GOLDMAN SACHS GROUP INC
Form 424B2
February 21, 2019
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Registration Statement No. 333-219206

GS Finance Corp.

$2,005,000

Index-Linked Notes due 2023

guaranteed by

The Goldman Sachs Group, Inc.
The notes may pay no coupon through the February 2020 coupon payment date. After the February 2020 coupon payment date, the notes will not pay any coupon. The coupons, if any, and the amount that you will be paid on your notes on the stated maturity date (February 24, 2023) are based on the performance of the S&P 500® Index.

If the closing level of the index is greater than or equal to 80% of the initial level on every trading day during a measurement period (from but excluding the trade date (February 19, 2019) to and including a coupon determination date), you will receive on the related coupon payment date a coupon of $4.125 for each $1,000 face amount of your notes. Therefore, if the closing level of the index is less than 80% of the initial level on any trading day during a measurement period, you will not receive a coupon on the related coupon payment date or on any subsequent coupon payment date. No coupons will be paid on the notes after the coupon payment date in February 2020, regardless of the performance of the index. Coupon determination dates are the 19th day of each month, commencing in March 2019 and ending in February 2020. Coupon payment dates are the third business day after each coupon determination date.

Your notes will be automatically called on the final coupon determination date (in February 2020) if the closing level of the index is greater than or equal to 80% of the initial level on every trading day during the measurement period from but excluding the trade date to and including the final coupon determination date. If your notes are automatically called, you will receive a payment on the February 2020 coupon payment date equal to the face amount of your notes plus the coupon then due (you will have received a coupon on each monthly coupon payment date).

If your notes are not automatically called (the closing level of the index was less than 80% of the initial level on any trading day from but excluding the trade date to and including the final coupon determination date), at maturity you will be paid an amount on your notes based on the index return plus 20%. The index return is the percentage increase or decrease in the final level of the index (the closing level of the index on the determination date (February 21, 2023)) from the initial level.

For example, if your notes are not automatically called and the final level is 50% of the initial level, you would receive a payment at maturity equal to $700 for each $1,000 face amount of your notes. If your notes are not automatically called in February 2020 and the final level of the index is less than 80% of the initial level, you may lose a significant portion of your investment in the notes. At maturity, if your notes have not been automatically called, for each $1,000 face amount of your notes you will receive an amount in cash equal to the sum of (i) $1,000 plus (ii) the product of (a) $1,000 times (b) the sum of the index return plus 20% (if the final level is less than 80% of the initial level, you will receive less than the face amount of your notes).

You should read the disclosure herein to better understand the terms and risks of your investment, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. See page S-11.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately $991 per $1,000 face amount. For a discussion of the estimated value and the price at which Goldman Sachs & Co. LLC would initially buy or sell your notes, if it makes a market in the notes, see page S-2.

Original issue date:	February 22, 2019	Original issue price:	100% of the face amount
Underwriting discount:	0.3% of the face amount	Net proceeds to the issuer:	99.7% of the face amount

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. The notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

Goldman Sachs & Co. LLC

Prospectus Supplement No. 5,214 dated February 19, 2019.

The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this prospectus supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.

GS Finance Corp. may use this prospectus in the initial sale of the notes. In addition, Goldman Sachs & Co. LLC or any other affiliate of GS Finance Corp. may use this prospectus in a market-making transaction in a note after its initial sale. Unless GS Finance Corp. or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.

Estimated Value of Your Notes

The estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is equal to approximately $991 per $1,000 face amount, which is less than the original issue price. The value of your notes at any time will reflect many factors and cannot be predicted; however, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would initially buy or sell notes (if it makes a market, which it is not obligated to do) and the value that GS&Co. will initially use for account statements and otherwise is equal to approximately the estimated value of your notes at the time of pricing, plus an additional amount (initially equal to $9 per $1,000 face amount).

Prior to February 19, 2020, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market, which it is not obligated to do) will equal approximately the sum of (a) the then-current estimated value of your notes (as determined by reference to GS&Co.'s pricing models) plus (b) any remaining additional amount (the additional amount will decline to zero on a straight-line basis from the time of pricing through February 18, 2020). On and after February 19, 2020, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market) will equal approximately the then-current estimated value of your notes determined by reference to such pricing models.

About Your Prospectus

The notes are part of the Medium-Term Notes, Series E program of GS Finance Corp. and are fully and unconditionally guaranteed by The Goldman Sachs Group, Inc. This prospectus includes this prospectus supplement and the accompanying documents listed below. This prospectus supplement constitutes a supplement to the documents listed below and should be read in conjunction with such documents:

Prospectus supplement dated July 10, 2017

Prospectus dated July 10, 2017

The information in this prospectus supplement supersedes any conflicting information in the documents listed above. In addition, some of the terms or features described in the listed documents may not apply to your notes.

Summary Information

We refer to the notes we are offering by this prospectus supplement as the “offered notes” or the “notes”. Each of the offered notes has the terms described below and under “Specific Terms of Your Notes” on page S-18. Please note that in this prospectus supplement, references to “GS Finance Corp.”, “we”, “our” and “us” mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to “The Goldman Sachs Group, Inc.”, our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to “Goldman Sachs” mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the “accompanying prospectus” mean the accompanying prospectus, dated July 10, 2017, and references to the “accompanying prospectus supplement” mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. References to the “indenture” in this prospectus supplement mean the senior debt indenture, dated as of October 10, 2008, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015, each among us, as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee. This indenture, as so supplemented and as further supplemented thereafter, is referred to as the “GSFC 2008 indenture” in the accompanying prospectus supplement.

Investment Thesis

The notes are designed for investors who:

•believe that

othe closing level of the index will be greater than or equal to 80% of the initial index level on every trading day during the first eleven of the twelve measurement periods (so that they will receive eleven of the twelve potential contingent coupons) and

othe index return plus 20% from the trade date to the determination date will exceed the aggregate amount of the contingent coupon that is not paid for each $1,000 face amount of the notes during the twelfth measurement period,

but also believe that, even if the closing level of the index is not greater than or equal to 80% of the initial index level on every trading day during the first eleven of the twelve measurement periods (in which case they will receive less than eleven, and possibly none, of the twelve potential contingent coupons), the index return plus 20% from the trade date to the determination date will exceed the aggregate amount of the contingent coupons that are not paid for each $1,000 face amount of the notes during the twelve measurement periods.

