflected the $5,579 million issuance of long term debt, revolving credit facilities and affiliated debt, offset by a payment of $4,819 million to reduce long term and affiliated debt and a payment of $85 million of cash dividends to CNH America. Cash provided by financing activities in 2010 of $223 million primarily reflected the net $1,074 million issuance of long term debt and revolving credit facilities, offset by a net payment of $556 million to reduce affiliated debt and a payment of $295 million of cash dividends to CNH America. The increase in cash provided by financing activities in 2011 compared to 2010 was primarily due to a reduction in dividends paid of $210 million and net cash from funding transactions. Cash flows used by financing activities in 2009 of $1,879 million primarily reflected the net payment of $1,078 million to reduce affiliated debt, a net $652 million payment of long term debt and revolving credit facilities, and a payment of $150 million of cash dividends to CNH America.

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 December 31, 2011, the amounts outstanding were approximately $6.4 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 $3.4 billion at December 31, 2011, 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 December 31, 2011, approximately $1.1 billion of funding was available for use under these facilities.

Unsecured Financing Transactions

During 2011, CNH Capital completed two unsecured funding transactions. In November 2011, CNH Capital completed a private offering of $500 million in aggregate principal amount of its 6.250% notes, issued at par. These notes will mature on November 1, 2016. In July 2011, CNH Capital entered into a $250 million five-year unsecured credit facility consisting of a $150 million term facility and a $100 million revolving credit facility with a final maturity in July 2016.

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 December 31, 2011, affiliated debt was $0.8 billion, down from $1.6 billion at December 31, 2010.

Our equity position also supports our capabilities to access various funding sources. Our stockholder’s equity at December 31, 2011 was $1.2 billion, compared to $1.1 billion at December 31, 2010.

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 December 31, 2011, 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 $4.9 billion, of which $1.8 billion was available for use at December 31, 2011.

	(in thousands)
Cash, cash equivalents and restricted cash	$ 1,361,452
Committed asset-backed facilities	3,417,250
Committed unsecured facility	100,000
Total cash and facilities	4,878,702
Less: Restricted cash	767,359
Less: Facilities utilization	2,327,472
Available for use	$ 1,783,871

The liquidity available for use varies seasonally 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 $292.3 million as of December 31, 2011.

Debt

Our consolidated debt as of December 31, 2011 and 2010 is set forth in the table below (in thousands):

	2011	2010
Short-term debt (including current maturities of long-term debt)	$ 4,796,035	$ 3,875,932
Long-term debt	4,587,773	4,043,897
Total third-party debt	9,383,808	7,919,829
Affiliated debt	819,270	1,567,107
Total debt	$ 10,203,078	$ 9,486,936

The majority of our debt is secured third-party financing, including borrowings under committed asset-backed facilities and issuance of term securitization transactions.

Cash, Cash Equivalents and Restricted Cash

The following table shows cash and cash equivalents and restricted cash as of December 31, 2011 and 2010 (in thousands):

	2011	2010
Cash and cash equivalents	$ 594,093	$ 420,792
Restricted cash	767,359	773,254
Total cash	$ 1,361,452	$ 1,194,046

Cash and cash equivalents and restricted cash are comprised of all highly liquid investments with short-term original maturities. Cash and cash equivalents on December 31, 2011 were $594.1 million compared to $420.8 million on December 31, 2010. The increase in cash and cash equivalents was primarily due to an increase in debt.

Restricted cash is principally held by depository banks in order to comply with securitization contractual agreements, such as providing cash reserve accounts for the benefit of securitization investors. Restricted cash remained flat, with $767.4 million on December 31, 2011 compared to $773.3 million on December 31, 2010.

Off-Balance Sheet Arrangements

We disclose our off-balance sheet arrangements in the notes to our consolidated financial statements. For more information, please see “Note 3: Receivables” to our consolidated financial statements for the year ended December 31, 2011.

Contractual Obligations

The following table sets forth the aggregate amounts of our contractual obligations and commitments as of December 31, 2011 with definitive payment terms that will require significant cash outlays in the future.

		Payments Due by Period				
		Total	Less than 1 year	1-3 years	4-5 years	After 5 years
				(in thousands)		
Long-term debt	(1)	$ 7,583,080	$ 2,995,307	$ 2,752,610	$ 1,795,223	$ 39,940
Interest on fixed rate debt	(2)	528,386	132,821	239,817	155,748	--
Interest on floating rate debt	(2)	303,746	62,196	123,168	117,554	828
Operating leases	(3)	10,000	2,000	6,000	2,000	--
Total contractual obligations		$ 8,425,212	$ 3,192,324	$ 3,121,595	$ 2,070,525	$ 40,768

(1) Includes current maturities of long-term debt of $2,995,307.

(2) The interest funding requirements are based on the 2011 interest rates and the assumption that short-term debt will be renewed for the next five years.

(3) Minimum rental commitments.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses during the reported periods. Actual results may differ from these estimates under different assumptions and conditions. Our critical accounting policies and estimates, which require management assumptions and complex judgments, are summarized below.

Allowance for Credit Losses

The allowance for credit losses is established to cover probable losses for receivables owned by us and consists of two components, depending on whether or not 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 we have determined we will likely 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 receivable’s effective interest rate or the fair value of the collateral for collateral-dependent 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 performing receivables that have incurred losses 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 values, portfolio balance and dealer risk ratings. The loss forecast models are updated on a quarterly basis to incorporate information reflecting the current economic environment.

The total allowance for credit losses at December 31, 2011 and 2010 was $106.7 million and $118.7 million, respectively. Management's ongoing evaluation of the adequacy of the allowance for credit losses takes into consideration past loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of underlying collateral and current economic conditions.

While management believes it has exercised prudent judgment and applied reasonable assumptions, there can be no assurance that, in the future, changes in economic conditions or other factors will not cause changes in the financial condition of our customers. If the financial condition of some of our customers deteriorates, the timing and level of payments received could be impacted and, therefore, could result in a change to our ultimate losses on the current portfolio.

Equipment on Operating Lease Residual Values

We purchase equipment from our dealers and other independent third parties and lease such equipment to retail customers under operating leases. Income from these operating leases is recognized over the term of the lease. Our decision on whether or not to offer lease financing to customers is based, in part, upon estimated residual values of the leased equipment, which are estimated at the lease inception date and periodically updated. Realization of the residual values, a component in the profitability of a lease transaction, is dependent on our ability to market the equipment at lease termination under the then prevailing market conditions. We continually evaluate whether events and circumstances have impacted the estimated residual values of equipment on operating leases. Although realization is not assured, management believes that the estimated residual values are realizable.

Total operating lease residual values at December 31, 2011 and 2010 were $498.2 million and $460.8 million, respectively.

Estimates used in determining end-of-lease market values for equipment on operating leases significantly impact the amount and timing of depreciation expense. If future market values for this equipment were to decrease 10% from our present estimates, the total impact would be to increase our depreciation expense on equipment on operating leases by approximately $49.8 million. This amount would be charged to depreciation expense during the remaining lease terms such that the net investment in operating leases at the end of the lease terms would be equal to the revised residual values. Initial lease terms generally range from three to four years.

Tax Contingencies

We are periodically subject to audits of our various income tax returns by taxing authorities. These audits review tax filing positions, including the allocation of income among our tax jurisdictions. Some of our tax positions could be challenged by the taxing authorities. The estimate of our tax contingencies requires the use of judgment to estimate the exposure associated with our various tax filing positions. Although management believes that the judgments and estimates are reasonable, actual results could differ, and we may be exposed to gains or losses that could be material. An unfavorable tax settlement would likely require use of our cash and may result in an increase in our effective income tax rate in the period of resolution. A favorable tax settlement may also require the use of cash but would reduce our effective tax rate in the period of resolution. See "Note 8: Income Taxes" in the notes to our consolidated financial statements for the year ended December 31, 2011 for further details.

New Accounting Pronouncements

See "Note 2: Summary of Significant Accounting Policies" in the notes to our consolidated financial statements for the year ended December 31, 2011 for further details.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks, primarily changes in interest rates. We monitor our exposure to these risks, and manage the underlying economic exposures on transactions using financial instruments such as forward contracts, interest rate swaps, interest rate caps and forward starting swaps. We do not hold or issue derivatives or other financial instruments for speculation purposes or to hedge translation risks. See "Note 9: Financial Instruments" in the notes to our consolidated financial statements for the year ended December 31, 2011 for a description of our risk management and the methods and assumptions used to determine the fair values of financial instruments.

Interest Rate Risk

We are exposed to market risk from changes in interest rates. We monitor our exposure to this risk and manage the underlying exposure both through the matching of financial assets and liabilities and through the use of financial instruments, including swaps, caps, forward starting swaps, and forward rate agreements for the net exposure. The instruments aim to stabilize funding costs by managing the exposure created by the differing maturities and interest rate structures of our financial assets and liabilities. We do not hold or issue derivative or other financial instruments for speculative purposes.

We monitor interest rate risk to achieve a predetermined level of matching between the interest rate structure of our financial assets and liabilities. Fixed-rate financial instruments, including receivables, debt, ABS certificates and other investments, are segregated from floating-rate instruments in evaluating the potential impact of changes in applicable interest rates. A sensitivity analysis was performed to compute the impact on fair value which would be caused by a hypothetical 10% change in the interest rates used to discount each category of financial assets and liabilities. The net impact on the fair value of the financial instruments and derivative instruments held as of December 31, 2011 and 2010, resulting from a hypothetical 10% change in interest rates, would be approximately $2.5 million and $11.3 million, respectively. For the sensitivity analysis the financial instruments are grouped according to the currency in which financial assets and liabilities are denominated and the applicable interest rate index. As a result, our interest rate risk sensitivity model may overstate the impact of interest rate fluctuations for such financial instruments, as consistently unfavorable movements of all interest rates are unlikely.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements are included in this annual report beginning on page F-1.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We engaged Ernst & Young LLP to replace Deloitte & Touche LLP as our independent auditors effective March 2011. There were no disagreements or reportable events requiring disclosure pursuant to Item 304(b) of Regulation S-K.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision, and with the participation, of our management, including the President and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2011. Based on that evaluation, the 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 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 December 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

OTHER INFORMATION

None.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young LLP, the member firms of Ernst & Young and their respective affiliates (collectively, the "Ernst & Young Entities") were appointed to serve as our independent auditors for the year ended December 31, 2011. Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates (collectively, the "Deloitte Entities") were appointed to serve as our independent auditors for the year ended December 31, 2010. We incurred the following fees for professional services performed by the Ernst & Young Entities and the Deloitte Entities for the years ended December 31, 2011 and 2010, respectively:

	2011	2010
Audit fees	$ 519,000	$ 677,000
Audit-related fees	871,000	866,000
Tax fees	--	--
Total	$ 1,390,000	$ 1,543,000

"Audit Fees" are the aggregate fees billed by the Ernst & Young Entities in 2011 and the Deloitte Entities in 2010 for the audit of our consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements. "Audit-related fees" are fees charged by the Ernst & Young Entities in 2011 and the Deloitte Entities in 2010 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees." This category comprises fees for the audit of agreed-upon procedure engagements and other attestation services subject to regulatory requirements. "Tax Fees" are fees for professional services rendered by the Ernst & Young Entities in 2011 and the Deloitte Entities in 2010 for tax compliance and tax advice on actual or contemplated transactions

Audit Committee's pre-approval policies and procedures

As a wholly-owned subsidiary of CNH Global, audit and non-audit services provided by our independent auditors are subject to CNH Global's Audit Committee pre-approval policies and procedures as described in the annual report on Form 20-F of CNH Global for the year ended December 31, 2011. During the year ended December 31, 2011, all audit and non-audit services provided by our independent auditors were pre-approved in accordance with such policies and procedures.

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are included as part of this annual report:

1. Financial Statements and Financial Statement Schedules

Our consolidated financial statements are included in this annual report beginning on page F-1.

2. Exhibits

The following documents are included as exhibits to this annual report.

