

GOLDMAN SACHS GROUP INC

Form 424B2

January 30, 2019

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Filed Pursuant to Rule 424(b)(2)  
Registration Statement No. 333-219206

**The Goldman Sachs Group, Inc.**

\$6,080,000

Fixed and Floating Rate Notes due 2026

We will pay interest quarterly at a fixed rate of 5% per annum on January 30, April 30, July 30 and October 30 of each year, commencing on April 30, 2019 to, and including, January 30, 2021. After January 30, 2021, interest will be payable quarterly on January 30, April 30, July 30 and October 30 of each year, commencing on April 30, 2021 to, and including, the stated maturity date (January 30, 2026) at a floating rate equal to the then-applicable 10-year CMS rate plus the spread of 0.25% per annum, subject to the minimum interest rate of 0% per annum. The notes will mature on the stated maturity date. On the stated maturity date, you will receive \$1,000, plus any accrued and unpaid interest, for each \$1,000 of the principal amount of your notes. **The 10-year CMS rate is based on a hypothetical interest rate swap referencing 3-month USD LIBOR. LIBOR is being modified, see page S-6.**

The interest on your notes for each quarterly interest period commencing on or after January 30, 2021 will be a rate equal to the then-applicable 10-year CMS rate, determined on the relevant interest determination date, *plus* the spread, subject to the minimum interest rate.

**Your investment in the notes involves certain risks, including our credit risk. See page S-6.**

You should read the disclosure herein to better understand the terms and risks of your investment.

<b>Original issue date:</b>	January 30, 2019	<b>Original issue price:</b>	100% of the principal amount
<b>Underwriting discount:</b>	1.282% principal amount	<b>Net proceeds to the issuer:</b>	98.718% of the principal amount

In addition to offers and sales at the original issue price to public, the underwriters may offer the notes from time to time for sale in one or more transactions at market prices prevailing at the time of sale, at prices related to market prices or at negotiated prices. If interest rates increase, in most cases the market value of the notes will decrease and, if

you sell the notes prior to maturity, you will receive less than the principal amount of the notes.

**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. 204 dated January 28, 2019.

**Incapital LLC**

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The issue price, underwriting discount and net proceeds listed on the cover page hereof 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.

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

**About Your Prospectus**

The notes are part of the Medium-Term Notes, Series N program of 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.

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**SPECIFIC TERMS OF YOUR NOTES**

*We refer to the notes we are offering by this prospectus supplement as the offered notes or the notes. Please note that in this prospectus supplement, references to The Goldman Sachs Group, Inc., we, our and us mean only The Goldman Sachs Group, Inc. and do not include its consolidated subsidiaries, while references to Goldman Sachs mean The Goldman Sachs Group, Inc., together with its consolidated subsidiaries. Also, references to the accompanying prospectus mean the accompanying prospectus, dated July 10, 2017, as supplemented by the accompanying prospectus supplement, dated July 10, 2017, relating to Medium-Term Notes, Series N, of The Goldman Sachs Group, Inc. Please note that in this section entitled Specific Terms of Your Notes, references to holders mean those who own notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in notes registered in street name or in notes issued in book-entry form through The Depository Trust Company. Please review the special considerations that apply to owners of beneficial interests in the accompanying prospectus, under Legal Ownership and Book-Entry Issuance. References to the indenture in this prospectus supplement mean the senior debt indenture, dated July 16, 2008, as amended, between The Goldman Sachs Group, Inc. and The Bank of New York Mellon, as trustee.*

**Key Terms**

**Issuer:** The Goldman Sachs Group, Inc.

**Specified currency:** U.S. dollars ( \$ )

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

**Principal amount:** \$6,080,000 in the aggregate for all the offered notes; the aggregate principal 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

**Stated maturity date:** January 30, 2026

**Trade date:** January 28, 2019

**Original issue date (settlement date):** January 30, 2019

**Form of Notes:** global form only

**Supplemental discussion of U.S. federal income tax consequences:** The notes will be treated as variable rate debt instruments for U.S. federal income tax purposes. Under this characterization, it is the opinion of Sidley Austin LLP that you should include the amounts treated as qualified stated interest in ordinary income at the time you receive or accrue such payments, depending on your regular method of accounting for tax purposes. In addition, you should be required to include any original issue discount in ordinary income as such original issue discount accrues, regardless of your method of accounting for tax purposes. Any gain or loss you recognize upon the sale, exchange or maturity of your notes should be capital gain or loss. Please see Supplemental Discussion of Federal Income Tax Consequences below for a more detailed discussion.