•want to receive a monthly contingent coupon if, on every trading day during the applicable measurement period, the closing level of the index is greater than or equal to 80% of the initial index level, in exchange for bearing the risk of:

oreceiving few or no monthly contingent coupons;

ohaving the notes automatically called after twelve months if, on every trading day during every measurement period, the closing level of the index is greater than or equal to 80% of the initial index level (i.e., the risk of (i) having the notes automatically called on the February 2020 coupon payment date and (ii) foregoing the benefit of any potential appreciation of the index through the determination date, even though a coupon was received on each of the twelve coupon payment dates between March 2019 and February 2020); and

olosing a substantial portion of their investment in the notes.

Key Terms
Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Index: the S&P 500® Index (Bloomberg symbol, “SPX Index”), as published by S&P Dow Jones Indices LLC (“S&P”); see “The Index” on page S-28.

Specified currency: U.S. dollars (“$”)

Face amount: each note will have a face amount equal to $1,000; $2,005,000 in the aggregate for all the offered notes; the aggregate face amount of the offered notes may be increased if the issuer, at its sole option, decides to sell an additional amount of the offered notes on a date subsequent to the date of this prospectus supplement

Denominations: $1,000 and integral multiples of $1,000 in excess thereof

Purchase at amount other than face amount: the amount we will pay you for your notes on the call payment date or the stated maturity date, as the case may be, will not be adjusted based on the issue price you pay for your notes, so if you acquire notes at a premium (or discount) to face amount and hold them to the call payment date or the stated maturity date, it could affect your investment in a number of ways. The return on your investment in such notes will be lower (or higher) than it would have been had you purchased the notes at face amount. See "Additional Risk Factors Specific to Your Notes — If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected" on page S-14 of this prospectus supplement

Supplemental discussion of U.S. federal income tax consequences: you will be obligated pursuant to the terms of the notes — in the absence of a change in law, an administrative determination or a judicial ruling to the contrary — to characterize each note for all tax purposes as an income-bearing pre-paid derivative contract in respect of the index, as described under "Supplemental Discussion of Federal Income Tax Consequences" herein. Pursuant to this approach, it is the opinion of Sidley Austin llp that it is likely that any coupon payment will be taxed as ordinary income in accordance with your regular method of accounting for U.S. federal income tax purposes. If you are a United States alien holder of the notes, we intend to withhold on coupon payments made to you at a 30% rate or at a lower rate specified by an applicable income tax treaty. In addition, upon the sale, exchange, redemption or maturity of your notes, it would be reasonable for you to recognize capital gain or loss equal to the difference, if any, between the amount of cash you receive at such time (excluding amounts attributable to any coupon payment) and your tax basis in your notes.

Automatic call feature: if the closing level of the index is greater than or equal to 80% of the initial index level on every trading day during the measurement period from but excluding the trade date to and including the final coupon determination date, your notes will be automatically called on the call observation date; if your notes are automatically called, on the call payment date, in addition to the coupon then due, you will receive an amount in cash equal to $1,000 for each $1,000 face amount of your notes

Cash settlement amount (on the call payment date): if your notes are automatically called on the call observation date because the closing level of the index is greater than or equal to 80% of the initial index level on every trading day during the measurement period from but excluding the trade date to and including the final coupon determination date, we will pay you on the call payment date, for each $1,000 face amount of your notes, an amount in cash equal to the sum of (i) $1,000 plus (ii) the coupon then due

Cash settlement amount (on the stated maturity date): if your notes are not automatically called, we will pay you on the stated maturity date, for each $1,000 face amount of your notes, an amount in cash equal to the sum of (i) $1,000 plus (ii) the product of (a) $1,000 times (b) the sum of the index return plus 20% (if the final index level is less than 80% of the initial index level, you will receive less than the face amount of your notes)

Coupon: on each coupon payment date, for each $1,000 face amount of your notes, we will pay you an amount in cash equal to:

- if the closing level of the index on every trading day during the applicable measurement period is greater than or equal to 80% of the initial index level, $4.125; or

- if the closing level of the index on any trading day during the applicable measurement period is less than 80% of the initial index level, $0. You will not receive a coupon on the related coupon payment date or any subsequent coupon payment date.

Measurement period: with respect to a coupon payment date, each trading day from but excluding the trade date to and including the coupon determination date immediately preceding such coupon payment date, excluding any date or dates on which the calculation agent determines that a market disruption event occurs or is continuing, as further described under "Specific Terms of Your Notes — Payment of a Contingent Coupon" on page S-21

Initial index level: 2,779.76

Final index level: the closing level of the index on the determination date, except in the limited circumstances described under “Specific Terms of Your Notes — Consequences of a Market Disruption Event or a Non-Trading Day” on page S-23

Closing level: the closing level of the index on any trading day, as further described under “Specific Terms of Your Notes — Special Calculation Provisions — Closing Level” on page S-26

Index return: the quotient of (i) the final index level minus the initial index level divided by (ii) the initial index level, expressed as a positive or negative percentage

Trade date: February 19, 2019

Original issue date (settlement date): February 22, 2019

Stated maturity date: February 24, 2023, subject to adjustment as described under “Specific Terms of Your Notes — Stated Maturity Date” on page S-23

Determination date: February 21, 2023, subject to adjustment as described under “Specific Terms of Your Notes — Determination Date” on page S-23

Call observation date: the final coupon determination date, February 19, 2020, subject to adjustment as described under “Specific Terms of Your Notes — Call Observation Date” on page S-22

Call payment date: the third business day after the call observation date, subject to adjustment as described under “Specific Terms of Your Notes — Call Payment Date” on page S-23

Coupon determination dates: the 19th day of each month, beginning in March 2019 and ending in February 2020, subject to adjustment as described under “Specific Terms of Your Notes — Coupon Determination Dates” on page S-23.

Coupon payment dates: the third business day after each coupon determination date, subject to adjustment as described under “Specific Terms of Your Notes — Coupon and Coupon Payment Dates” on page S-23

Defeasance: not applicable

No listing: the offered notes will not be listed or displayed on any securities exchange or interdealer market quotation system

Business day: as described under “Specific Terms of Your Notes — Special Calculation Provisions — Business Day” on page S-26

Trading day: as described under “Specific Terms of Your Notes — Special Calculation Provisions — Trading Day” on page S-26

Regular record dates: the scheduled business day immediately preceding the day on which payment is to be made (as such payment date may be adjusted)

Calculation agent: GS&Co.