Exhibit No.	Description
3.1	Certificate of Formation of CNH Capital LLC
3.2	Amended and Restated Limited Liability Company Agreement of CNH Capital LLC
4.1	Indenture, dated as of November 4, 2011, by and among CNH Capital LLC, as issuer, the Guarantors named therein and Wells Fargo Bank, National Association, as trustee, regarding 6.250% Notes due 2016
4.2	Form of 6.250% Note due 2016 (included in Exhibit 4.1)
4.3	Registration Rights Agreement, dated November 4, 2011, by and among CNH Capital LLC, the Guarantors named therein, Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and BNP Paribas Securities Corp
10.1	Support Agreement, dated as of November 4, 2011, by and between CNH Capital LLC and CNH Global N.V.
10.2	Third Amended and Restated Wholesale and Parts CNH Capital Financing Agreement, dated November 3, 2011, by and between CNH America LLC and CNH Capital America LLC
10.3	Amended and Restated Wholesale and Parts CNH Capital Financing Agreement, dated November 3, 2011, by and between CNH Canada Ltd. and CNH Capital Canada Ltd.
10.4	Employment Agreement, dated April 6, 2009, by and between Steve C. Bierman and CNH America LLC
12.1	Statement regarding computation of ratio of earnings to fixed charges
21.1	Subsidiaries of CNH Capital LLC

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS
CNH CAPITAL LLC AND SUBSIDIARIES

Schedules Omitted

The following schedules are omitted because of the absence of conditions under which they are required or because the required information is included in the Notes to the Consolidated Financial Statements:

I, II, III, IV and V

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholder of CNH Capital LLC:

We have audited the accompanying consolidated balance sheet of CNH Capital LLC and subsidiaries (the "Company") as of December 31, 2011, and the related consolidated statements of income, comprehensive income, cash flows and changes in stockholder's equity for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CNH Capital LLC and subsidiaries as of December 31, 2011, and the results of their operations and their cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, on January 1, 2010, the Company changed its method of accounting and reporting for transfers of financial assets and consolidation of variable interest entities and applied the reporting requirements on a prospective basis.

As discussed in Note 16 to the consolidated financial statements, in 2011 the Company began to follow U.S. generally accepted accounting principles applicable to public companies as defined by the applicable accounting standards and related Securities and Exchange Commission regulations. As a result, the Company retrospectively adjusted previous periods' consolidated financial statements to account for income taxes on the separate return basis as if the Company had not been eligible to be included in a consolidated tax return with its parent.

/s/ ERNST & YOUNG LLP
Milwaukee, Wisconsin

March 29, 2012

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of CNH Capital LLC:

We have audited the accompanying consolidated balance sheet of CNH Capital LLC and subsidiaries (the "Company") as of December 31, 2010, and the related consolidated statements of income, comprehensive income, cash flows, and changes in stockholder's equity for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CNH Capital LLC and subsidiaries as of December 31, 2010, and the results of their operations and their cash flows for the years ended December 31, 2010 and 2009, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, on January 1, 2010, the Company changed its method of accounting and reporting for transfers of financial assets and consolidation of variable interest entities and applied the reporting requirements on a prospective basis.

As discussed in Notes 2 and 16 to the consolidated financial statements, the Company has changed its method of presenting comprehensive income in 2011 due to the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2011-05, *Presentation of Comprehensive Income.* The change in presentation has been applied retrospectively to all periods presented.

As discussed in Note 16 to the consolidated financial statements, the Company has begun to follow accounting principles generally accepted in the United States of America applicable to public companies as defined by the applicable accounting standards and related Securities and Exchange Commission regulations. As a result, the accompanying 2010 and 2009 consolidated financial statements have been retrospectively adjusted to account for income taxes on the separate return basis as if the Company had not been eligible to be included in a consolidated tax return with its parent, and to present condensed consolidating financial information.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin
May 12, 2011 (March 29, 2012 as to the effects of the changes described in Note 16)

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(In thousands)

	2011	2010	2009
REVENUES:			
Interest income on retail and other notes and finance leases	$ 454,874	$ 494,759	$ 236,237
Interest income from affiliates	138,944	126,902	55,500
Gain on retail, wholesale and revolving credit notes sold	--	38	147,461
Servicing fee income	1,747	3,340	57,941
Rental income on operating leases	164,247	163,262	155,851
Other income	71,187	75,250	49,210
Total revenues	830,999	863,551	702,200
EXPENSES:			
Interest expense:			
Interest expense to third parties	224,189	232,448	77,568
Interest expense to affiliates	44,645	80,584	102,564
Total interest expense	268,834	313,032	180,132
Operating expenses:			
Fees charged by affiliates	62,945	61,464	57,192
Provision for credit losses	32,853	76,394	88,942
Other than temporary impairment of retained interests	815	4,108	37,468
Depreciation of equipment on operating leases	110,314	117,848	116,169
Other expenses	35,651	43,158	54,278
Total operating expenses	242,578	302,972	354,049
Total expenses	511,412	616,004	534,181
INCOME BEFORE TAXES	319,587	247,547	168,019
Income tax provision	118,053	85,067	52,301
NET INCOME	201,534	162,480	115,718
Net income attributed to the noncontrolling interest	(1,488)	(1,861)	(2,442)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 200,046	$ 160,619	$ 113,276

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

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHESIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(In thousands)

	2011	2010	2009
Net income	$ 201,534	$ 162,480	$ 115,718
Other comprehensive income			
Foreign currency translation adjustments	(12,012)	20,260	43,601
Defined benefit pension plans:			
Pension liability adjustment, (net of tax benefit of $178, tax expense of $301 and tax benefit of $172, respectively)	(388)	486	(278)
Unrealized gains on retained interests:			
Unrealized gains on retained interests, (net of tax benefit of $1,739 and tax expense of $2,112 and $11,469, respectively)	(2,602)	3,407	20,141
Derivative financial instruments:			
Losses reclassed to earnings (net of tax benefit of $8,110, $13,805 and $14,067, respectively)	9,326	20,711	19,526
Losses deferred (net of tax benefit $8,535, $10,459 and $4,644, respectively)	(11,250)	(15,848)	(6,032)
Other comprehensive (loss) income	(16,926)	29,016	76,958
Comprehensive income	184,608	191,496	192,676
Less: comprehensive income attributable to the noncontrolling interest	(1,488)	(1,861)	(2,442)
Comprehensive income attributable to CNH Capital LLC	$ 183,120	$ 189,635	$ 190,234

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

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2011 AND 2010
(In thousands)

	2011	2010
ASSETS		
Cash and cash equivalents	$ 594,093	$ 420,792
Restricted cash	767,359	773,254
Receivables, less allowance for credit losses of $106,673 and $118,730	9,386,549	8,627,213
Retained interests in securitized receivables	17,289	37,914
Affiliated accounts and notes receivable	193,917	133,419
Equipment on operating leases, net	647,617	613,893
Equipment held for sale	32,131	46,396
Goodwill	116,830	117,651
Other intangible assets, net	3,259	3,373
Other assets	142,107	109,584
TOTAL	$ 11,901,151	$ 10,883,489
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES:		
Short-term debt (including current maturities of long-term debt)	$ 4,796,035	$ 3,875,932
Accounts payable and other accrued liabilities	450,828	248,916
Affiliated debt	819,270	1,567,107
Long-term debt	4,587,773	4,043,897
Total liabilities	10,653,906	9,735,852
STOCKHOLDER'S EQUITY:		
Member's capital	--	--
Paid-in capital	836,721	836,721
Accumulated other comprehensive income	28,716	45,642
Retained earnings	326,919	211,873
Total CNH Capital LLC stockholder's equity	1,192,356	1,094,236
Noncontrolling interest	54,889	53,401
Total stockholder's equity	1,247,245	1,147,637
TOTAL	$ 11,901,151	$ 10,883,489

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

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2011 AND 2010
(In thousands)

The following table presents certain assets and liabilities of consolidated variable interest entities ("VIEs"), which are included in the consolidated balance sheet above. The assets in the table include those assets that can only 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.

	2011	2010
Restricted cash	$ 738,478	$ 743,931
Receivables, less allowance for credit losses of $39,309 and $42,246	7,823,615	7,029,265
Equipment on operating leases, net	94,018	89,556
TOTAL	$ 8,656,111	$ 7,862,752
Short-term debt (including current maturities of long-term debt)	$ 4,583,407	$ 3,547,338
Long-term debt	3,634,629	3,864,762
TOTAL	$ 8,218,036	$ 7,412,100

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(In thousands)

	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 201,534	$ 162,480	$ 115,718
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation on property and equipment and equipment on operating leases	110,440	118,014	116,349
Amortization on intangibles	1,106	1,273	1,026
Provision for credit losses	32,853	76,394	88,942
Loss on disposal of software	--	--	446
Other than temporary impairment of retained interests	815	4,108	37,468
Gain on retail, wholesale and revolving credit notes sold	--	(38)	(147,461)
Deferred income tax expense	58,755	48,765	16,011
Changes in components of working capital:			
Decrease (increase) in servicing fee receivables	--	2,789	(166)
Increase in affiliated accounts and notes receivables	(63,326)	(39,603)	(39,531)
(Increase) decrease in other assets and equipment held for sale	(20,360)	8,608	(5,078)
Increase (decrease) in accounts payable and other accrued liabilities	143,285	(53,012)	(50,165)
Increase in other, net	--	27,249	72,277
Net cash from operating activities	465,102	357,027	205,836
CASH FLOW FROM INVESTING ACTIVITIES:			
Cost of receivables acquired	(18,036,908)	(15,733,642)	(13,587,107)
Proceeds from sales of receivables	--	23,825	7,802,700
Collections of receivables	17,217,638	15,431,514	7,813,701
Decrease (increase) in restricted cash	1,986	(146,348)	37,749
Purchase of equipment on operating leases	(386,361)	(356,902)	(260,047)
Proceeds from disposal of equipment on operating leases	238,025	225,861	134,232
Purchase of asset-backed certificates	--	--	(58,919)
Principal pay down of asset-backed certificates	--	--	21,000
Purchase of software	(993)	(1,199)	(1,222)
Expenditures for property and equipment	(33)		(43)
Proceeds from disposal of property and equipment	93	--	--
Net cash (used in) from investing activities	(966,553)	(556,891)	1,902,044
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of affiliated debt	533,346	--	118,557
Payment of affiliated debt	(1,275,856)	(555,950)	(1,196,181)
Proceeds from issuance of long-term debt	4,101,882	2,295,152	407,772
Payment of long-term debt	(3,543,494)	(1,130,767)	(961,371)
Increase (decrease) in revolving credit facilities	943,874	(90,794)	(98,083)
Dividends paid to CNH America LLC	(85,000)	(295,000)	(150,000)
Net cash from (used in) financing activities	674,752	222,641	(1,879,306)
INCREASE IN CASH AND CASH EQUIVALENTS	173,301	22,777	228,574
CASH AND CASH EQUIVALENTS:			
Beginning of year	420,792	398,015	169,441
End of year	$ 594,093	$ 420,792	$ 398,015
CASH PAID DURING THE YEAR FOR INTEREST	$ 267,114	$ 311,707	$ 181,168
CASH PAID DURING THE YEAR FOR TAXES	$ 27,193	$ 92,492	$ 40,577

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

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009
(In thousands)

	Company Stockholder					
	Member's Capital	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interest	Total
BALANCE – January 1, 2009	$ --	$ 836,721	$ (23,556)	$ 389,649	$ 49,098	$ 1,251,912
Dividends paid to CNH America LLC	--	--	--	(150,000)	--	(150,000)
Comprehensive income (loss):						
Net income	--	--	--	113,276	2,442	115,718
Translation adjustment	--	--	43,601	--	--	43,601
Pension liability adjustment, net of tax	--	--	(278)	--	--	(278)
Unrealized gain on retained interest, net of tax	--	--	20,141	--	--	20,141
Derivative financial instruments:						
Losses reclassed to earnings, net of tax	--	--	19,526	--	--	19,526
Losses deferred, net of tax	--	--	(6,032)	--	--	(6,032)
Cumulative effect from change in accounting for other-than-temporary impairment on retained interests	--	--	(3,786)	3,786	--	--
BALANCE – December 31, 2009	--	836,721	49,616	356,711	51,540	1,294,588
Dividends paid to CNH America LLC	--	--	--	(295,000)	--	(295,000)
Comprehensive income (loss):						
Net income	--	--	--	160,619	1,861	162,480
Translation adjustment	--	--	20,260	--	--	20,260
Pension liability adjustment, net of tax	--	--	486	--	--	486
Unrealized gain on retained interests, net of tax	--	--	3,407	--	--	3,407
Derivative financial instruments:						
Losses reclassed to earnings, net of tax	--	--	20,711	--	--	20,711
Losses deferred, net of tax	--	--	(15,848)	--	--	(15,848)
Cumulative effect from change in accounting for consolidation of certain variable interest entities	--	--	(32,990)	(10,457)	--	(43,447)
BALANCE – December 31, 2010	--	836,721	45,642	211,873	53,401	1,147,637
Comprehensive income (loss):						
Dividends paid to CNH America LLC	--	--	--	(85,000)	--	(85,000)
Net income	--	--	--	200,046	1,488	201,534
Translation adjustment	--	--	(12,012)	--	--	(12,012)
Pension liability adjustment, net of tax	--	--	(388)	--	--	(388)
Unrealized gain on retained interests, net of tax	--	--	(2,602)	--	--	(2,602)
Derivative financial instruments:						
Losses reclassed to earnings, net of tax	--	--	9,326	--	--	9,326
Losses deferred, net of tax	--	--	(11,250)	--	--	(11,250)
BALANCE – December 31, 2011	$ --	$ 836,721	$ 28,716	$ 326,919	$ 54,889	$ 1,247,245

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

NOTE 1: NATURE OF OPERATIONS

CNH Capital LLC and its wholly owned operating subsidiaries, including New Holland Credit Company, LLC, CNH Capital America LLC and 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 is incorporated in and under the laws of The Netherlands.

