

SUPPLEMENTARY PROSPECTUS

Castle Trust Direct plc

Incorporated with limited liability in England and Wales with registered number 9046984 and having its registered office at 10 Norwich Street, London EC4A 1BD.

£1,500,000,000 CASTLE TRUST DIRECT PROGRAMME FOR THE ISSUANCE OF NOTES

SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus constitutes a supplementary prospectus in accordance with section 87G of the Financial Services and Markets Act 2000, as amended (“**FSMA**”). This Supplementary Prospectus has been approved by the FCA, which is the United Kingdom competent authority for the purposes of the Prospectus Directive, as a supplementary prospectus issued in compliance with the Prospectus Directive.

This Supplementary Prospectus is supplemental to and must be read in conjunction with the base prospectus published by Castle Trust Direct plc (the “**Issuer**”) on 17 June 2016 (the “**Base Prospectus**”). You should read the whole of this Supplementary Prospectus and the Base Prospectus.

An investment in Notes issued pursuant to the programme under which the Issuer may issue loan notes up to a nominal value of £1,500,000,000 as described in the Base Prospectus (the “Programme”) involves certain risks. For a discussion of these, please see the Risk Factors set out in Part II of the Base Prospectus.

The date of this Supplementary Prospectus is 18 January 2017.

The Issuer accepts responsibility for the information contained in this Supplementary Prospectus and declares that, to the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Castle Trust Capital plc (“**Castle Trust**”) accepts responsibility for the information contained in this Supplementary Prospectus relating to Castle Trust and declares that, to the best of the knowledge and belief of Castle Trust (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus relating to Castle Trust is in accordance with the facts and contains no omission likely to affect its import.

In accordance with section 87Q(4)-(6) FSMA, prospective investors who, prior to the publication of this Supplementary Prospectus, have agreed to buy or subscribe for Notes pursuant to the Programme, have the right to withdraw their commitments. Such right shall expire at the end of the second working day after the date of this Supplementary Prospectus.

The distribution of this Supplementary Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, JTC Trustees (UK) Limited as the Trustee, Castle Trust and Castle Trust Capital Management Limited (“**CTCM**”) do not represent that this Supplementary Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Castle Trust or CTCM which is intended to permit a public offering of any Notes or distribution of this Supplementary Prospectus in a jurisdiction where action for that purpose is required.

Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Supplementary Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Supplementary Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Supplementary Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom) (see Part X Section 1 of the Base Prospectus, “Subscription and Sale”).

Neither this Supplementary Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, Castle Trust or CTCM to any person to subscribe for or to purchase any Notes to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

SUPPLEMENTARY INFORMATION

Background

The purpose of this Supplementary Prospectus is to draw prospective and current investors' attention to Castle Trust's diversification into the personal lending market (the "**Acquisition**"). The information on the Acquisition disclosed below is new information which is significant for the purposes of making an informed assessment of the kind mentioned in section 87A(2) FSMA. The information on the Acquisition disclosed below should be considered in addition to the information included in the Base Prospectus.

Castle Trust has been pursuing a strategy to diversify its asset base. One element of that strategy is to expand its consumer lending business into areas other than residential mortgage lending. The personal lending market was determined to have compelling risk/reward dynamics and Castle Trust has been exploring opportunities to enter that space.

One of the opportunities that Castle Trust identified within the personal lending market was online retail point of sale ("**POS**") finance.

Castle Trust believes that POS finance provides a valuable service to both consumers and retailers as the ability to pay for larger purchases in instalments is already, in Castle Trust's view, an essential service for a significant part of the UK population. Castle Trust believes that customer demand is currently underserved by existing POS finance providers. As such, Castle Trust considers POS finance an attractive area within the personal lending market in which to expand due to what Castle Trust sees as strong growth potential for the sector driven by (i) growth trends in, and increasing penetration of POS finance in, online sales, (ii) growth trends in the proportion of online retailers who offer POS credit as new technology lowers historically high barriers to entry, (iii) retailer loyalty following investment in website integration and (iv) the relatively nascent nature of POS finance within the personal lending market. Castle Trust therefore sees POS finance as an enduring niche that would provide additional diversification of credit returns to Castle Trust's existing business.