CUSIP no.: 40056EXN3

ISIN no.: US40056EXN39

FDIC: the notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank

Hypothetical ExampleS

The following examples are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and are intended merely to illustrate (i) the impact that various hypothetical closing levels of the index during a measurement period could have on the coupon payable on the related coupon payment date and (ii) the impact that various hypothetical closing levels of the index on the determination date could have on the cash settlement amount at maturity assuming all other variables remain constant.

The examples below are based on a range of levels of the index that are entirely hypothetical; no one can predict what the index level will be on any day throughout the life of your notes, what the closing level of the index will be on any trading day during any measurement period and what the final index level will be on the determination date. The index has been highly volatile in the past — meaning that the index level has changed substantially in relatively short periods — and its performance cannot be predicted for any future period.

The information in the following examples reflects the hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the face amount and held to the call payment date or the stated maturity date. If you sell your notes in a secondary market prior to the call payment date or the stated maturity date, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the examples below such as interest rates, the volatility of the index and the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. In addition, the estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by GS&Co.) is less than the original issue price of your notes. For more information on the estimated value of your notes, see "Additional Risk Factors Specific to Your Notes — The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes" on page S-11 of this prospectus supplement. The information in the examples also reflect the key terms and assumptions in the box below.

Key Terms and Assumptions	
Face amount	$1,000
Initial index level	2,779.76
Coupon	$4.125
The notes are not automatically called, unless otherwise indicated below	
Neither a market disruption event nor a non-trading day occurs on the originally scheduled determination date	
A market disruption event does not occur during any measurement period	
No change in or affecting any of the index stocks or the method by which the index sponsor calculates the index	

Notes purchased on original issue date at the face amount and held to the call payment date or the stated maturity date

For these reasons, the actual performance of the index over the life of your notes and the actual index level on any trading day during a measurement period, as well as the coupon payable, if any, on each coupon payment date, may bear little relation to the hypothetical examples shown below or to the historical index levels shown elsewhere in this prospectus supplement. For information about the index levels during recent periods, see "The Index — Historical Closing Levels of the Index" on page S-30. Before investing in the notes, you should consult publicly available information to determine the index levels between the date of this prospectus supplement and the date of your purchase of the notes.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the index stocks.

Hypothetical Coupon Payments

The examples below show hypothetical performance of the index as well as the hypothetical coupons, if any, that we would pay on each coupon payment date with respect to each $1,000 face amount of the notes if the lowest closing level of the index during the applicable measurement period were the hypothetical closing levels shown. No coupons will be paid on the notes after the coupon payment date in February 2020, regardless of the performance of the index.

Scenario 1

[redacted]		
First	2,400	$4.125
Second	2,000	$0*
Third	2,450	$0*
Fourth	2,500	$0*
Fifth	2,650	$0*
Sixth	2,600	$0*
Seventh	2,400	$0*
Eighth	2,650	$0*
Ninth	2,900	$0*
Tenth	2,300	$0*
Eleventh	2,650	$0*
Twelfth	2,400	$0*
	Total Hypothetical Coupons	$4.125

*No coupon can be paid with respect to any of these coupon payment dates because a hypothetical closing level of the index during the second hypothetical measurement period is less than 80% of the initial index level.

In Scenario 1, the lowest hypothetical closing level of the index fluctuates compared to its initial index level during each hypothetical measurement period. Because the lowest hypothetical closing level of the index during the first hypothetical measurement period is greater than or equal to 80% of the initial index level, a coupon is paid on the applicable coupon payment date and the total of the hypothetical coupons paid in Scenario 1 is $4.125. Because the lowest hypothetical closing level of the index during the second hypothetical measurement period is less than 80% of the initial index level, no further coupons will be paid, even if the closing level of the index is greater than 80% the initial index level on every subsequent trading day to and including the final coupon determination date. The notes will not be automatically called and the overall return on your notes may be zero or less, or may be positive, depending on the final index level.

Scenario 2

[redacted]		
First	2,000	$0*
Second	2,400	$0*

Third	2,550	$0*
Fourth	2,600	$0*
Fifth	2,650	$0*
Sixth	2,400	$0*
Seventh	2,650	$0*
Eighth	2,550	$0*
Ninth	2,350	$0*
Tenth	2,600	$0*
Eleventh	2,400	$0*
Twelfth	2,650	$0*
	Total Hypothetical Coupons	$0

*No coupon can be paid with respect to any of these coupon payment dates because a hypothetical closing level of the index during the first hypothetical measurement period is less than 80% of the initial index level.

In Scenario 2, the lowest hypothetical closing level of the index fluctuates compared to its initial index level during each hypothetical measurement period. Because the lowest hypothetical closing level during the first hypothetical measurement period is less than 80% of the initial index level, you will not receive a coupon payment on any coupon payment date. Therefore, the total of the hypothetical coupons in Scenario 2 is $0. The notes will not be automatically called and the overall return you earn on your notes may be zero or less, or may be positive, depending on the final index level.

Scenario 3

First	2,900	$4.125
Second	2,800	$4.125
Third	2,850	$4.125
Fourth	2,750	$4.125
Fifth	2,000	$0*
Sixth	2,450	$0*
Seventh	2,600	$0*
Eighth	2,300	$0*
Ninth	2,400	$0*
Tenth	2,650	$0*
Eleventh	2,500	$0*
Twelfth	2,600	$0*
	Total Hypothetical Coupons	$16.5

*No coupon can be paid with respect to any of these coupon payment dates because a hypothetical closing level of the index during the fifth hypothetical measurement period is less than 80% of the initial index level.

In Scenario 3, the lowest hypothetical closing level of the index fluctuates compared to its initial index level during each hypothetical measurement period. Because the lowest hypothetical closing level of the index during the first four hypothetical measurement periods is greater than or equal to 80% of the initial index level, a coupon is paid on each of the related coupon payment dates and the total of the hypothetical coupons paid in Scenario 3 is $16.5. Because the lowest hypothetical closing level of the index during the fifth measurement period is less than 80% of the initial index level, no further coupons will be paid, even if the closing level of the index is greater than 80% of the initial index level on every subsequent trading day to and including the determination date. The notes will not be automatically called and the overall return on your notes may be zero or less, or may be positive, depending on the final index level.