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 outstanding common shares through its wholly-owned subsidiary, Fiat Netherlands Holding B.V. ("Fiat Netherlands").

On January 1, 2011, Fiat S.p.A. ("Fiat" and, together with its subsidiaries, the "Fiat Group") effected a "demerger" under Article 2506 of the Italian Civil Code. Pursuant to the demerger, Fiat transferred its ownership interest in Fiat Netherlands to a new holding company, Fiat Industrial, including Fiat's indirect ownership of CNH, as well as Fiat's truck and commercial vehicles business and its industrial and marine powertrain business. Consequently, as of January 1, 2011, CNH became a subsidiary of Fiat Industrial. In connection with the demerger transaction, shareholders of Fiat received shares of capital stock of Fiat Industrial. Accordingly, effective as of January 1, 2011, Fiat Industrial owned approximately 89% of CNH outstanding common shares through Fiat Netherlands.

CNH manufactures agricultural and construction equipment. CNH Capital provides financial services for CNH America and CNH Canada Ltd. (collectively, "CNH North America") customers located primarily in the United States and Canada. To support CNH North America's sales of agricultural and construction equipment products, the Company offers retail financing to end-use customers and wholesale financing to CNH North America equipment dealers, which are almost entirely independently owned. Wholesale financing consists primarily of dealer floorplan financing and allows dealers the ability to maintain a representative inventory of products. In addition, the Company provides financing to dealers for equipment used in dealer-owned rental yards, parts inventory, working capital, and other financing needs. The Company provides and administers retail financing, primarily retail installment sales contracts and finance leases, to end-use customers for the purchase or lease of new and used CNH North America equipment and other agricultural and construction equipment sold through CNH North America dealers and distributors. In addition, the Company purchases equipment from dealers that is leased to retail customers under operating lease agreements. Customers also use the Company's private-label revolving charge account products to purchase parts, service, rentals, implements, and attachments from CNH North America dealers. The Company also finances a variety of insurance and other products for end users and dealers in conjunction with the purchase of new and used equipment. As a captive finance company, the Company is reliant on the operations of CNH North America, its customers, and end-use customers.

The Company competes primarily with banks, finance companies, and other financial institutions. Typically, this competition is based upon financial products and services offered, customer service, financial terms and interest rates charged. The Company's long-term profitability is largely dependent on the cyclical nature of the agricultural and construction equipment industries and on prevailing interest rates.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The Company has prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("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.

As of the beginning of 2010, CNH Capital adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of VIEs. As a significant portion of the Company's securitization trusts and facilities are no longer exempt from consolidation under the new guidance, the Company was required to consolidate the receivables and related liabilities. These securitizations qualify as collateral for secured borrowings. The receivables remain on the balance sheet and are included in “Receivables”. For additional information, see “New Accounting Pronouncements Adopted” below, “Note 3: Receivables” and “Note 7: Credit Facilities and Debt”.

The Company adopted the guidance prospectively in 2010, and therefore, the financial statements prepared for 2010 and future periods will reflect the new accounting requirements, but the financial statements for periods ending on or before December 31, 2009 reflected the accounting guidance applicable during those periods. The Company’s statement of operations for the years ended December 31, 2011 and 2010 no longer reflect securitization income and initial gains or losses on new securitization transactions, but instead report interest income and other income associated with all securitized receivables, and interest expense associated with the debt issued by the securitization trusts and facilities. Therefore, 2011 and 2010 results are not comparable to prior period amounts. In addition, because the Company’s new securitization transactions do not meet the requirements for derecognition under the new guidance and are accounted for as secured borrowings rather than asset sales, the cash flows from these transactions are presented in 2011 and 2010 as cash flows from financing activities rather than cash flows from operating or investing activities.

Use of Estimates in the Preparation of Financial Statements

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, allowance for credit losses, and tax contingencies. Actual results could differ from those estimates.

Revenue Recognition

Finance and interest income on retail and other notes receivables and finance leases is recorded using the effective yield method. Deferred costs on the origination of financing receivables are recognized as a reduction in finance revenue over the expected lives of the receivables using the effective yield method. Recognition of income on receivables is suspended when management determines that collection of future income is not probable or when an account becomes 120 days delinquent, whichever occurs earlier. Income accrual is resumed if the receivable becomes contractually current and collection doubts are removed. Previously suspended income is recognized at that time. The Company applies cash received on nonaccrual financing receivables to first reduce any unrecognized interest and then the recorded investment and any other fees. 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. 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.

A substantial portion of the Company's interest income arises from retail sales programs offered by CNH North America on which finance charges are waived or below-market rate financing programs are offered. When the Company acquires retail installment sales contracts and finance leases subject to below-market interest rates, including waived interest rate financing, the Company is compensated by CNH North America in an amount equal to the present value of the difference between the payments at the customer rate and the payments at the market rate. This amount is initially recognized as an unearned finance charge and is recognized as interest income over the term of the retail notes and finance leases, and is included in “Interest income on retail and other notes and finance leases” in the accompanying consolidated statements of income.

For selected wholesale receivables, CNH North America compensates the Company for the difference between market interest rates and the amount paid by the dealer. The amounts recognized in 2011 and 2010 are included in “Interest income from affiliates” and in 2009 are included in either “Interest income from affiliates” or “Gain on retail, wholesale and revolving credit notes sold” in the accompanying consolidated statements of income based on the accounting guidance applicable during that year.

The Company is also compensated for lending funds to CNH North America. The amounts earned are included in “Interest income from affiliates” in the accompanying consolidated statements of income.

Income from operating leases is recognized over the term of the lease on a straight-line basis.

Foreign Currency Translation

The Company’s non-U.S. subsidiaries maintain their books and accounting records using local currency as the functional currency. Assets and liabilities of these non-U.S. subsidiaries are translated into U.S. dollars at period-end exchange rates, and net exchange gains or losses resulting from such translation are included in “Accumulated other comprehensive income” in the accompanying consolidated balance sheets. Income and expense accounts of these non-U.S. subsidiaries are translated at the average exchange rates for the period, and gains and losses from foreign currency transactions are included in net income in the period that they arise.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments with an original maturity of three months or less. The carrying value of cash equivalents approximates fair value because of the short maturity of these investments.

Restricted Cash

Restricted cash includes principal and interest payments from wholesale, retail and revolving credit receivables owned by the consolidated VIEs that are payable to the investors in the asset-backed securities that issued debt of those entities, and cash pledged as a credit enhancement to those same investors. These amounts are held by depository banks in order to comply with contractual agreements.

Receivables and Receivable Sales

Receivables are recorded at face value, net of allowances for credit losses and deferred fees and costs. Allowances for credit losses are determined based on past experience with similar receivables including current and historical past due amounts, dealer termination rates, write-offs, collections and economic conditions.

Periodically, the Company sells or transfers retail, wholesale and revolving credit receivables to funding facilities or in securitization transactions. Prior to January 1, 2010, these transactions were primarily accounted for as sales. In the accordance with the new accounting guidance, adopted on January 1, 2010, regarding transfers of financial assets and the consolidation of VIEs, the majority of the retail, wholesale and revolving credit receivables sold in securitizations do not qualify as sales and are recorded as secured borrowings with no gains or losses recognized at the time of securitization.

For those receivable securitizations which continue to qualify as sales, the Company retains interest-only strips, servicing rights and cash reserve accounts, all of which are recorded at fair value as retained interests in the securitized receivables. Changes in these fair values are recorded in other accumulated comprehensive income as an unrealized gain or loss on available-for-sale securities. With regards to other-than-temporary impairments (“OTTI”) of debt securities, any OTTI due to changes in the constant prepayment rate and the expected credit loss rate are included in net income. An OTTI due to a change in the discount rates would be included in "Accumulated other comprehensive income" in the accompanying consolidated balance sheets.

Allowance for Credit Losses

The allowance for credit losses is established to cover probable losses on 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 specific receivables 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 values, 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 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.

Equipment on Operating Leases

The Company purchases leases and equipment from CNH North America dealers and other independent third parties that have leased equipment to retail customers under operating leases. The Company's investment in operating leases is based on the purchase price paid for the equipment. Income from these operating leases is recognized over the term of the lease. The equipment is depreciated on a straight-line basis over the term of the lease to the estimated residual value at lease termination, which is estimated at the inception of the lease. Realization of the residual values is dependent on the Company's future ability to re-market the equipment under then prevailing market conditions. The Company continually evaluates whether events and circumstances have occurred which affect the estimated residual values of equipment on operating leases and adjusts estimated residual values if necessary. Management believes that the estimated residual values are realizable. Expenditures for maintenance and repairs are the responsibility of the lessee.

Equipment returned to the Company upon termination of leases and held for subsequent sale or lease is recorded at the lower of net book value or estimated fair value of the equipment, less cost to sell, and is not depreciated.

Goodwill and Intangible Assets

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired. Goodwill is deemed to have an indefinite useful life and is reviewed for impairment at least annually. During 2011 and 2010, the Company performed its annual impairment review as of December 31, and concluded that there was no impairment in either year. Other intangible assets consist of software and are being amortized on a straight-line basis over five years.

Income Taxes

The provision for income taxes is determined using the asset and liability method. The Company recognizes a current tax liability or asset for the estimated taxes payable or refundable on tax returns for the current year and tax contingencies estimated to be settled with taxing authorities within one year. A deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and tax loss carry forwards. The measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax law. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized based on available evidence.

Derivatives

The Company's policy is to enter into derivative transactions to manage exposures that arise in the normal course of business and not for trading or speculative purposes. The Company records derivative financial instruments in the consolidated balance sheets as either an asset or liability measured at fair value. The fair value of the Company's interest rate derivatives is based on discounting expected cash flows, using market interest rates, over the remaining term of the instrument. Changes in the fair value of derivative financial instruments are recognized in current income unless specific hedge accounting criteria are met. For derivative financial instruments designated to hedge exposure to changes in the fair value of a recognized asset or liability, the gain or loss is recognized in income in the period of change together with the offsetting loss or gain on the related hedged item. For derivative financial instruments designated to hedge exposure to variable cash flows of a forecasted transaction, the effective portion of the derivative financial instrument's gain or loss is initially reported in accumulated other comprehensive income (loss) and is subsequently reclassified into income when the forecasted transaction affects income. The ineffective portion of the gain or loss is reported in income immediately. For derivative financial instruments that are not designated as hedges but held as economic hedges, the gain or loss is recognized immediately into income.

For derivative financial instruments designated as hedges, the Company formally documents the hedging relationship to the hedged item and its risk management strategy for all derivatives designated as hedges. This includes linking all derivatives that are designated as fair value hedges to specific assets and liabilities contained in the consolidated balance sheets and linking cash flow hedges to specific forecasted transactions or variability of cash flow. The Company assesses the effectiveness of the hedging instrument both at inception and on an ongoing basis. If a derivative is determined not to be highly effective as a hedge, or the underlying hedged transaction is no longer probable of occurring, or the derivative is terminated, the hedge accounting described above is discontinued and the derivative is marked to fair value and recorded in income through the remainder of its term.

New Accounting Pronouncements Adopted

Troubled Debt Restructurings

In April 2011, the Financial Accounting Standards Board ("FASB") issued accounting guidance that clarifies creditors' account treatment and reporting obligations concerning troubled debt restructurings. A troubled debt restructuring occurs when a creditor grants a concession it would not otherwise consider to a debtor that is experiencing financial difficulties. The guidance clarifies what would be considered a concession by the creditor and financial difficulties of the debtor. Certain disclosures are required for transactions that qualify as troubled debt restructurings. This new guidance was effective for the Company on January 1, 2011. The disclosures required by this guidance have been included in these notes to the consolidated financial statements. For further information see "Note 3: Receivables".