Based on the reasoning above, Castle Trust has acquired 100% of the issued share capital of Omni Capital Retail Finance Limited (FRN 720279) ("**OCRF**"), an existing POS finance provider, on 17 January 2017, to expand its existing business into the personal lending market. OCRF is believed to have complimentary credit risk that fits with Castle Trust's overall strategy and is deemed the right size and complexity for Castle Trust to acquire.

OCRF's loans are currently offered across six point of sale sectors (training and education, medical, lifestyle and valuables, technology and appliances, sports and hobbies, and home improvement) with 85% of business currently sourced through online channels.

Total consideration for the transaction was £26.45m. Castle Trust also refinanced OCRF's existing borrowing as part of the transaction, which utilised approximately £32.3m of Castle Trust's liquid assets.

Castle Trust's shareholder, J.C. Flowers & Co., has agreed to invest an additional £19m to support the transaction with up to a further £4m in 2019-2020 to support growth.

Save as disclosed in this Supplementary Prospectus, no significant new factor, material mistake or inaccuracy or significant change relating to information included in the Base Prospectus has arisen since publication of the Base Prospectus on 17 June 2016.

Amendments to the Summary

This Supplementary Prospectus amends the summary information which forms part of the Base Prospectus as follows:

- the replacement of paragraph B.5 with the paragraph set out below; and
- the replacement of paragraph B.14 with the paragraph set out below.

B.5	Description of the group and Castle Trust's and CTF's position within the group	Castle Trust is a wholly-owned subsidiary of Castle Trust Holdings (Jersey) Limited (" CTHJ "), which in turn is majority owned by J.C. Flowers Fund III, a subsidiary of the J.C. Flowers group. Castle Trust has eleven direct or indirect subsidiaries: CTCM, the Issuer, CTF, Castle Trust Treasury Limited (" CTT "), Castle Trust Income House plc (" CTIH "), Castle Trust Capital Nominees Limited (" CTCN "), Castle Trust Services Limited (" CTS "), Castle Trust POS Limited (" CTPOS "), Omni Credit Retail Finance Limited (" OCRFB "), Omni Capital Consumer Finance Limited (" OCCF ") and Omni Money Limited (" OML ") (together, the "Group").
B.14	Dependency of Castle Trust and CTF on other entities within the group	<p>Castle Trust is a wholly-owned subsidiary of CTHJ which in turn is majority owned by J.C. Flowers Fund III, a subsidiary of the J.C. Flowers Group. Castle Trust has eleven direct or indirect subsidiaries: CTCM, the Issuer, CTF, CTT, CTIH, CTCN, CTS, CTPOS, OCRF, OCCF and OML.</p> <p>Castle Trust is not dependent upon other entities within the Group. CTF is a special purpose vehicle and is dependent on Castle Trust and CTCM for various functions.</p>

Amendment to the Overview of Castle Trust and its business

The replacement of the paragraph in section 12 "**Strategy for growth**" beginning "*Castle Trust may also expand its business by offering*" with the following paragraph:

Castle Trust may also expand its business by offering (i) loans secured by UK residential property; (ii) loans secured by assets other than UK residential property; and/or (iii) personal recourse lending to consumers. Castle Trust may achieve this business expansion by acquiring or financing companies that already participate in such lending, or by buying portfolios of such loans or individual loans. The acquisition of OCRF on 17 January 2017 represents the first step in its expansion into personal recourse lending to consumers but Castle Trust is continuing to look at other opportunities in this area either through the growth of OCRF, by acquiring or financing other companies that already participate in such lending, or by buying portfolios of such loans or individual loans.