Scenario 4

First	2,950	$4.125
Second	2,900	$4.125
Third	2,850	$4.125
Fourth	2,875	$4.125
Fifth	2,900	$4.125

Sixth	2,800	$4.125
Seventh	2,850	$4.125
Eighth	2,950	$4.125
Ninth	2,900	$4.125
Tenth	2,850	$4.125
Eleventh	2,850	$4.125
Twelfth	2,950	$4.125
	Total Hypothetical Coupons	$49.5

In Scenario 4, the lowest hypothetical closing level of the index increases compared to its initial index level during each hypothetical measurement period. Because the lowest hypothetical closing level of the index during each of the hypothetical measurement periods is greater than or equal to 80% of the initial index level, a coupon is paid on each of the related coupon payment dates and the total of the hypothetical coupons paid in Scenario 4 is $49.5. Because the hypothetical closing level of the index is greater than or equal to 80% of the initial index level on every trading day from but excluding the trade date to and including the final coupon determination date (i.e., the twelfth measurement period), your notes will be automatically called. Therefore, on the hypothetical call payment date (which is the final hypothetical coupon payment date), in addition to the hypothetical coupon of $49.5, you will receive an amount in cash equal to $1,000 for each $1,000 face amount of your notes.

Hypothetical Payment at Maturity

If the notes are not automatically called on the call observation date (i.e., on at least one trading day during at least one measurement period, the closing level of the index is less than 80% of the initial index level), the cash settlement amount that we would deliver for each $1,000 face amount of your notes on the stated maturity date will depend on the closing level of the index on the determination date, as shown in the table below. The table below assumes that the notes have not been automatically called on the call observation date and reflects hypothetical cash settlement amounts that you could receive on the stated maturity date.

The levels in the left column of the table below represent hypothetical final index levels and are expressed as percentages of the initial index level. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final index level, and are expressed as percentages of the face amount of a note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical cash settlement amount of 100.000% means that the value of the cash payment that we would deliver for each $1,000 of the outstanding face amount of the offered notes on the stated maturity date would equal 100.000% of the face amount of a note, based on the corresponding hypothetical final index level and the assumptions noted above.

The Notes Have Not Been Automatically Called

Hypothetical Final Index Level (as Percentage of Initial Index Level)	Hypothetical Cash Settlement Amount at Maturity (as Percentage of Face Amount)
150.000%	170.000%
140.000%	160.000%
130.000%	150.000%
120.000%	140.000%
110.000%	130.000%
100.000%	120.000%
80.000%	100.000%
75.000%	95.000%
50.000%	70.000%
25.000%	45.000%
0.000%	20.000%

If, for example, the notes have not been automatically called on the call observation date and the final index level were determined to be 25.000% of the initial index level, the cash settlement amount that we would deliver on your notes at maturity would be 45.000% of the face amount of your notes, as shown in the table above. As a result, if you purchased your notes on the original issue date at the face amount and held them to the stated maturity date, you would lose 55.000% of your investment (if you purchased your notes at a premium to face amount you would lose a correspondingly higher percentage of your investment).

The cash settlement amounts shown above are entirely hypothetical; they are based on market prices for the index stocks that may not be achieved on the determination date and on assumptions that may prove to be erroneous. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical cash settlement amounts shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical cash settlement amounts on notes held to the stated maturity date in the examples above assume you purchased your notes at their face amount and have not been adjusted to reflect the actual issue price you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. If you purchase your notes for a price other than the face amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read “Additional Risk Factors Specific to Your Notes — The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors” on page S-13.

Payments on the notes are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the notes are economically equivalent to a combination of an interest-bearing bond bought by the holder and one or more options entered into between the holder and us (with one or more implicit option premiums paid over time). The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. federal income tax treatment of the notes, as described elsewhere in this prospectus supplement.

We cannot predict the actual closing level of the index on any day, the final index level or what the market value of your notes will be on any particular trading day, nor can we predict the relationship between the closing level of the index and the market value of your notes at any time prior to the stated maturity date. The actual coupon payment, if any, that a holder of the notes will receive on each coupon payment date, the actual amount that you will receive at maturity, if any, and the rate of return on the offered notes will depend on whether or not the notes are automatically called, the actual closing level of the index on the trade date and the actual closing levels of the index and the actual final index level determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical examples are based may turn out to be inaccurate. Consequently, the coupon to be paid in respect of your notes, if any, and the cash amount to be paid in respect of your notes on the stated maturity date, if any, may be very different from the information reflected in the examples above.

Additional Risk Factors Specific to Your Notes

An investment in your notes is subject to the risks described below, as well as the risks and considerations described in the accompanying prospectus and in the accompanying prospectus supplement. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus and the accompanying prospectus supplement. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the index stocks, i.e., the stocks comprising the index to which your notes are linked. You should carefully consider whether the offered notes are suited to your particular circumstances.

The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes

The original issue price for your notes exceeds the estimated value of your notes as of the time the terms of your notes are set on the trade date, as determined by reference to GS&Co.'s pricing models and taking into account our credit spreads. Such estimated value on the trade date is set forth above under "Estimated Value of Your Notes"; after the trade date, the estimated value as determined by reference to these models will be affected by changes in market conditions, the creditworthiness of GS Finance Corp., as issuer, the creditworthiness of The Goldman Sachs Group, Inc., as guarantor, and other relevant factors. The price at which GS&Co. would initially buy or sell your notes (if GS&Co. makes a market, which it is not obligated to do), and the value that GS&Co. will initially use for account statements and otherwise, also exceeds the estimated value of your notes as determined by reference to these models. As agreed by GS&Co. and the distribution participants, this excess (i.e., the additional amount described under "Estimated Value of Your Notes") will decline to zero on a straight line basis over the period from the date hereof through the applicable date set forth above under "Estimated Value of Your Notes". Thereafter, if GS&Co. buys or sells your notes it will do so at prices that reflect the estimated value determined by reference to such pricing models at that time. The price at which GS&Co. will buy or sell your notes at any time also will reflect its then current bid and ask spread for similar sized trades of structured notes.

In estimating the value of your notes as of the time the terms of your notes are set on the trade date, as disclosed above under "Estimated Value of Your Notes", GS&Co.'s pricing models consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the notes. These pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, the actual value you would receive if you sold your notes in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your notes determined by reference to our models due to, among other things, any differences in pricing models or assumptions used by others. See "— The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors" below.