Presentation of Comprehensive Income

In June 2011, the FASB issued new accounting guidance on the presentation of comprehensive income in financial statements. The new guidance removes current presentation options and requires entities to report components of comprehensive income in either a continuous statement of comprehensive income or two separate but consecutive statements. The new reporting required by this accounting guidance has been included in these financial statements.

Transfer of Financial Assets and Consolidation of VIEs

In June 2009, the FASB issued new accounting guidance which changes the accounting for transfers of financial assets. The guidance eliminates the concept of a qualifying special purpose entity ("QSPE"), changes the requirements for derecognizing financial assets, and requires additional disclosures by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets.

In June 2009, the FASB also issued new accounting guidance which amends the accounting for VIEs. The guidance changes the criteria for determining whether the consolidation of a VIE is required from a quantitative risk and rewards model to a qualitative model, based on control and economics. The guidance also eliminates the scope exception for QSPEs, increases the frequency for reassessing consolidation of VIEs and creates new disclosure requirements about an entity's involvement in a VIE.

The Company adopted the new guidance on January 1, 2010. As a significant portion of the Company's securitization trusts and facilities were no longer exempt from consolidation as QSPEs under the guidance, the Company reassessed these VIEs under the new qualitative model and determined it was the primary beneficiary, as the Company has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Therefore, the Company consolidated the receivables and related liabilities held by these VIEs based on the carrying amounts of the assets and liabilities, as prescribed by the new guidance. The impact of the Company's adoption of the new guidance on January 1, 2010 is as follows:

	Adjustment for New Guidance
Restricted cash	$ 548,400
Receivables less allowance for credit losses of $59,090	5,558,535
Retained interest	(475,302)
Equipment held for sale	17,304
Other assets	59,146
Total assets	5,708,083
Accounts payable and other accrued liabilities	2,725
Short-term debt	3,387,715
Long-term debt	2,361,090
Total liabilities	5,751,530
Total equity	(43,447)
Total liabilities and equity	$ 5,708,083

The assets of the VIEs include restricted cash and certain receivables that are restricted to settle the obligations of those entities and are not expected to be available to the Company or its creditors. Liabilities of the consolidated VIEs include secured borrowings for which creditors or beneficial interest holders do not have recourse to the general credit of the Company.

The Company adopted the guidance prospectively in 2010 and, therefore, the financial statements prepared for 2010 and subsequent periods reflect the new accounting requirements, but the financial statements for periods ended on or before December 31, 2009 reflected the accounting guidance applicable during those periods. The Company's statements of operations for the years ended December 31, 2011 and 2010 no longer reflect securitization income and initial gains or losses on new securitization transactions, but instead report interest income and other income associated with all securitized receivables, and interest expense associated with the debt issued from the securitization trusts and facilities. Therefore, 2011 and 2010 results are not comparable to prior period amounts. In addition, because the Company's new securitization transactions do not meet the requirements for derecognition under the new guidance, and are accounted for as secured borrowings rather than asset sales, the cash flows from these transactions are presented in 2011 and 2010 as cash flows from financing transactions rather than cash flows from operating or investing activities. For further information regarding this new guidance, see "Note 3: Receivables", "Note 7: Credit Facilities and Debt", and "Note 9: Financial Instruments".

NOTE 3: RECEIVABLES

A summary of receivables included in the accompanying consolidated balance sheets as of December 31, 2011, and 2010 is as follows:

	2011	2010
Wholesale notes and accounts	$ 87,600	$ 63,117
Retail notes	731,807	619,933
Finance leases	53,391	150,472
Restricted receivables	8,566,514	7,809,232
Other notes	82,098	132,117
Gross receivables	9,521,410	8,774,871
Less:		
Unearned finance charges	(28,188)	(28,928)
Allowance for credit losses	(106,673)	(118,730)
Total receivables, net	$ 9,386,549	$ 8,627,213

Wholesale notes and accounts receivable arise primarily from the financing of the sale of goods to dealers and distributors by CNH North America, and to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, these receivables typically have "interest-free" periods of up to twelve months and stated original maturities of up to twenty-four months, with repayment accelerated upon the sale of the underlying equipment by the dealer. During the "interest-free" period, the Company is compensated by CNH North America for the difference between market interest rates and the amount paid by the dealer. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until the Company receives payment in full. The "interest-free" periods are determined based on the type of equipment sold and the time of year of the sale. Interest rates are set based on market factors and the prime rate or LIBOR. The Company evaluates and assesses dealers on an ongoing basis as to their credit worthiness. CNH North America may be obligated to repurchase the dealer's equipment upon cancellation or termination of the dealer's contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in 2011, 2010 or 2009 relating to the termination of dealer contracts.

The Company provides and administers financing for retail purchases of new and used equipment sold through CNH North America's dealer network. The terms of retail and other notes and finance leases generally range from two to six years, and interest rates on retail and other notes and finance leases vary depending on prevailing market interest rates and certain incentive programs offered by CNH North America.

Maturities of wholesale notes and accounts, retail and other notes, and finance leases as of December 31, 2011, are as follows:

2012	$ 5,231,584
2013	1,451,636
2014	1,175,934
2015	917,656
2016 and thereafter	744,600
	9,521,410
Less unearned finance charges	(28,188)
Total receivables, net of unearned finance charges	$ 9,493,222

It has been the Company's experience that substantial portions of retail receivables are repaid or sold before their contractual maturity dates. As a result, the above table should not be regarded as a forecast of future cash collections. Wholesale, retail, and finance lease receivables have significant concentrations of credit risk in the agricultural and construction business sectors. On a geographic basis, there is not a disproportionate concentration of credit risk in any area of the United States or Canada. The Company typically retains, as collateral, a security interest in the equipment associated with wholesale and retail notes receivable.

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.

Beginning January 1, 2010, the Company adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of VIEs. As a result of this new accounting guidance, SPEs utilized in securitization programs no longer meet the non-consolidation accounting criteria, and, as such, are accounted for as secured borrowings and are included in the consolidated balance sheet. The net incremental impact of adopting this new guidance as of January 1, 2010, was a $5,708,083 increase to assets, $5,751,530 increase to liabilities and $43,447 decrease to equity. Refer to "Note 2: Summary of Significant Accounting Policies – New Accounting Pronouncements Adopted" for additional information.

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. 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 benefit of 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.

The following table summarizes the restricted and off-book receivables and the related retained interests as of December 31, 2011, and 2010:

	Restricted Receivables		Off-Book Receivables		Retained Interests	
	2011	2010	2011	2010	2011	2010
Wholesale receivables	$ 2,884,516	$ 2,693,931	$ --	$ --	$ --	$ --
Retail receivables	5,454,279	4,921,898	108,476	206,101	17,289	37,914
Finance lease receivables	47,000	--	--	--	--	--
Revolving account receivables	180,719	193,403	--	--	--	--
Total	$ 8,566,514	$ 7,809,232	$ 108,476	$ 206,101		
Total retained interests					$ 17,289	$ 37,914

Wholesale Receivables Securitizations

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. As of December 31, 2011, debt issued through the U.S. master trust facility consists of $583 million term asset-backed notes issued in August 2009 with a three-year maturity, $220 million term asset-backed notes issued January 2011 with a maturity of December 2012 and four 364-day conduit facilities renewable annually at the sole discretion of the purchasers; $200 million renewable March 2012 (renewed in March 2012 until March 2013), $500 million renewable July 2012, $250 million renewable November 2012, and $200 million senior and related subordinate interests renewable November 2012.

Debt issued through the Canadian master trust facility consists of a C$586 million ($574 million) conduit facility renewable December 2012 at the sole discretion of the investor.

These trusts were determined to be VIEs and, consequently the Company consolidates the securitization trusts. In its role as servicer, the Company has the power to direct the trusts' activities and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the trusts. The Company is the primary beneficiary of the trusts, and therefore the trusts were consolidated.

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.

For the U.S. wholesale securitization facility, in the year ended December, 31, 2009 the Company recognized gains on the sale of receivables of $51,211. Collections reinvested into the facility in the year ended December, 31, 2009 were $5,629,046. At December 31, 2009, there were no recognized servicing assets or liabilities associated with the facilities.

Each of the facilities contains minimum payment rate thresholds which, if breached, could preclude the Company from selling additional receivables originated on a prospective basis.

Retail Receivables Securitizations

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. These trusts were determined to be VIEs and, consequently, the Company consolidated all previously unconsolidated retail trusts upon the January 1, 2010 adoption of the new accounting guidance related to transfers of financial assets and the consolidation of VIE's. In its role as servicer, the Company has the power to direct the trusts' activities. Through its retained interests, the Company has an obligation to absorb losses or the right to receive benefits that could potentially be significant to the trusts.

During the years ended December 31, 2011 and 2010, the Company executed $3,193,597 and $3,174,785, respectively, in retail asset-backed transactions in the U.S. and Canada. The securities in these transactions are backed by agricultural and construction equipment retail receivable contracts and finance leases originated through CNH North America's dealer network. The Company applied any proceeds from the securitizations to repay outstanding debt. At December 31, 2011, $5,116,695 of asset-backed securities issued to investors were outstanding with a weighted average expected remaining maturity of 37 months. At December 31, 2010, $4,708,584 of asset-backed securities issued to investors were outstanding with a weighted average expected remaining maturity between 36 and 37 months.

During the year ended December 31, 2009, the Company securitized retail receivables with a net principal value of $4,001,572 and recognized gains on these sales of receivables of $67,646. Further, related to the retail securitizations, the Company received proceeds of $3,731,628 and recorded $31,304 in servicing fees for the year ended December 31, 2009.

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 the subordinated interests in the SPEs. No recourse provisions exist that allow holders of the asset-backed securities issued by the trusts to put those securities back to the Company although the Company provides customary representations and warranties that could give rise to an obligation to repurchase from the trusts any receivables for which there is a breach of the representations and warranties. Moreover, the Company does not guarantee any securities issued by the trusts. The trusts have a limited life and generally terminate upon final distribution of amounts owed to investors or upon exercise of a cleanup-call option by the Company, in its role as servicer.

The Company also has access to $1,493,734 in committed asset-backed facilities through which it may sell on a monthly basis retail receivables generated in the United States and Canada. The Company has utilized these facilities in the past to fund the origination of receivables and has later repurchased and resold the receivables in the term ABS markets or found alternative financing for the receivables. The Company believes that it is probable that it will continue to regularly utilize public ABS markets. These facilities had an original term of two years and are renewable in the U.S. in September 2013 and in Canada in December 2012.

Three private retail transactions totaling $108,476 and $206,101 were not included in the Company's consolidated balance sheet as of December 31, 2011 and 2010, respectively. These transactions continue to qualify as sales subsequent to the adoption of the new accounting guidance. Therefore, as these receivables are collected, the amount of off-book receivables will decrease.

Revolving Charge Account Securitizations

The Company, through a trust, securitizes originated revolving charge account receivables. The trust's facility limit is $200 million, has an original two year term and is renewable in October 2012. Consistent with the wholesale and retail securitization programs, the Company determined the trust was a VIE and consequently was required to be consolidated, as the Company is the primary beneficiary.

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 to 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.

For the year ended December 31, 2009, the Company recognized gains of $9,616, on the sale of receivables and collections reinvested into the facility of $705,365. At December 31, 2009, there were no recognized servicing assets or liabilities associated with the trusts.

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 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 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.

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

	Retail	Wholesale	Other	Total
Allowance for credit losses:				
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	(1,323)	(18)	(144)	(1,485)
Ending balance	$ 83,233	$ 12,163	$ 11,277	$ 106,673
Ending balance: individually evaluated for impairment	$ 42,879	$ 10,101	$ --	$ 52,980
Ending balance: collectively evaluated for impairment	$ 40,354	$ 2,062	$ 11,277	$ 53,693
Receivables:				
Ending balance	$ 6,258,289	$ 2,972,116	$ 262,817	$ 9,493,222
Ending balance: individually evaluated for impairment	$ 73,920	$ 56,444	$ 265	$ 130,629
Ending balance: collectively evaluated for impairment	$ 6,184,369	$ 2,915,672	$ 262,552	$ 9,362,593

Allowance for credit losses activity for the year ended December 31, 2010 is as follows:

	Retail	Wholesale	Other	Total
Allowance for credit losses:				
Beginning balance				$ 73,181
Cumulative effect from change in accounting for consolidation of certain VIEs				59,090
Adjusted beginning balance				132,271
Charge-offs				(94,201)
Recoveries				8,066
Provision				76,394
Currency translation and other				(3,800)
Ending balance	$ 73,123	$ 31,148	$ 14,459	$ 118,730
Ending balance: individually evaluated for impairment	$ 42,465	$ 27,222	$ 110	$ 69,797
Ending balance: collectively evaluated for impairment	$ 30,658	$ 3,926	$ 14,349	$ 48,933
Receivables:				
Ending balance	$ 5,708,497	$ 2,757,048	$ 280,398	$ 8,745,943
Ending balance: individually evaluated for impairment	$ 96,399	$ 61,609	$ 400	$ 158,408
Ending balance: collectively evaluated for impairment	$ 5,612,098	$ 2,695,439	$ 279,998	$ 8,587,535

As part of the on-going 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 strength of 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.