**Fixed interest rate:** for the fixed rate interest periods, 5% per annum

**Fixed rate interest payment dates:** January 30, April 30, July 30 and October 30 of each year, commencing on April 30, 2019, to, and including, January 30, 2021

**Fixed rate interest periods:** quarterly; the periods from and including a fixed rate interest payment date (or the original issue date, in the case of the first fixed rate interest period) to but excluding the following fixed rate interest payment date

**Floating interest rate:** for the floating rate interest periods, a rate per annum equal to the base rate, determined on the relevant interest determination date, *plus* the spread, subject to the minimum interest rate

**Base rate for the floating rate interest periods:** 10-year CMS rate (as described under Historical 10-Year CMS Rates , Additional Information About the Notes 10-Year CMS Rate and Discontinuance of the CMS base rate below). **The 10-year CMS rate is based on a hypothetical interest rate swap referencing 3-month USD LIBOR. LIBOR is being modified, see page S-6.**

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**Discontinuance of the CMS base rate:** if the calculation agent determines on an interest determination date that the CMS base rate has been discontinued, then the calculation agent will use a substitute or successor base rate that it has determined in its sole discretion is most comparable to the CMS base rate, provided that if the calculation agent determines there is an industry-accepted successor base rate, then the calculation agent shall use such successor base rate. If the calculation agent has determined a substitute or successor base rate in accordance with the foregoing, the calculation agent in its sole discretion may determine the business day convention, the applicable business days and the interest determination dates to be used, and any other relevant methodology for calculating such substitute or successor base rate comparable to the CMS base rate, including any adjustment factor needed to make such substitute or successor rate comparable to the CMS base rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

**Index maturity:** 10 years

**Minimum interest rate:** 0% per annum

**Spread:** 0.25% per annum

**Floating rate interest payment dates:** January 30, April 30, July 30 and October 30 of each year, commencing on April 30, 2021, to, and including, the stated maturity date, subject to adjustments as described elsewhere in the prospectus supplement

**Floating rate interest periods:** quarterly; the periods from and including a floating rate interest payment date (or the final fixed rate interest payment date, in the case of the first floating rate interest period) to but excluding the next succeeding floating rate interest payment date (or the stated maturity date, in the case of the final floating rate interest period)

**Interest determination dates:** for each floating rate interest period, the second U.S. Government securities business day preceding the floating rate interest reset date

**Business day convention:** following unadjusted; applicable to interest payment dates and floating rate interest reset dates

**Floating rate interest reset dates:** every January 30, April 30, July 30 and October 30 of each year, commencing on January 30, 2021

**Day count convention:** 30/360 (ISDA), as described under [Additional Information About the Notes](#) [Day Count Convention](#) below.

**Regular record dates:** the day immediately prior to the day on which the interest payment is to be made (as such payment day may be adjusted under the applicable business day convention)

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

**Limited events of default:** The only events of default for the notes are (i) interest or principal payment defaults that continue for 30 days and (ii) certain insolvency events. No other breach or default under our senior debt indenture or the notes will result in an event of default for the notes or permit the trustee or holders to accelerate the maturity of any debt securities that is, they will not be entitled to declare the principal amount of any notes to be immediately due

and payable. See Risks Relating to Regulatory Resolution Strategies and Long-Term Debt Requirements and Description of Debt Securities We May Offer Default, Remedies and Waiver of Default Securities Issued on or after January 1, 2017 under the 2008 Indenture in the accompanying prospectus for further details.

**No redemption:** the notes will not be subject to redemption right or price dependent redemption right

**Business Day:** New York business day

**Defeasance applies as follows:**

full defeasance: no

covenant defeasance: no

**Calculation agent:** Goldman Sachs & Co. LLC

**CUSIP no.:** 38150AC52

**ISIN no.:** US38150AC526

**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

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**HYPOTHETICAL EXAMPLES**

The following table is provided for purposes of illustration only. It should not be taken as an indication or prediction of future investment results and is intended merely to illustrate the method we will use to calculate the amount of interest accrued during each interest period following the eighth interest period.

The table below is based on 10-year CMS rates that are entirely hypothetical; no one can predict what the 10-year CMS rate will be on any day during the floating rate interest periods, and no one can predict the interest that will accrue on your notes in any floating rate interest period.