The difference between the estimated value of your notes as of the time the terms of your notes are set on the trade date and the original issue price is a result of certain factors, including principally the underwriting discount and commissions, the expenses incurred in creating, documenting and marketing the notes, and an estimate of the difference between the amounts we pay to GS&Co. and the amounts GS&Co. pays to us in connection with your notes. We pay to GS&Co. amounts based on what we would pay to holders of a non-structured note with a similar maturity. In return for such payment, GS&Co. pays to us the amounts we owe under your notes.

In addition to the factors discussed above, the value and quoted price of your notes at any time will reflect many factors and cannot be predicted. If GS&Co. makes a market in the notes, the price quoted by GS&Co. would reflect any changes in market conditions and other relevant factors, including any deterioration in our creditworthiness or perceived creditworthiness or the creditworthiness or perceived creditworthiness of The Goldman Sachs Group, Inc. These changes may adversely affect the value of your notes, including the price you may receive for your notes in any market making transaction. To the extent that GS&Co. makes a market in the notes, the quoted price will reflect the estimated value

determined by reference to GS&Co.'s pricing models at that time, plus or minus its then current bid and ask spread for similar sized trades of structured notes (and subject to the declining excess amount described above).

Furthermore, if you sell your notes, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount. This commission or discount will further reduce the proceeds you would receive for your notes in a secondary market sale.

There is no assurance that GS&Co. or any other party will be willing to purchase your notes at any price and, in this regard, GS&Co. is not obligated to make a market in the notes. See "— Your Notes May Not Have an Active Trading Market" below.

The Notes Are Subject to the Credit Risk of the Issuer and the Guarantor

Although the coupons (if any) and return on the notes will be based on the performance of the index, the payment of any amount due on the notes is subject to the credit risk of GS Finance Corp., as issuer of the notes, and the credit risk of The Goldman Sachs Group, Inc. as guarantor of the notes. The notes are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on the notes, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. Similarly, investors are dependent on the ability of The Goldman Sachs Group, Inc., as guarantor of the notes, to pay all amounts due on the notes, and therefore are also subject to its credit risk and to changes in the market's view of its creditworthiness. See "Description of the Notes We May Offer — Information About Our Medium-Term Notes, Series E Program — How the Notes Rank Against Other Debt" on page S-4 of the accompanying prospectus supplement and "Description of Debt Securities We May Offer — Guarantee by The Goldman Sachs Group, Inc." on page 33 of the accompanying prospectus.

You May Lose a Substantial Portion of Your Investment in the Notes

You can lose a substantial portion of your investment in the notes. Assuming your notes are not automatically called, the cash settlement amount on your notes on the stated maturity date will be based on the performance of the S&P 500® Index as measured from the initial index level to the final index level on the determination date. If the final index level is less than 80% of the initial index level, you will have a loss for each $1,000 of the face amount of your notes equal to the product of (i) the sum of the index return plus 20% times (ii) $1,000. Thus, you may lose a substantial portion of your investment in the notes, which would include any premium to face amount you paid when you purchased the notes.

Also, the market price of your notes prior to the call payment date or the stated maturity date, as the case may be, may be significantly lower than the purchase price you pay for your notes. Consequently, if you sell your notes before the stated maturity date, you may receive far less than the amount of your investment in the notes.

You May Not Receive a Coupon on Any Coupon Payment Date and the Potential to Receive a Coupon May Terminate at Any Time; Further, No Coupons Will Be Paid on the Notes After the Coupon Payment Date in February 2020, Regardless of the Performance of the Index

With respect to any coupon payment date, the applicable measurement period is each trading day from but excluding the trade date to and including the coupon determination date immediately preceding such coupon payment date (subject to certain adjustments). You will be paid a coupon on a coupon payment date only if the closing level of the index is greater than or equal to 80% of the initial index level on each trading day during the applicable measurement period. If the closing level of the index on any trading day during the applicable measurement period is less than 80% of the initial index level, you will not receive a coupon payment on the applicable coupon payment date or any future coupon payment date. This will be the case even if the closing level of the index is greater than 80% of the initial index level on other trading days during the applicable measurement period and even if the closing level of the index is greater than 80% of the initial index level on every subsequent trading day to and including the final coupon determination date for the notes. Further, no coupons will be paid on the notes after the coupon payment date in February 2020, regardless of the performance of the index. The overall return you earn on your notes may be zero or less and such return may be less than you would have earned by investing in a note that bears interest at the prevailing market rate.

On any coupon payment date, although you will receive a coupon if the closing level of the index on every trading day during the applicable measurement period is greater than or equal to 80% of the initial index level, the coupon paid on the corresponding coupon payment date will be equal to $4.125. You should be aware that, with respect to any measurement period that did not result in the payment of a coupon, you will not be compensated for any opportunity cost implied by inflation and other factors relating to the time value of money. Further, there is no guarantee that you will receive any coupon payment with respect to the notes at any time and you may lose your entire investment in the notes.

Your Notes Are Subject to Automatic Redemption

We will automatically call and redeem all, but not part, of your notes on the call payment date if, on every trading day during the measurement period from but excluding the trade date to and including the final coupon determination date in February 2020 (which is the call observation date), the closing level of the index is greater than or equal to 80% of the initial index level. Therefore, the term for your notes may be reduced to approximately twelve months after the original issue date. You will not receive any additional payments after the notes are automatically called and you may not be able to reinvest the proceeds from an investment in the notes at a comparable return for a similar level of risk in the event the notes are automatically called prior to maturity.

In No Event Will the Notes Pay Each of the Twelve Contingent Coupons and Remain Outstanding to Maturity; the Notes Will Be Automatically Redeemed in February 2020 if Each of the Twelve Contingent Coupons Are Paid

Because the same measurement period is used to determine whether your notes will be automatically called as well as whether the final coupon will be paid, and because both the automatic call feature and payment of the final contingent coupon are contingent on the closing level of the index being greater than or equal to 80% of the initial index level on every trading day during such measurement period, the notes will either:

- pay less than twelve, and possibly none, of the twelve contingent coupons, in which case the notes will remain outstanding until maturity and you will receive a payment at maturity that is less than, equal to or greater than the face amount of your notes (based on the performance of the index from the trade date to the determination date); or
- pay each of the twelve contingent coupons, in which case the notes will be automatically called in February 2020 and you will lose the benefit of any potential appreciation of the index from the trade date to the determination date.