A breakdown of the wholesale portfolio by its credit quality indicators as of December 31, 2011 and 2010 is as follows:

	2011	2010
A	$ 1,662,920	$ 1,333,589
B	897,914	829,490
C	287,793	415,262
D	123,489	178,707
Total	$ 2,972,116	$ 2,757,048

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 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 risk or loss activity.

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

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

A breakdown of the retail portfolio by the customer's risk grade at the time of origination as of December 31, 2011 and 2010 is as follows:

	2011	2010
Titanium	$ 3,195,785	$ 2,551,419
Platinum	1,837,604	1,780,518
Gold	999,950	1,039,255
Silver	197,108	269,422
Bronze	27,842	67,883
Total	$ 6,258,289	$ 5,708,497

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 December 31, 2011 and 2010 is as follows:

	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
Retail							
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
Wholesale							
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
Total							
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

	2010						
	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
Retail							
United States	$ 36,504	$ 13,548	$ 56,230	$ 106,282	$ 4,584,352	$ 4,690,634	$ 6,349
Canada	$ 5,559	$ 2,229	$ 3,004	$ 10,792	$ 1,007,071	$ 1,017,863	$ 1,464
Wholesale							
United States	$ 969	$ 145	$ 2,608	$ 3,722	$ 2,073,777	$ 2,077,499	$ 175
Canada	$ 584	$ --	$ 190	$ 774	$ 678,775	$ 679,549	$ 24
Total							
Retail	$ 42,063	$ 15,777	$ 59,234	$ 117,074	$ 5,591,423	$ 5,708,497	$ 7,813
Wholesale	$ 1,553	$ 145	$ 2,798	$ 4,496	$ 2,752,552	$ 2,757,048	$ 199

For the years ended December 31, 2011 and 2010, the Company's recorded investment in impaired receivables individually evaluated for impairment and the related unpaid principal balances and allowances are as follows. 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.

	2011			2010		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded						
Retail						
United States	$ 6,805	$ 6,791	$ --	$ 9,609	$ 7,634	$ --
Canada	$ 303	$ 303	$ --	$ 1,790	$ 1,244	$ --
Wholesale						
United States	$ --	$ --	$ --	$ --	$ --	$ --
Canada	$ --	$ --	$ --	$ --	$ --	$ --
With an allowance recorded						
Retail						
United States	$ 66,747	$ 61,300	$ 42,861	$ 84,312	$ 80,815	$ 42,138
Canada	$ 65	$ 65	$ 18	$ 688	$ 688	$ 327
Wholesale						
United States	$ 55,167	$ 53,168	$ 9,690	$ 61,078	$ 61,762	$ 26,700
Canada	$ 1,277	$ 1,247	$ 411	$ 531	$ 528	$ 522
Total						
Retail	$ 73,920	$ 68,459	$ 42,879	$ 96,399	$ 90,381	$ 42,465
Wholesale	$ 56,444	$ 54,415	$ 10,101	$ 61,609	$ 62,290	$ 27,222

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

	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded		
Retail		
United States	$ 2,741	$ 390
Canada	$ 355	$ 9
Wholesale		
United States	$ --	$ --
Canada	$ --	$ --
With an allowance recorded		
Retail		
United States	$ 81,927	$ 4,261
Canada	$ 71	$ 9
Wholesale		
United States	$ 64,061	$ 2,226
Canada	$ 4,173	$ 153
Total		
Retail	$ 85,094	$ 4,669
Wholesale	$ 68,234	$ 2,379

Recognition of income is generally suspended when management determines that collection of future 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 December 31, 2011 and 2010 are as follows:

	2011			2010		
	Retail	Wholesale	Total	Retail	Wholesale	Total
United States	$ 54,798	$ 53,168	$ 107,966	$ 49,881	$ 61,762	$ 111,643
Canada	$ 676	$ 1,247	$ 1,923	$ 1,540	$ 528	$ 2,068

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.

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 year ended December 31, 2011, the Company has approximately 2,500 retail and finance lease receivable contracts that are in legal proceedings, primarily bankruptcies. The pre-modification value was $82,700 and the post-modification value was $53,300. 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 the twelve months ended December 31, 2011.

For wholesale receivables, the Company restructured five wholesale agreements with a pre- and post-modification balance of approximately $15,000. The wholesale TDRs that subsequently defaulted were immaterial.

Managed Portfolio

Historical loss and delinquency amounts for the Company's managed portfolio for 2011 and 2010 are as follows:

	Principal Amount of Receivables at December 31,	Principal More Than 30 Days Delinquent at December 31,	Net Credit Losses for the Year Ending December 31,
2011			
Type of receivable:			
Wholesale notes and accounts	$ 2,972,116	$ 4,375	$ 12,166
Retail and other notes and finance leases	6,629,582	71,683	31,993
Total managed	$ 9,601,698	$ 76,058	$ 44,159
Comprised of:			
Receivables held in portfolio	$ 9,493,222		
Sold:			
Retail	108,476		
Total managed	$ 9,601,698		
2010			
Type of receivable:			
Wholesale notes and accounts	$ 2,757,048	$ 4,496	$ 11,248
Retail and other notes and finance leases	6,194,996	129,319	75,920
Total managed	$ 8,952,044	$ 133,815	$ 87,168
Comprised of:			
Receivables held in portfolio	$ 8,745,943		
Sold:			
Retail and other notes and finance leases	206,101		
Total managed	$ 8,952,044		

Non-Cash Retail Receivables Operating and Investing Activities

Non-cash operating and investing activities include retail receivables of $342,267 that were exchanged for retained interests in sold receivables in 2009.

NOTE 4: EQUIPMENT ON OPERATING LEASES

A summary of equipment on operating leases as of December 31, 2011 and 2010 is as follows:

	2011	2010
Equipment on operating leases	$ 830,607	$ 812,051
Less:		
Residual reserve	(599)	(3,782)
Accumulated depreciation	(182,391)	(194,376)
Equipment on operating leases, net	$ 647,617	$ 613,893

Depreciation expense totaled $110,314, $117,848 and $116,169 for the years ended December 31, 2011, 2010, and 2009, respectively.

Lease payments owed to the Company for equipment under non-cancelable operating leases as of December 31, 2011 are as follows:

2012	$ 93,024
2013	57,107
2014	24,120
2015	8,810
2016 and thereafter	1,729
Total	$ 184,790

NOTE 5: GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Balance, beginning of year	$ 117,651	$ 115,907
Currency translation adjustment	(821)	1,744
Balance, end of year	$ 116,830	$ 117,651

Goodwill is tested for impairment at least annually. During 2011 and 2010, the Company performed its annual impairment review as of December 31 and concluded that there were no impairments in either year. The Company has no accumulated impairment losses at December 31, 2011.

Impairment testing for goodwill is performed at a reporting unit level using a two-step test. Under the first step of the goodwill impairment test, the Company's estimate of the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the Company must perform step two of the impairment test (measurement). Step two of the impairment test, when necessary, requires the identification and estimation of the fair value of the reporting unit's individual assets, including intangible assets with definite and indefinite lives regardless of whether such intangible assets are currently recorded as an asset of the reporting unit, and liabilities in order to calculate the implied fair value of the reporting unit's goodwill. Under step two, an impairment loss is recognized to the extent the carrying amount of the reporting unit's goodwill exceeds the implied fair value of goodwill.

To determine fair value, the Company utilizes the market approach valuation technique. The market approach measures fair value based on prices generated by market transactions involving identical or comparable assets or liabilities. Under the market approach, the Company applies the guideline company method in estimating fair value. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the-counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth. The guideline company method of the market approach provides an indication of value by relating the equity or invested capital (debt plus equity) of guideline companies to various measures of their earnings and cash flow, then applying such multiples to the business being valued.

As of December 31, 2011, the estimated fair value of the Company substantially exceeded the respective carrying value.

As of December 31, 2011 and 2010, the Company's intangible asset and related accumulated amortization for its software is as follows:

	2011	2010
Software	$ 24,076	$ 23,103
Accumulated amortization	(20,817)	(19,730)
Software, net	$ 3,259	$ 3,373

The Company recorded amortization expense of $1,106, $1,273 and $1,026 during 2011, 2010 and 2009, respectively.

Based on the current amount of software subject to amortization, the estimated annual amortization expense for each of the succeeding five years is as follows: $963 in 2012; $775 in 2013; $450 in 2014; $265 in 2015; and $118 in 2016.

NOTE 6: OTHER ASSETS

The components of other assets as of December 31, 2011 and 2010 are as follows:

	2011	2010
Derivative assets	$ 3,598	$ 8,027
Property and equipment, net	167	355
Deferred tax assets, net	--	23,604
Tax receivables	71,217	22,586
Prepaid assets	41,087	36,838
Other current assets	26,038	18,174
Total other assets	$ 142,107	$ 109,584

NOTE 7: CREDIT FACILITIES AND DEBT

Lenders of committed credit facilities have the obligation to make advances up to the facility amount. These facilities generally provide for facility fees on the total commitment, whether used or unused.

The following table summarizes the Company's debt and credit facilities, borrowings thereunder and availability at December 31, 2011:

	2011				
	Maturity*	Total Facility/Debt	Short-Term Outstanding**	Long-Term Outstanding	Available
Committed ABCP Facilities					
Retail – U.S.	Sep 2013	$ 1,200,000	$ 91,640	$ 277,760	$ 830,600
Retail – Canada	Dec 2012	293,734	153,262	--	140,472
Commercial Revolving Accounts	Oct 2012	200,000	166,800	--	33,200
Wholesale VFN – U.S.	Various	1,150,000	1,150,000	--	--
Wholesale VFN – Canada	Dec 2012	573,516	488,010	--	85,506
Subtotal		3,417,250	2,049,712	277,760	1,089,778
Third Party Debt					
Wholesale Term – U.S.	Various	803,250	803,250	--	--
Amortizing Retail Term ABS – N.A.	Various	5,013,006	1,730,937	3,282,069	--
Other ABS Financing – N.A.	Various	590,080	212,136	377,944	--
Subtotal		6,406,336	2,746,323	3,660,013	--
Unsecured Facility	2016	100,000	--	--	100,000
Unsecured Debt	2016	650,000	--	650,000	--
Total credit facilities and debt		$ 10,573,586	$ 4,796,035	$ 4,587,773	$ 1,189,778

* Maturity dates reflect maturities of the credit facility which may be different than the maturities of the advances under the facility.
** Short-term outstanding includes current maturities of long-term debt.

A summary of the minimum annual repayments of long-term debt as of December 31, 2011, for 2013 and thereafter is as follows:

2013	$ 1,459,352
2014	1,293,259
2015	916,722
2016	878,501
2017 and thereafter	39,939
Total	$ 4,587,773

The following table summarizes the Company's credit facilities, borrowings thereunder and availability at December 31, 2010:

	2010				
	Maturity*	**Total Facility/Debt**	**Short-Term Outstanding**	**Long-Term Outstanding**	**Available**
Committed ABCP Facilities					
Retail – U.S.	Dec 2011	$ 1,200,000	$ 214,858	$ --	$ 985,142
Retail – Canada	Various	399,543	31,235	92,693	275,615
Commercial Revolving Accounts	Oct 2011	225,000	176,300	--	48,700
Wholesale VFN – U.S.	Nov 2011	1,250,000	1,250,000	--	--
Wholesale VFN – Canada	Sep 2011	249,959	118,354	--	131,605
Subtotal		3,324,502	1,790,747	92,693	1,441,062
Third Party Debt					
Wholesale Term – U.S.	Jul 2012	583,250	--	583,250	--
Wholesale Term – Canada	Dec 2012	325,976	--	325,976	--
Amortizing Retail Term ABS – N.A.	Various	4,549,302	1,756,740	2,792,562	--
Other ABS Financing – N.A	Various	577,861	328,445	249,416	--
Subtotal		6,036,389	2,085,185	3,951,204	--
Total credit facilities and debt		$ 9,360,891	$ 3,875,932	$ 4,043,897	$ 1,441,062

* Maturity dates reflect maturities of the credit facility which may be different than the maturities of the advances under the facility.
** Short-term outstanding includes current maturities of long-term debt.