For these reasons, the actual 10-year CMS rates during the floating rate interest periods, as well as the interest payable on each floating rate interest payment date, may bear little relation to the hypothetical table shown below or to the historical 10-year CMS rates shown elsewhere in this prospectus supplement. For information about the 10-year CMS rates during recent periods, see [Historical 10-year CMS Rates](#) on page S-13. Before investing in the offered notes, you should consult publicly available information to determine the 10-year CMS rates between the date of this prospectus supplement and the date of your purchase of the offered notes.

The following table illustrates the method we will use to calculate the interest rate at which interest will accrue on each day included in each floating rate interest period, subject to the key terms and assumptions below.

The percentage amounts in the left column of the table below represent hypothetical 10-year CMS rates on a given floating rate interest determination date. The right column of the table below represent the hypothetical interest rate that would be payable on a given floating rate interest payment date, based on the corresponding hypothetical 10-year CMS rate. The information in the table also reflects the key terms and assumptions in the box below.

**Key Terms and Assumption**

Minimum interest rate 0% per annum

Spread 0.25% per annum

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes.

<b>Hypothetical interest amount payable on a floating rate</b>	
<b>Hypothetical 10-Year CMS Rate</b>	<b>interest payment date</b>

-3.00%	0.00%*
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-2.00%	0.00%*
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-1.00%	0.00%*
-0.25%	0.00%
0.00%	0.25%
0.25%	0.50%
0.90%	1.15%
1.00%	1.25%
1.05%	1.30%
2.35%	2.60%
3.00%	3.25%
4.00%	4.25%
5.50%	5.75%
7.00%	7.25%

\* Interest is floored at the minimum interest rate of 0.00% per annum for the floating rate interest payment dates.

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 the amounts that would be paid on a combination of an interest-bearing bond bought, and an option bought, by the holder (with an implicit option premium paid over time by the holder). The discussion in this paragraph does not modify or affect the terms of the notes or the United States income tax treatment of the notes, as described elsewhere in this prospectus supplement.

*We cannot predict the actual 10-year CMS rate on any day or the market value of your notes, nor can we predict the relationship between the 10-year CMS rate and the market value of your notes at any time prior to the stated maturity date. The actual interest payment that a holder of the offered notes will receive on each floating rate interest payment*

*date and the rate of return on the offered notes will depend on the actual 10-year CMS rates determined by the calculation agent over the life of your notes. Moreover, the assumptions on which the hypothetical table is based may turn out to be inaccurate. Consequently, the interest amount to be paid in respect of your notes on each floating rate interest payment date may be very different from the information reflected in the table above. **The 10-year CMS rate is based on a hypothetical interest rate swap referencing 3-month USD LIBOR. LIBOR is being modified, see page S-6.***

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**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, dated July 10, 2017, and in the accompanying prospectus supplement, dated July 10, 2017. Your notes are a riskier investment than ordinary debt securities. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus, dated July 10, 2017, as supplemented by the accompanying prospectus supplement, dated July 10, 2017, of The Goldman Sachs Group, Inc. Your notes are a riskier investment than ordinary debt securities. You should carefully consider whether the offered notes are suited to your particular circumstances.*

**The Notes Are Subject to the Credit Risk of the Issuer**

Although the return on the notes will be based in part on the performance of the 10-year CMS rate, the payment of any amount due on the notes is subject to our credit risk. 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. See "Description of the Notes We May Offer" Information About Our Medium-Term Notes, Series N Program How the Notes Rank Against Other Debt on page S-5 of the accompanying prospectus supplement.

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

At our sole option, we may decide to sell an additional aggregate principal 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.

**The Amount of Interest Payable on Your Notes Will Not Be Affected by the 10-Year CMS Rate on Any Day Other Than an Interest Determination Date**

For each interest period after the first eight interest periods, the amount of interest payable on each floating rate interest payment date is calculated based on the 10-year CMS rate on the applicable interest determination date plus the spread. Although the actual 10-year CMS rate on a floating rate interest payment date or at other times during a floating rate interest period may be higher than the 10-year CMS rate on the applicable interest determination date, you will not benefit from the 10-year CMS rate at any time other than on the interest determination date for such floating rate interest period.