In no event will your notes pay twelve contingent coupons and remain outstanding to maturity.

The Cash Settlement Amount You Will Receive on the Stated Maturity Date Is Not Linked to the Level of the Index at Any Time Other than the Determination Date

The final index level will be based on the closing level of the index on the determination date (subject to adjustment as described elsewhere in this prospectus supplement). Therefore, if the closing level of the index dropped precipitously on the determination date, the cash settlement amount you will receive on the stated maturity date may be significantly less than it would have been had the cash settlement amount at maturity been linked to the closing level of the index prior to such drop in the level of the index. Although the actual level of the index on the stated maturity date or at other times during the life of your notes may be higher than the final index level, the cash settlement amount you receive at maturity, if any, will not reflect the closing level of the index at any time other than on the determination date.

The Coupon Does Not Reflect the Actual Performance of the Index

On any coupon payment date, you will receive a coupon only if the closing level of the index is greater than or equal to 80% of the initial index level on every trading day during the applicable measurement period. The coupon for each monthly coupon payment date is different from, and may be less than, a coupon that is based on the performance of the index between the trade date and any coupon determination date or between two coupon determination dates. Accordingly, the coupons, if any, on the notes may be less than the return you could earn on another instrument linked to the index that pays coupons based on the performance of the index from the trade date to any coupon determination date or from coupon determination date to coupon determination date.

The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors

When we refer to the market value of your notes, we mean the value that you could receive for your notes if you chose to sell them in the open market before the stated maturity date. A number of factors, many of which are beyond our control, will influence the market value of your notes, including:

- the levels of the index;
- the volatility – i.e., the frequency and magnitude of changes – in the closing level of the index;
- the dividend rates of the index stocks;
- economic, financial, regulatory, political, military and other events that affect stock markets generally and the index stocks, and which may affect the closing level of the index;
- interest rates and yield rates in the market;
- the time remaining until your notes mature; and
- our creditworthiness and the creditworthiness of The Goldman Sachs Group, Inc., whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings or the credit ratings of The Goldman Sachs Group, Inc. or changes in other credit measures.

These factors, and many other factors, will influence the price you will receive if you sell your notes before maturity, including the price you may receive for your notes in any market making transaction. If you sell your notes before maturity, you may receive less than the face amount of your notes.

You cannot predict the future performance of the index based on its historical performance. The actual performance of the index over the life of the offered notes, the cash settlement amount paid on the call payment date or the stated maturity date, as the case may be, as well as the coupon payable, if any, on each coupon payment date, may bear little or no relation to the historical closing levels of the index or to the hypothetical examples shown elsewhere in this prospectus supplement.

Your Notes May Not Have an Active Trading Market

Your notes will not be listed or displayed on any securities exchange or included in any interdealer market quotation system, and there may be little or no secondary market for your notes. Even if a secondary market for your notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial.

If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected

The cash settlement amount you will be paid for your notes on the stated maturity date or the amount you will be paid on the call payment date will not be adjusted based on the issue price you pay for the notes. If you purchase notes at a price that differs from the face amount of the notes, then the return on your investment in such notes held to the call payment date or the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at face amount. If you purchase your notes at a premium to face amount and hold them to the call payment date or the stated maturity date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at face amount or a discount to face amount.

If the Level of the Index Changes, the Market Value of Your Notes May Not Change in the Same Manner

The price of your notes may move differently than the performance of the index. Changes in the level of the index may not result in a comparable change in the market value of your notes. Even if the closing level of the index is greater than or equal to 80% of the initial index level during some portion of the life of the notes, the market value of your notes may not reflect this. We discuss some of the reasons for this disparity under "— The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors" and “— You May Not Receive a Coupon on Any Coupon Payment Date and the Potential to Receive a Coupon on a Coupon Payment Date May Terminate at Any Time” above.

Anticipated Hedging Activities by Goldman Sachs or Our Distributors May Negatively Impact Investors in the Notes and Cause Our Interests and Those of Our Clients and Counterparties to be Contrary to Those of Investors in the Notes

Goldman Sachs expects to hedge our obligations under the notes by purchasing listed or over-the-counter options, futures and/or other instruments linked to the index. Goldman Sachs also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the index or the index stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the determination date for your notes. Alternatively, Goldman Sachs may hedge all or part of our obligations under the notes with unaffiliated distributors of the notes which we expect will undertake similar market activity. Goldman Sachs may also enter into, adjust and unwind hedging transactions relating to other index-linked notes whose returns are linked to changes in the level of the index or the index stocks, as applicable.

In addition to entering into such transactions itself, or distributors entering into such transactions, Goldman Sachs may structure such transactions for its clients or counterparties, or otherwise advise or assist clients or counterparties in entering into such transactions. These activities may be undertaken to achieve a variety of objectives, including: permitting other purchasers of the notes or other securities to hedge their investment in whole or in part; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the notes; hedging the exposure of Goldman Sachs to the notes including any interest in the notes that it reacquires or retains as part of the offering process, through its market-making activities or otherwise; enabling Goldman Sachs to comply with its internal risk limits or otherwise manage firmwide, business unit or product risk; and/or enabling Goldman Sachs to take directional views as to relevant markets on behalf of itself or its clients or counterparties that are inconsistent with or contrary to the views and objectives of the investors in the notes.

Any of these hedging or other activities may adversely affect the level of the index — directly or indirectly by affecting the price of the index stocks — and therefore the market value of your notes and the amount we will pay on your notes, if any, at maturity. In addition, you should expect that these transactions will cause Goldman Sachs or its clients, counterparties or distributors to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the notes. Neither Goldman Sachs nor any distributor will have any obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the notes, and may receive substantial returns on hedging or other activities while the value of your notes declines. In addition, if the distributor from which you purchase notes is to conduct hedging activities in connection with the notes, that distributor may otherwise profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the distributor receives for the sale of the notes to you. You should be aware that the potential to earn fees in connection with hedging activities may create a further incentive for the distributor to sell the notes to you in addition to the compensation they would receive for the sale of the notes.