Committed Asset-Backed Facilities

The Company has access to asset-backed commercial paper ("ABCP") facilities through which it may sell retail receivables. The Company utilizes these facilities to fund the origination of receivables and, per the terms of the facility, have later repurchased the receivables and either resold the receivables in the term ABS markets or found alternative financing for the receivables. Under these facilities, the maximum amount of proceeds that can be accessed at one time is $1,493,734. Under the U.S. facility, if the receivables sold are not repurchased by the Company, the related debt is paid only as the underlying receivables are collected. Such receivables have maturities not exceeding 6 years. The Company believes that it is probable that these receivables will be repurchased and resold in the public ABS markets. Borrowings against these facilities accrue interest at prevailing asset-backed commercial paper rates.

The Company finances part of its wholesale receivable portfolios with the issue of Variable Funding Notes ("VFN"); these notes were privately subscribed by certain bank conduits. These notes accrue interest at prevailing asset-backed commercial paper rates.

Third Party Debt

Borrowings under third-party debt are a combination of both fixed rate and floating rate borrowings that bear interest at LIBOR plus an applicable margin.

Unsecured Facility

In July 2011, CNH Capital entered into a $100 million five-year unsecured revolving credit facility.

Unsecured Debt

In July 2011, CNH Capital entered into a $150 million five-year unsecured term loan at a floating rate based on LIBOR plus an applicable margin (3.20% as of December 31, 2011) due 2016.

In November 2011, CNH Capital issued $500 million of debt securities at an annual fixed rate of 6.25% due 2016.

Covenants

The unsecured indenture, among other things, limits the Company's ability and the ability of its restricted subsidiaries to incur secured debt or enter into certain sale leaseback transactions and limits the Company's ability and the ability of the guarantors to consolidate, merge, convey, transfer or lease all or substantially all of CNH Capital's or the guarantors' properties and assets.

Interest Rates

Borrowings against the ABCP facilities bear interest at prevailing ABCP rates. The weighted-average interest rate on total short-term debt outstanding at December 31, 2011 and 2010 was 1.89% and 2.37%, respectively. The weighted-average interest rate on total long-term debt outstanding at December 31, 2011 and 2010 was 2.32% and 2.41%, respectively. The average rate is calculated using the actual rates at December 31, 2011 and 2010, weighted by the amount of outstanding borrowings of each debt instrument.

Support Agreement

CNH Capital LLC and CNH Global entered into a support agreement, dated November 4, 2011, pursuant to which CNH Global has agreed to, among other matters, (a) make cash capital contributions to CNH Capital LLC, to the extent that such payments are necessary to cause the ratio of (i) net earnings available for fixed charges to (ii) fixed charges of CNH Capital LLC and its subsidiaries to be not less than 1.05 for each fiscal quarter of CNH Capital LLC (with such ratio determined, on a consolidated basis and in accordance with U.S. GAAP, for such fiscal quarter and the immediately preceding three fiscal quarters taken as a whole), (b) generally maintain an ownership of at least fifty-one percent (51%) of the capital stock of CNH Capital LLC having voting power for the election of directors or managers and (c) cause CNH Capital LLC to have, as at the end of any fiscal quarter, a consolidated tangible net worth of at least $50 million. CNH Global is required to cure, directly or indirectly, any deficiency in the ratio of net earnings available for fixed charges to fixed charges or in the consolidated tangible net worth not later than 90 days following the end of the fiscal quarter in which the deficiency occurred. This support agreement is not intended to be and is not a guarantee by CNH Global of any indebtedness or other obligation of CNH Capital LLC. The obligations of CNH Global to CNH Capital LLC pursuant to this support agreement are to CNH Capital LLC only and do not run to, and are not enforceable directly by, any creditor of CNH Capital LLC. No payment by CNH Global was required under this support agreement since its inception.

NOTE 8: INCOME TAXES

The income and expenses of the Company and certain of its domestic subsidiaries are included in the consolidated income tax return of Case New Holland Inc, a wholly owned subsidiary of CNH, and parent of CNH America. The Company's Canadian subsidiaries file separate income tax returns, as do certain domestic subsidiaries. The Company and certain of its domestic subsidiaries are LLCs and, as a result, incur no income tax liability on a stand-alone basis for tax purposes. However, for financial reporting, all tax accounts have been disclosed and the income tax expense is reflective for all of the companies included in the consolidated financial statements.

The sources of income before taxes for the years ended December 31, 2011, 2010, and 2009 are as follows:

	2011	2010	2009
Domestic	$ 243,365	$ 171,164	$ 103,587
Foreign	76,222	76,383	64,432
Income before taxes	$ 319,587	$ 247,547	$ 168,019

The provision for income taxes for the years ended December 31, 2011, 2010 and 2009 is as follows:

	2011	2010	2009
Current income tax expense:			
Domestic	$ 40,866	$ 31,395	$ 10,626
Foreign	18,432	4,907	25,664
Total current income tax expense	59,298	36,302	36,290
Deferred income tax expense (benefit):			
Domestic	55,790	39,490	26,089
Foreign	2,965	9,275	(10,078)
Total deferred income tax expense	58,755	48,765	16,011
Total tax provision	$ 118,053	$ 85,067	$ 52,301

A reconciliation of CNH's statutory and effective income tax rate for the years ended December 31, 2011, 2010, and 2009 is as follows:

	2011	2010	2009
Tax provision at statutory rate	35.0%	35.0%	35.0%
State and foreign taxes	1.8	3.5	1.2
Tax contingencies	.5	(4.0)	(4.3)
Tax credits and incentives	(.2)	(.2)	(.4)
Tax rate and legislative changes	--	(.1)	.1
Other	(.2)	.2	(.5)
Total tax provision effective rate	36.9%	34.4%	31.1%

The components of net deferred tax assets as of December 31, 2011 and 2010 are as follows:

	2011	2010
Deferred tax assets:		
Pension, postretirement and post employment benefits	$ 4,066	$ 4,005
Marketing and sales incentive programs	53,969	22,029
Allowance for credit losses	36,349	41,336
Other accrued liabilities	32,028	77,091
Tax loss carrybacks	8,753	4,527
Total deferred tax assets	$ 135,165	$ 148,988
Deferred tax liabilities:		
Equipment on operating lease	$ 167,971	$ 121,605
Other	--	3,779
Total deferred tax liabilities	$ 167,971	$ 125,384
Net deferred tax (liability) asset, net (1)	$ (32,806)	$ 23,604

(1) The net deferred tax liability in 2011 is included in "Accounts payable and other accrued liabilities" and the net deferred tax asset in 2010 is included in "Other assets" in the accompanying consolidated balance sheets.

Deferred taxes are provided to reflect timing differences between the financial and tax basis of assets and liabilities and tax carryforwards using currently enacted tax rates and laws. Management believes it is more likely than not the benefit of the deferred tax assets will be realized.

A reconciliation of the gross amounts of tax contingencies at the beginning and end of the year is as follows:

	2011	2010	2009
Balance, beginning of year	$ 4,848	$ 15,385	$ 17,385
Additions based on tax positions related to the current year	2,239	--	1,420
Reductions for tax positions of prior years	(180)	(8,276)	(3,420)
Settlements	--	(2,261)	--
Balance, end of year	$ 6,907	$ 4,848	$ 15,385

The total amount of unrecognized tax benefits that, if recognized, would affect the annual effective income tax rate is $2,010.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2011, 2010, and 2009, the Company recognized approximately $352, ($17,580), and $5,652, respectively, in interest and penalties. The Company had approximately $3,233, $3,271, and $20,752 for the expected future payment of interest and penalties accrued at December 31, 2011, 2010, and 2009, respectively.

The Company is currently under various income tax examinations by taxing authorities for years 2002 through 2006 that are anticipated to be completed by the end of 2013. As of December 31, 2011, certain taxing authorities have proposed adjustments to the Company's transfer pricing/management service fee positions. The Company anticipates that it is reasonably possible to reach a settlement with competent authority by the end of 2013 that may result in a tax deficiency assessment for which there should be correlative relief under competent authority. The potential tax deficiency assessments could have an effect on the Company's 2013 annual cash flows in the range of $5,000 to $6,000. The Company has provided for the unrecognized tax benefits and related competent authority recovery according to current guidance.

The Company has not provided deferred taxes on $267,300 of undistributed earnings of non-U.S. subsidiaries at December 31, 2011, as the Company's intention continues to be to indefinitely reinvest these earnings in the non-U.S. operations.

NOTE 9: FINANCIAL INSTRUMENTS

The Company may elect to measure financial instruments and certain other items at fair value. This fair value option would 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

The hierarchy of valuation techniques is 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, and 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 and market risk for the interest rate hedges is reduced through diversification among counterparties with high credit ratings. 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.

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 as 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 uses these swaps to mitigate the risk of rising interest rates related to the variable-rate debt in certain 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. The ineffectiveness is recorded in “Other expenses” in the consolidated statements of income. For the year ending December 31, 2009, the Company recorded losses of $13,392, related to the discontinuance of cash flow hedge accounting for instances where the forecasted transactions were no longer probable and are recorded in “Other expenses” in the consolidated statements of income. There were no such losses related to the discontinuance of cash flow hedge accounting for the years ended December 31, 2011 and 2010. 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 55 months. The after-tax losses deferred in accumulated other comprehensive income that will be recognized in interest expense over the next twelve months is approximately $4,355.

The Company also enters into offsetting interest rate derivatives with substantially similar terms that are not designated as hedging instruments to mitigate interest rate risk related to the Company’s ABCP 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 2011, 2010 and 2009.

As a result of the accounting guidance adopted January 1, 2010, interest rate derivatives, which were held by SPEs are now consolidated, were recorded as part of the adoption adjustment. The table below summarizes the impact of the adoption specific to interest rate derivatives and the location on the balance sheet.

	January 1, 2010
Other assets	$ 2,620
Accounts payable and other accrued liabilities	$ 24,316
Accumulated other comprehensive income (net of tax of $8,808)	$ (14,168)

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 and can be compared to actively traded derivatives. The future notional 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 $1,602,710 and $1,948,760 at December 31, 2011 and 2010, respectively.

Financial Statement Impact of the Company's Derivatives

The fair values of the Company's interest rate derivatives as of December 31, 2011 and 2010 in the consolidated balance sheets are recorded as follows:

	2011	2010
Derivatives Designated as Hedging Instruments:		
Derivative assets:		
Other assets	$ 80	$ 741
Derivative liabilities:		
Accounts payable and other accrued liabilities	$ 19	$ 5,375
Derivatives Not Designated as Hedging Instruments:		
Derivative assets:		
Other assets	$ 3,518	$ 6,888
Derivative liabilities:		
Accounts payable and other accrued liabilities	$ 3,585	$ 7,250

Pre-tax gains (losses) on the consolidated statements of income related to the Company's interest rate derivatives for the year ended December 31, 2011 and 2010 are recorded in the following accounts:

	2011	2010
Fair Value Hedges		
Other expenses	$ --	$ (3,499)
Cash Flow Hedges		
Recognized in accumulated other comprehensive income (Effective Portion)	$ (19,818)	$ (26,268)
Reclassified from accumulated other comprehensive income (Effective Portion)		
Interest expense to third parties	$ (17,191)	$ (33,925)
Recognized directly in income (Ineffective Portion)		
Other expenses	$ (278)	$ (552)
Not Designated as Hedges		
Other expenses	$ (751)	$ --

Retained Interests in Securitized Assets

Beginning January 1, 2010, with the adoption of the new accounting guidance related to VIEs, the Company reclassified the retained interests to receivables for transactions that were consolidated under this guidance. For transactions that were considered sales and are off-book, the Company carried the retained interest at estimated fair value, which it 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 recognized declines in the value of its retained interests, and resulting charges to income or equity, when their fair value was less than carrying value. The portion of the decline, from discount rates exceeding those in the initial transaction was charged to equity. All other credit related declines were charged to income. Assumptions used to determine fair values of retained interests were based on internal evaluations and, although the Company believed its methodology was reasonable, actual results could differ from its expectations. Retained interests in securitized assets are generally classified in Level 3 of the fair value hierarchy. As of December 31, 2011 and 2010, retained interests in securitized assets are $17,289 and $37,914, respectively.