Goldman Sachs’ Trading and Investment Activities for its Own Account or for its Clients, Could Negatively Impact Investors in the Notes

Goldman Sachs is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals. As such, it acts as an investor, investment banker, research provider, investment manager, investment advisor, market maker, trader, prime broker and lender. In those and other capacities, Goldman Sachs purchases, sells or holds a broad array of investments, actively trades securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own account or for the accounts of its customers, and will have other direct or indirect interests, in the global fixed income, currency, commodity, equity, bank loan and other markets. Any of Goldman Sachs' financial market activities may, individually or in the aggregate, have an adverse effect on the market for your notes, and you should expect that the interests of Goldman Sachs or its clients or counterparties will at times be adverse to those of investors in the notes.

Goldman Sachs regularly offers a wide array of securities, financial instruments and other products into the marketplace, including existing or new products that are similar to your notes, or similar or linked to the index or index stocks. Investors in the notes should expect that Goldman Sachs will offer securities, financial instruments, and other products that will compete with the notes for liquidity, research coverage or otherwise.

Goldman Sachs' Market-Making Activities Could Negatively Impact Investors in the Notes

Goldman Sachs actively makes markets in and trades financial instruments for its own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. Goldman Sachs' activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which Goldman Sachs takes positions, or expects to take positions, include securities and instruments of the index or index stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated. Market making is an activity where Goldman Sachs buys and sells on behalf of customers, or for its own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that Goldman Sachs will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the notes.

If Goldman Sachs becomes a holder of any securities of the index or index stocks in its capacity as a market-maker or otherwise, any actions that it takes in its capacity as securityholder, including voting or provision of consents, will not necessarily be aligned with, and may be inconsistent with, the interests of investors in the notes.

You Should Expect That Goldman Sachs Personnel Will Take Research Positions, or Otherwise Make Recommendations, Provide Investment Advice or Market Color or Encourage Trading Strategies That Might Negatively Impact Investors in the Notes

Goldman Sachs and its personnel, including its sales and trading, investment research and investment management personnel, regularly make investment recommendations, provide market color or trading ideas, or publish or express independent views in respect of a wide range of markets, issuers, securities and instruments. They regularly implement, or recommend to clients that they implement, various investment strategies relating to these markets, issuers, securities and instruments. These strategies include, for example, buying or selling credit protection against a default or other event involving an issuer or financial instrument. Any of these recommendations and views may be negative with respect to the index or index stocks or other securities or instruments similar to or linked to the foregoing or result in trading strategies that have a negative impact on the market for any such securities or instruments, particularly in illiquid markets. In addition, you should expect that personnel in the trading and investing businesses of Goldman Sachs will have or develop independent views of the index or index stocks, the relevant industry or other market trends, which may not be aligned with the views and objectives of investors in the notes.

Goldman Sachs Regularly Provides Services to, or Otherwise Has Business Relationships with, a Broad Client Base, Which May Include the Sponsor of the Index or the Issuers of the Index Stocks or Other Entities That Are Involved in the Transaction

Goldman Sachs regularly provides financial advisory, investment advisory and transactional services to a substantial and diversified client base, and you should assume that Goldman Sachs will, at present or in the future, provide such services or otherwise engage in transactions with, among others, the sponsor of the index or the issuers of the index stocks, or transact in securities or instruments or with parties that are directly or indirectly related to the foregoing. These services could include making loans to or equity investments in those companies, providing financial advisory or other investment banking services, or issuing research reports. You should expect that Goldman Sachs, in providing such services, engaging in such transactions, or acting for its own account, may take actions that have direct or indirect effects on the index or index stocks, as applicable, and that such actions could be adverse to the interests of investors in the notes. In addition, in connection with these activities, certain Goldman Sachs personnel may have access to confidential material non-public information about these parties that would not be disclosed to Goldman Sachs employees that were not working on such transactions as Goldman Sachs has established internal information barriers that are designed to preserve the confidentiality of non-public information. Therefore, any such confidential material non-public information would not be shared with Goldman Sachs employees involved in structuring, selling or making markets in the notes or with investors in the notes.

In this offering, as well as in all other circumstances in which Goldman Sachs receives any fees or other compensation in any form relating to services provided to or transactions with any other party, no accounting, offset or payment in respect of the notes will be required or made; Goldman Sachs will be entitled to retain all such fees and other amounts, and no fees or other compensation payable by any party or indirectly by holders of the notes will be reduced by reason of receipt by Goldman Sachs of any such other fees or other amounts.

The Offering of the Notes May Reduce an Existing Exposure of Goldman Sachs or Facilitate a Transaction or Position That Serves the Objectives of Goldman Sachs or Other Parties

A completed offering may reduce Goldman Sachs' existing exposure to the index or index stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated, including exposure gained through hedging transactions in anticipation of this offering. An offering of notes will effectively transfer a portion of Goldman Sachs' exposure (and indirectly transfer the exposure of Goldman Sachs' hedging or other counterparties) to investors in the notes.

The terms of the offering (including the selection of the index or index stocks, and the establishment of other transaction terms) may have been selected in order to serve the investment or other objectives of Goldman Sachs or another client or counterparty of Goldman Sachs. In such a case, Goldman Sachs would typically receive the input of other parties that are involved in or otherwise have an interest in the offering, transactions hedged by the offering, or related transactions. The incentives of these other parties would normally differ from and in many cases be contrary to those of investors in the notes.

Other Investors in the Notes May Not Have the Same Interests as You

Other investors in the notes are not required to take into account the interests of any other investor in exercising remedies or voting or other rights in their capacity as securityholders or in making requests or recommendations to Goldman Sachs as to the establishment of other transaction terms. The interests of other investors may, in some circumstances, be adverse to your interests. For example, certain investors may take short positions (directly or indirectly through derivative transactions) on assets that are the same or similar to your notes, index, index stocks or other similar securities, which may adversely impact the market for or value of your notes.

The Policies of the Index Sponsor and Changes that Affect the Index or the Index Stocks Comprising the Index, Could Affect the Coupons Payable on Your Notes, if Any, the Cash Settlement Amount if the Notes Are Automatically Called on the Call Observation Date or the Cash Settlement Amount on the Stated Maturity Date and the Market Value of Your Notes

The policies of the index sponsor concerning the calculation of the level of the index, additions, deletions or substitutions of the index stocks, and the manner in which changes affecting such index stocks or their issuers, such as stock dividends, reorganizations or mergers, are reflected in the index level, could affect the level of the index and, therefore, whether the notes are automatically called, the coupon payable on your notes, if any, on any coupon payment date and the market value of your notes before that date. Whether the notes are automatically called, the coupons payable on your notes, if any, and their market value could also be affected if the index sponsor changes these policies, for example, by changing the manner in which it calculates the index level, or if the index sponsor discontinues or suspends calculation or publication of the index level, in which case it may become difficult to determine the market value of your notes. If events such as these occur, the calculation agent — which initially will be GS&Co., our affiliate — may determine the index level on any such date — and thus the amount payable on any coupon payment date, if any, or the cash settlement amount if the notes are automatically called on the call observation date or the cash settlement amount on the stated maturity date, as applicable— in a manner it considers appropriate, in its sole discretion. We describe the discretion that the calculation agent will have in determining the index level on any trading day, a coupon determination date, the call observation date or the determination date and the coupons payable on your notes, if any, or the cash settlement amount more fully under “Specific Terms of Your Notes — Discontinuance or Modification of the Index” and “— Role of Calculation Agent” below.

Except to the Extent The Goldman Sachs Group, Inc. Is One of the Companies Whose Common Stock Comprises the S&P 500® Index, There Is No Affiliation Between the Index Stock Issuers or the Index Sponsors and Us

The common stock of The Goldman Sachs Group, Inc. is one of the index stocks comprising the S&P 500® Index. We are not otherwise affiliated with the issuers of the index stocks or the index sponsors. As we have told you above, however, we or our affiliates may currently or from time to time in the future own securities of, or engage in business with the index sponsor or the index stock issuers. Neither we nor any of our affiliates have participated in the preparation of any publicly available information or made any “due diligence” investigation or inquiry with respect to the index or any of the other index stock issuers. You, as an investor in your notes, should make your own investigation into the index and the index stock issuers. See “The Index” below for additional information about the index.

Neither the index sponsor nor any of the other index stock issuers are involved in the offering of your notes in any way and none of them have any obligation of any sort with respect to your notes. Thus, neither the index sponsor nor any of the other index stock issuers have any obligation to take your interests into consideration for any reason, including in taking any corporate actions that might affect the market value of your notes.

The Return on Your Notes Will Not Reflect Any Dividends Paid on the Index Stocks

The index sponsor calculates the level of an index by reference to the prices of the stocks included in the index, which we refer to as index stocks, without taking account of the value of dividends paid on those stocks. Therefore, the return on your notes will not reflect the return you would realize if you actually owned the stocks included in the index and received the dividends paid on those stocks. You will not receive any dividends that may be paid on any of the index stocks by the index stock issuers. See “— You Have No Shareholder Rights or Rights to Receive Any Index Stock” below for additional information.

You Have No Shareholder Rights or Rights to Receive Any Index Stock

Investing in your notes will not make you a holder of any of the index stocks. Neither you nor any other holder or owner of your notes will have any rights with respect to the index stocks, including any voting rights, any right to receive dividends or other distributions, any rights to make a claim against the index stocks or any other rights of a holder of the index stocks. Your notes will be paid in cash, as will any coupon payments, and you will have no right to receive delivery of any index stocks.

Past Index Performance is No Guide to Future Performance

The actual performance of the index over the life of the notes, as well as the amount payable on any coupon payment date, the call payment date or at maturity, if any, may bear little relation to the historical closing levels of the index or to the hypothetical examples set forth elsewhere in this prospectus supplement. We cannot predict the future performance of the index.

As Calculation Agent, GS&Co. Will Have the Authority to Make Determinations that Could Affect the Value of Your Notes

As calculation agent for your notes, GS&Co. will have discretion in making certain determinations that affect your notes, including determining: the closing level of the index on any trading day during a measurement period, which we will use to determine the coupon, if any, we will pay on any applicable coupon payment date; whether the notes are automatically called; the final index level on the determination date, which we will use to determine the amount we must pay on the stated maturity date; the trading days during each measurement period; whether to exclude a trading day during a measurement period due to a market disruption event; whether to postpone a coupon determination date or the determination date because of a market disruption event or a non-trading day; the coupon determination dates; trading days; the coupon payment dates; the call observation date; the call payment date; and the stated maturity date. The calculation agent also has discretion in making certain adjustments relating to a discontinuation or modification of the index. See "Specific Terms of Your Notes — Discontinuance or Modification of the Index" below. The exercise of this discretion by GS&Co. could adversely affect the value of your notes and may present GS&Co. with a conflict of interest. We may change the calculation agent at any time without notice and GS&Co. may resign as calculation agent at any time upon 60 days' written notice to us.

The Calculation Agent Can Postpone a Coupon Determination Date or the Determination Date, as the Case May Be, If a Market Disruption Event or a Non-Trading Day Occurs or is Continuing

If the calculation agent determines that, on a date that would otherwise be a coupon determination date or the determination date, a market disruption event has occurred or is continuing or that day is not a trading day, such coupon determination date or the determination date will be postponed as provided under "Specific Terms of Your Notes — Coupon Determination Dates" and "Specific Terms of Your Notes — Determination Date", as applicable. In no case, however, will the coupon determination date or the determination date be postponed to a date later than the corresponding originally scheduled coupon payment date or the originally scheduled stated maturity date, as applicable, or if the corresponding originally scheduled coupon payment date or the originally scheduled stated maturity date is not a business day, later than the first business day after the corresponding originally scheduled coupon payment date or the originally scheduled stated maturity date. Moreover, if a coupon determination date or the determination date, as applicable, is postponed to the last possible day, but the market disruption event has not ceased by that day or that day is not a trading day, that day will nevertheless be the coupon determination date or the determination date, as applicable, for the corresponding coupon payment date or stated maturity date. In such a case, the calculation agent will determine the applicable closing level or final index level for such coupon determination date or the determination date based on the procedures described under "Specific Terms of Your Notes — Consequences of a Market Disruption Event or a Non-Trading Day" below.

We May Sell an Additional Aggregate Face Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this prospectus supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the issue price you paid as provided on the cover of this prospectus supplement.

Certain Considerations for Insurance Companies and Employee Benefit Plans

Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call "ERISA", or the Internal Revenue Code of 1986, as amended, including an IRA or a Keogh plan (or a governmental plan to which similar prohibitions apply), and that is considering purchasing the offered notes with the assets of the insurance company or the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the offered notes could become a "prohibited transaction" under ERISA, the Internal Revenue Code or any substantially similar prohibition in light of the representations a purchaser or holder in any of the above catego