Key assumptions utilized in measuring the initial fair value of retained interests for securitizations completed during 2009 were as follows:

	Range	Weighted Average
Constant prepayment rate	15.00%-20.00%	19.31%
Expected credit loss rate	0.59% - 1.50%	0.79%
Discount rate	9.00% - 17.00%	14.06%
Remaining maturity in months	13-32	25

The fair value is compared to the carrying value of the retained interests. If changes in credit-related rates result in an excess of carrying value over fair value, an impairment of the retained interests is recorded with a corresponding offset to income. If changes in the discount rates result in an excess of carrying value over fair value, an impairment to the retained interest is recorded with the offset included in "Accumulated other comprehensive income" in the consolidated balance sheet. Based on this analysis, the Company reduced the carrying value of its retained interests by $37,468 in 2009.

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 December 31, 2011 and 2010:

	Level 2		Level 3		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Interest rate derivatives	$ 3,438	$ 7,629	$ 160	$ --	$ 3,598	$ 7,629
Retained interests	--	--	17,289	37,914	17,289	37,914
Total assets	$ 3,438	$ 7,629	$ 17,449	$ 37,914	$ 20,887	$ 45,543
Liabilities						
Interest rate derivatives	$ 3,459	$ 7,250	$ 145	$ 5,375	$ 3,604	$ 12,625
Total liabilities	$ 3,459	$ 7,250	$ 145	$ 5,375	$ 3,604	$ 12,625

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 years ended December 31, 2011 and 2010:

	Retained Interests	Derivative Financial Instruments
Balance at January 1, 2010	$ 968,371	$ (1,645)
Total gains or losses (realized / unrealized):		
Impact from accounting change	(475,302)	(24,316)
Impact from accounting change – collateralized wholesale receivables	(394,037)	--
Included in earnings	1,130	20,586
Included in other comprehensive (loss) income	5,706	--
Settlements	(67,954)	--
Balance at December 31, 2010	$ 37,914	$ (5,375)
Total gains or losses (realized / unrealized):		
Included in earnings	299	5,390
Included in other comprehensive (loss) income	1,183	--
Settlements	(22,107)	--
Balance at December 31, 2011	$ 17,289	$ 15

Fair Value of Other 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.

Financial Instruments Not Carried at Fair Value

The carrying amount and estimated fair value of assets and liabilities considered financial instruments as of December 31, 2011 and 2010 are as follows:

	2011		2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Receivables	$ 9,386,549	$ 9,710,124	$ 8,627,213	$ 8,258,863
Short-term debt	4,796,035	4,796,035	3,875,932	3,799,842
Affiliated debt	819,270	823,028	1,567,107	1,587,538
Long-term debt	4,587,773	4,648,139	4,043,897	4,067,386

Financial Assets

The fair value of receivables was based on discounting the estimated future payments at prevailing market rates.

Financial Liabilities

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

NOTE 10: ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of accumulated other comprehensive income as of December 31, 2011 and 2010 are as follows:

	2011	2010
Cumulative translation adjustment	$ 43,836	$ 55,848
Pension liability adjustment net of taxes of $3,267 and $3,089	(5,394)	(5,006)
Unrealized gains on retained interests, net of taxes of $1,959 and $3,698	3,234	5,836
Unrealized loss on derivative financial instruments, net of taxes of $6,957 and $6,532	(12,960)	(11,036)
Total	$ 28,716	$ 45,642

NOTE 11: 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.

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

	2011	2010	2009
Revenues			
United States	$ 641,252	$ 681,698	$ 552,402
Canada	189,747	181,853	149,798
Total	$ 830,999	$ 863,551	$ 702,200
Interest expense			
United States	$ 207,657	$ 255,316	$ 139,009
Canada	61,177	57,716	41,123
Total	$ 268,834	$ 313,032	$ 180,132
Segment profit			
United States	$ 146,709	$ 100,291	$ 66,931
Canada	54,825	62,219	48,849
Total	$ 201,534	$ 162,510	$ 115,780
Depreciation and amortization			
United States	$ 78,568	$ 90,041	$ 94,804
Canada	32,978	29,246	22,571
Total	$ 111,546	$ 119,287	$ 117,375

	2011	2010	2009
Expenditures for equipment on operating leases and for non-lease assets			
United States	$ 292,823	$ 268,593	$ 210,811
Canada	93,538	88,309	49,236
Total	$ 386,361	$ 356,902	$ 260,047
Segment assets			
United States	$ 9,654,594	$ 8,683,991	$ 3,617,870
Canada	2,358,198	2,307,319	1,304,919
Total	$ 12,012,792	$ 10,991,310	$ 4,922,789
Provision for credit losses			
United States	$ 28,974	$ 74,370	$ 85,881
Canada	3,879	2,024	3,061
Total	$ 32,853	$ 76,394	$ 88,942
Managed Portfolio			
United States	$ 7,827,253	$ 7,214,953	$ 6,923,772
Canada	1,774,445	1,737,091	1,643,332
Total	$ 9,601,698	$ 8,952,044	$ 8,567,104

	2011	2010	2009
Reconciliation:			
Segment profit			
Profit from segments	$ 201,534	$ 162,510	$ 115,780
Less: inter-segment balances	--	(30)	(62)
Total	$ 201,534	$ 162,480	$ 115,718
Segment assets			
Assets from segments	$ 12,012,792	$ 10,991,310	$ 4,922,789
Less: inter-segment balances	(6,269)	(2,449)	(3,138)
Less: investment in subsidiaries	(105,372)	(105,372)	(105,372)
Total	$ 11,901,151	$ 10,883,489	$ 4,814,279

NOTE 12: RELATED-PARTY TRANSACTIONS / AFFILIATED DEBT

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 amounts recognized from CNH North America for below-market interest rate financing are included in “Interest income on retail and other notes and finance leases” in the accompanying consolidated statements of income, and was $216,544, $227,208 and $112,678 in 2011, 2010, and 2009, 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. In 2011, 2010, and 2009, the amounts recognized from CNH North America for these operating leases is $26,518, $22,273, and $17,447, respectively, and is included in “Rental income on operating leases” in the accompanying consolidated statements of income.

Similarly, for selected wholesale receivables, CNH North America compensates the Company for the difference between market rates and the amount paid by the dealer. In 2011, 2010, and 2009, the amount recognized by CNH North America for these wholesale receivables is $135,294, $115,352, and $44,216, respectively, and are included in “Interest income from affiliates”. In 2009, $51,211 is included in “Gain on retail, wholesale and revolving credit notes sold” in the accompanying consolidated statements of income based on whether the receivables were retained or sold. No gains were reported in 2011 and 2010 due to the new accounting change.

The Company is also compensated for lending funds to CNH North America and other affiliates for various purposes.

The summary of the sources included in “Interest income from affiliates” in the accompanying consolidated statements of income at December 31, 2011, 2010, and 2009 is as follows:

	2011	2010	2009
Wholesale subsidy – CNH North America	$ 135,294	$ 115,353	$ 44,216
Wholesale subsidy – other affiliates	1,928	--	--
Lending funds – CNH North America	1,700	10,329	9,977
Lending funds – other affiliates	22	1,220	1,307
Total interest income from affiliates	$ 138,944	$ 126,902	$ 55,500

Miscellaneous operating expenses charged by CNH America represent all personnel and administrative tasks CNH America performs on behalf of the Company.

For the years ended December 31, 2011, 2010, and 2009, the summary of “Fees charged by affiliates” in the accompanying consolidated statements of income is as follows:

	2011	2010	2009
Miscellaneous operating expenses – CNH America	$ 61,700	$ 61,164	$ 57,167
Miscellaneous operating expenses – CNH Global N.V.	1,220	275	--
Miscellaneous operating expenses – Fiat	25	25	25
Total fees charged by affiliates	$ 62,945	$ 61,464	$ 57,192

As of December 31, 2011 and 2010, the Company has various accounts and notes receivable and debt with the following affiliates:

	2011			2010		
	Rate	Maturity	Amount	Rate	Maturity	Amount
Affiliated receivables from:						
CNH America	2.50%	--	$ 65,335	2.46%	--	$ 43,780
CNH Canada Ltd.	1.33%	--	115,816	3.30%	--	75,938
Other affiliates	2.50%	--	12,766	2.46%	--	13,701
Total affiliated receivables			$ 193,917			$ 133,419
Affiliated debt owed to:						
CNH America	2.50%-3.18%	Various	$ 525,927	2.46%-4.44%	Various	$ 1,104,257
Fiat	3.38%-7.00%	Various	293,343	4.38%-7.00%	Various	462,850
Total affiliated debt			$ 819,270			$ 1,567,107

As a consequence of the Fiat demerger, the credit facilities provided by Fiat treasury subsidiaries which were outstanding as of December 31, 2010 were assigned to Fiat Industrial treasury subsidiaries on January 1, 2011. As a result of this assignment, the Company has no residual borrowing outstanding with Fiat treasury subsidiaries as of close of business January 1, 2011.

Maturities of affiliated debt as of December 31, 2011, are as follows:

2012	$ 735,732
2013	62,487
2014	19,582
2015	1,469
2016 and thereafter	--
Total	$ 819,270

Accounts payable and other accrued liabilities of $24,221 and $5,643, respectively, for the years ended December 31, 2011 and 2010, were payable to related parties. Interest expense to related affiliates was $44,645, $80,584 and $102,564, respectively, for the years ended December 31, 2011, 2010 and 2009.

CNH Canada Ltd., an affiliated entity, owns 74,800,000 shares of preferred stock in CNH Capital Canada Ltd, one of the Company's subsidiaries. This is recorded in "Noncontrolling interest" in the stockholder's equity in the accompanying consolidated balance sheets. These shares earn dividends of LIBOR plus 1.2% per annum. The dividends are accrued annually and are recorded in "Net income attributed to the noncontrolling interest" in the consolidated statements of income. The accrued, but not declared, dividends are included in "Noncontrolling interest" in the stockholder's equity in the accompanying consolidated balance sheets.

NOTE 13: 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 financial debt of various CNH European affiliates for approximately $292,300.

Commitments

At December 31, 2011, the Company has various agreements to extend credit for the following managed portfolios:

	Total Credit Limit	Utilized	Unfunded Commitment
Private label revolving charge accounts	$ 3,668,743	$ 265,177	$ 3,403,566
Wholesale and dealer financing	4,930,074	2,866,512	2,063,562

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

NOTE 14: 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 December 31, 2011 and 2010 and for the three years ended December 31, 2011. The condensed consolidating financial information reflects investments in consolidated subsidiaries under the equity method of accounting.

Condensed Statements of Income for the Year Ended December 31, 2011

	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
REVENUES					
Interest income on retail and other notes and finance leases	$ --	$ 35,929	$ 418,945	$ --	$ 454,874
Interest income from affiliates	--	120,011	137,000	(118,067)	138,944
Servicing fee income	--	72,087	514	(70,854)	1,747
Rental income on operating leases	--	100,422	63,825	--	164,247
Other income	--	29,237	41,950	--	71,187
Total revenues	--	357,686	662,234	(188,921)	830,999
EXPENSES					
Interest expense:					
Interest expense to third parties	8,184	(755)	216,760	--	224,189
Interest expense to affiliates	190	131,869	30,653	(118,067)	44,645
Total interest expense	8,374	131,114	247,413	(118,067)	268,834
Operating expenses:					
Fees charged by affiliates	--	50,055	83,744	(70,854)	62,945
Provision for credit losses	--	31,463	1,390	--	32,853
Other than temporary impairment of retained interests	--	30	785	--	815
Depreciation of equipment on operating leases	--	66,279	44,035	--	110,314
Other expenses	1	29,213	6,437	--	35,651
Total operating expenses	1	177,040	136,391	(70,854)	242,578
Total expenses	8,375	308,154	383,804	(188,921)	511,412
Income (loss) before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(8,375)	49,532	278,430	--	319,587
Income tax (benefit) provision	(3,282)	18,830	102,505	--	118,053
Equity in income of consolidated subsidiaries accounted for under the equity method	205,139	174,437	--	(379,576)	--
NET INCOME	200,046	205,139	175,925	(379,576)	201,534
Net income attributed to the noncontrolling interest	--	--	(1,488)	--	(1,488)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 200,046	$ 205,139	$ 174,437	$ (379,576)	$ 200,046

	Condensed Balance Sheets as of December 31, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
ASSETS					
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	13,588	33,283	95,236	--	142,107
TOTAL	$ 1,858,586	$ 4,421,135	$ 11,464,704	$ (5,843,274)	$ 11,901,151
LIABILITIES AND STOCKHOLDER'S EQUITY					
LIABILITIES:					
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	650,000	189,331	3,748,442	--	4,587,773
Total liabilities	666,230	3,217,703	9,842,754	(3,072,781)	10,653,906
STOCKHOLDER'S EQUITY	1,192,356	1,203,432	1,621,950	(2,770,493)	1,247,245
TOTAL	$ 1,858,586	$ 4,421,135	$ 11,464,704	$ (5,843,274)	$ 11,901,151

	Condensed Statements of Cash Flow for the Year Ended December 31, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash from (used in) operating activities	$ (653,183)	$ 859,941	$ 235,827	$ 22,517	$ 465,102
CASH FLOW FROM INVESTING ACTIVITIES:					
Cost of receivables acquired	--	(14,454,152)	(15,762,983)	12,180,227	(18,036,908)
Proceeds from sales and collections of receivables	--	14,525,124	14,871,686	(12,179,172)	17,217,638
Purchase of equipment on operating leases, net	--	(84,523)	(63,813)	--	(148,336)
Other investing activities	--	(933)	1,986	--	1,053
Net cash from (used in) investing activities	--	(14,484)	(953,124)	1,055	(966,553)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Intercompany activity	3,183	(683,368)	(38,753)	(23,572)	(742,510)
Net increase in indebtedness	650,000	28,832	823,430	--	1,502,262
Dividends to CNH America LLC	--	(85,000)	--	--	(85,000)
Net cash from (used in) financing activities	653,183	(739,536)	784,677	(23,572)	674,752
INCREASE IN CASH AND CASH EQUIVALENTS	--	105,921	67,380	--	173,301
CASH AND CASH EQUIVALENTS:					
Beginning of year	--	200,287	220,505	--	420,792
End of year	$ --	$ 306,208	$ 287,885	$ --	$ 594,093

	Condensed Statements of Income for the Year Ended December 31, 2010				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
REVENUES					
Interest income on retail and other notes and finance leases	$ --	$ 48,155	$ 446,604	$ --	$ 494,759
Interest income from affiliates	--	111,894	99,345	(84,337)	126,902
Gain on retail, wholesale and revolving credit notes sold	--	38	--	--	38
Servicing fee income	--	68,145	1,419	(66,224)	3,340
Rental income on operating leases	--	121,881	41,381	--	163,262
Other income	--	30,695	44,555	--	75,250
Total revenues	--	380,808	633,304	(150,561)	863,551
EXPENSES					
Interest expense:					
Interest expense to third parties	--	20,296	212,152	--	232,448
Interest expense to affiliates	155	121,999	42,767	(84,337)	80,584
Total interest expense	155	142,295	254,919	(84,337)	313,032
Operating expenses:					
Fees charged by affiliates	--	50,613	77,075	(66,224)	61,464
Provision for credit losses	--	70,981	5,413	--	76,394
Other than temporary impairment of retained interests	--	--	4,108	--	4,108
Depreciation of equipment on operating leases	--	87,838	30,010	--	117,848
Other expenses	1	27,208	15,949	--	43,158
Total operating expenses	1	236,640	132,555	(66,224)	302,972
Total expenses	156	378,935	387,474	(150,561)	616,004
Income (loss) before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(156)	1,873	245,830	--	247,547
Income tax (benefit) provision	(62)	1,303	83,826	--	85,067
Equity in income of consolidated subsidiaries accounted for under the equity method	160,713	160,143	--	(320,856)	--
NET INCOME	160,619	160,713	162,004	(320,856)	162,480
Net income attributed to the noncontrolling interest	--	--	(1,861)	--	(1,861)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 160,619	$ 160,713	$ 160,143	$ (320,856)	$ 160,619

	Condensed Balance Sheets as of December 31, 2010				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ --	$ 200,287	$ 220,505	$ --	$ 420,792
Restricted cash	--	100	773,154	--	773,254
Receivables, less allowance for credit losses	--	928,022	7,699,191	--	8,627,213
Retained interests in securitized receivables	--	19,641	21,495	(3,222)	37,914
Affiliated accounts and notes receivable	285	955,399	1,208,725	(2,030,990)	133,419
Equipment on operating leases, net	--	359,050	254,843	--	613,893
Equipment held for sale	--	33,132	13,264	--	46,396
Investments in consolidated subsidiaries accounted for under the equity method	1,100,219	1,408,487	--	(2,508,706)	--
Goodwill and intangible assets	--	84,656	36,368	--	121,024
Other assets	19	--	159,255	(49,690)	109,584
TOTAL	$ 1,100,523	$ 3,988,774	$ 10,386,800	$ (4,592,608)	$ 10,883,489
LIABILITIES AND STOCKHOLDER'S EQUITY					
LIABILITIES:					
Short-term debt, including current maturities of long-term debt	$ --	$ 141,563	$ 3,734,369	$ --	$ 3,875,932
Accounts payable and other accrued liabilities	18	1,281,528	351,271	(1,383,901)	248,916
Affiliated debt	6,269	1,286,329	974,510	(700,001)	1,567,107
Long-term debt	--	179,135	3,864,762	--	4,043,897
Total liabilities	6,287	2,888,555	8,924,912	(2,083,902)	9,735,852
STOCKHOLDER'S EQUITY	1,094,236	1,100,219	1,461,888	(2,508,706)	1,147,637
TOTAL	$ 1,100,523	$ 3,988,774	$ 10,386,800	$ (4,592,608)	$ 10,883,489

	Condensed Statements of Cash Flow for the Year Ended December 31, 2010				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash from (used in) operating activities	$ (155)	$ 692,810	$ (275,287)	$ (60,341)	$ 357,027
CASH FLOW FROM INVESTING ACTIVITIES:					
Cost of receivables acquired	--	(12,375,373)	(13,766,266)	10,407,997	(15,733,642)
Proceeds from sales and collections of receivables	--	12,318,165	13,545,171	(10,407,997)	15,455,339
Decrease (increase) in restricted cash	--	1,992	(148,340)	--	(146,348)
Purchase (disposal) of equipment on operating leases, net	--	14,365	(145,406)	--	(131,041)
Other investing activities	--	(1,199)	--	--	(1,199)
Net cash from (used in) investing activities	--	(42,050)	(514,841)	--	(556,891)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Intercompany activity	155	(314,591)	(220,583)	(20,931)	(555,950)
Net increase in indebtedness	--	4,870	1,068,721	--	1,073,591
Issuance of common stock	--	--	1	(1)	--
Redemption of paid in capital	--	--	(81,273)	81,273	--
Dividends to CNH America LLC	--	(295,000)	--	--	(295,000)
Net cash from (used in) financing activities	155	(604,721)	766,866	60,341	222,641
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	--	46,039	(23,262)	--	22,777
CASH AND CASH EQUIVALENTS:					
Beginning of year	--	154,248	243,767	--	398,015
End of year	$ --	$ 200,287	$ 220,505	$ --	$ 420,792

	Condensed Statements of Income for the Year Ended December 31, 2009				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
REVENUES					
Interest income on retail and other notes and finance leases	$ --	$ 82,432	$ 153,805	$ --	$ 236,237
Interest income from affiliates	--	48,310	55,174	(47,984)	55,500
Gain on retail, wholesale and revolving credit notes sold	--	(18,326)	165,787	--	147,461
Servicing fee income	--	72,806	9,515	(24,380)	57,941
Rental income on operating leases	--	123,942	31,909	--	155,851
Other income	--	27,010	22,200	--	49,210
Total revenues	--	336,174	438,390	(72,364)	702,200
EXPENSES					
Interest expense:					
Interest expense to third parties	--	41,657	35,911	--	77,568
Interest expense to affiliates	110	105,731	44,707	(47,984)	102,564
Total interest expense	110	147,388	80,618	(47,984)	180,132
Operating expenses:					
Fees charged by affiliates	--	55,769	25,803	(24,380)	57,192
Provision for credit losses	--	43,255	45,687	--	88,942
Other than temporary impairment of retained interests	--	--	37,468	--	37,468
Depreciation of equipment on operating leases	--	93,777	22,392	--	116,169
Other expenses	1	40,642	13,635	--	54,278
Total operating expenses	1	233,443	144,985	(24,380)	354,049
Total expenses	111	380,831	225,603	(72,364)	534,181
Income (loss) before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(111)	(44,657)	212,787	--	168,019
Income tax (benefit) provision	(48)	(23,094)	75,443	--	52,301
Equity in income of consolidated subsidiaries accounted for under the equity method	113,339	134,902	--	(248,241)	--
NET INCOME	113,276	113,339	137,344	(248,241)	115,718
Net income attributed to the noncontrolling interest	--	--	(2,442)	--	(2,442)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 113,276	$ 113,339	$ 134,902	$ (248,241)	$ 113,276

Condensed Statements of Cash Flow for the Year Ended December 31, 2009

	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash from (used in) operating activities	$ (107)	$ 497,582	$ (376,800)	$ 85,161	$ 205,836
CASH FLOW FROM INVESTING ACTIVITIES:					
Cost of receivables acquired	--	(10,815,097)	(11,787,708)	9,015,698	(13,587,107)
Proceeds from sales and collections of receivables	--	11,311,608	13,320,491	(9,015,698)	15,616,401
Purchase of equipment on operating leases, net	--	(83,538)	(42,277)	--	(125,815)
Other investing activities	--	(45,423)	43,988	--	(1,435)
Net cash from (used in) investing activities	--	367,550	1,534,494	--	1,902,044
CASH FLOWS FROM FINANCING ACTIVITIES:					
Intercompany activity	107	(717,462)	(279,867)	(80,402)	(1,077,624)
Net increase (decrease) in indebtedness	--	12,335	(664,017)	--	(651,682)
Issuance of common stock	--	--	4,759	(4,759)	--
Dividends to CNH America LLC	--	(150,000)	--	--	(150,000)
Net cash from (used in) financing activities	107	(855,127)	(939,125)	(85,161)	(1,879,306)
INCREASE IN CASH AND CASH EQUIVALENTS	--	10,005	218,569	--	228,574
CASH AND CASH EQUIVALENTS:					
Beginning of year	--	144,243	25,198	--	169,441
End of year	$ --	$ 154,248	$ 243,767	$ --	$ 398,015

NOTE 15: SUPPLEMENTAL QUARTERLY INFORMATION (UNAUDITED)

	For the Year Ended December 31, 2011				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Revenues	$ 205,822	$ 207,683	$ 207,299	$ 210,195	$ 830,999
Interest expense	69,990	69,316	63,808	65,720	268,834
Operating expenses	51,347	59,468	60,375	71,388	242,578
Income tax provision	31,252	28,252	30,259	28,290	118,053
Net income attributable to the noncontrolling interest	411	394	295	388	1,488
Net income attributable to CNH Capital LLC	$ 52,822	$ 50,253	$ 52,562	$ 44,409	$ 200,046

	For the Year Ended December 31, 2010				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
Revenues	$ 213,095	$ 212,808	$ 218,781	$ 218,867	$ 863,551
Interest expense	80,408	79,109	78,705	74,810	313,032
Operating expenses	75,968	96,515	65,782	64,707	302,972
Income tax provision	23,747	12,369	15,915	33,036	85,067
Net income attributable to the noncontrolling interest	570	421	414	456	1,861
Net income attributable to CNH Capital LLC	$ 32,402	$ 24,394	$ 57,965	$ 45,858	$ 160,619

NOTE 16: RETROSPECTIVE ADOPTION OF ACCOUNTING STANDARDS

Under a registration rights agreement executed in connection with the November 2011 private offering of $500 million in aggregate principal amount of its 6.250% notes described in Note 7, the Company is required to file a registration statement with the Securities and Exchange Commission with respect to an offer to exchange such notes for publicly registered notes. Therefore, the Company has begun to follow U.S. GAAP applicable to public companies as defined by the applicable accounting standards and related Securities and Exchange Commission regulations. As a result, the Company retrospectively adopted the following accounting policies in these consolidated financial statements.

Condensed Consolidating Financial Information

The disclosure requirements related to financial statements of guarantors and issuers of guaranteed securities registered or being registered was applied to all periods presented (See Note 14).

Income Tax Accounting

The Company adopted the accounting standards that require the entity to calculate its tax provision on the separate return basis as if the entity had not been eligible to be included in a consolidated tax return with its parent. Previously, the Company's subsidiaries that were structured as limited liability companies did not record an income tax provision. This accounting methodology has been applied to the consolidated financial statements and related disclosures for all periods presented.

Comprehensive Income

As indicated in "Note 2: Summary of Significant Accounting Policies", the Company has adopted new accounting guidance in 2011 on the presentation of comprehensive income. This has resulted in the Company presenting a separate statement of comprehensive income for all periods presented.

NOTE 17: SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through March 29, 2012, the date of issuance of these financial statements.