**Recent Regulatory Investigations Regarding Potential Manipulation of ISDAfix May Adversely Affect Your Notes**

It has been reported that the U.K. Financial Conduct Authority and the U.S. Commodity Futures Trading Commission are working together to investigate potential manipulation of ISDAfix. If such manipulation occurred, it may have resulted in the 10-year CMS rate being artificially lower (or higher) than it would otherwise have been. Any changes or reforms affecting the determination or supervision of ISDAfix (or ICE Swap Rate) in light of these investigations may result in a sudden or prolonged increase or decrease in reported ISDAfix (or ICE Swap Rate), which could have an adverse impact on the trading market for ISDAfix (or ICE Swap Rate)-benchmarked securities such as your notes, the value of your notes and any payments on your notes.

**The 10-Year CMS Rate is Based on a Hypothetical Interest Rate Swap Referencing 3-Month USD LIBOR; U.K. Regulators Will No Longer Persuade or Compel Banks to Submit Rates for Calculation of LIBOR After 2021; Interest Rate Benchmark May Be Discontinued**

The 10-year CMS rate represents the fixed rate of interest payable on a hypothetical interest rate swap with a floating leg based on 3-month USD LIBOR. On July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (FCA), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR (which includes the 3-month USD LIBOR rate) after 2021. Such announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Notwithstanding the foregoing, it appears highly likely that LIBOR will be discontinued or modified by 2021. It is not possible to predict the effect that this announcement or any such discontinuance or modification will have on the 3-month USD LIBOR rate, the 10-year CMS rate or your notes. If the calculation agent determines on an interest determination date that the 10-year CMS rate has been discontinued, then the calculation agent will use a substitute or successor base rate that it has determined in its sole discretion is most comparable to the 10-year CMS rate, provided that if the calculation agent determines there is an industry-accepted successor base rate, then the calculation agent shall use such successor base rate. If the calculation agent has determined a substitute or successor base rate in accordance with the foregoing, the calculation agent in its sole discretion may determine the business day convention, the applicable business days and the interest determination dates to be used, and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the 10-year CMS rate, in a

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manner that is consistent with industry-accepted practices for such substitute or successor base rate. See **Specific Terms of Your Notes** **Key Terms** **Discontinuance of the CMS base rate** on page S-4.

**Even if the 10-Year CMS Rate is Not Discontinued, Such Rate May Not Be Published on an Interest Determination Date and, If Such Rate is Not Published, it May Be Calculated Based on Dealer Quotations or by the Calculation Agent in its Sole Discretion**

Even if the 10-year CMS rate is not discontinued, it is possible that such rate may not be available on an interest determination date because such rate is not published by the Intercontinental Exchange (ICE). Non-publication by ICE of the applicable CMS rate (ICE Swap Rate) could occur for a number of reasons, such as a lack of available market data and an inability to use available market data to estimate rates for index maturities that are not available, or for other reasons. For example, on February 6, 2018, no CMS Rate (ICE Swap Rate) was published for any index maturity. If the 10-year CMS rate cannot be determined using the Reuters ICESWAP1 page due to the non-publication of such rate on a relevant interest determination date, the calculation agent will determine such rate on the basis of the mid-market semi-annual swap rate quotations provided by five leading swap dealers in the New York City interbank market at approximately 11:00 a.m., New York City time, on that date. If fewer than three quotations are provided as requested (as occurred in relation to the February 6, 2018 non-publication of the 10-year CMS rate), the 10-year CMS rate will be determined by the calculation agent in its sole discretion. See **Additional Information About the Notes** **10-Year CMS Rate** on page S-12. At any time, you may request from the calculation agent the interest rate in effect for your notes. If you would like to know the interest rate in effect for your notes at any time, please call GS&Co. at (212) 902-0300.

**Regulation and Reform of Benchmarks, Including LIBOR and Other Types of Benchmarks, May Cause Such Benchmarks to Perform Differently Than in the Past, or to Disappear Entirely, or Have Other Consequences Which Cannot be Predicted**

LIBOR and other interest rate, equity, foreign exchange rate and other types of indices which are deemed to be benchmarks are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on your notes.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks. The disappearance of a benchmark or changes in the manner of administration of a benchmark could result in discretionary valuation by the calculation agent or other consequence in relation to your notes. Any such consequence could have a material adverse effect on the value of and return on your notes.

**The Historical Levels of the 10-Year CMS Rate Are Not an Indication of the Future Levels of the**

**10-Year CMS Rate**

In the past, the level of the 10-year CMS rate has experienced significant fluctuations. You should note that historical levels, fluctuations and trends of the 10-year CMS rate are not necessarily indicative of future levels. Any historical upward or downward trend in the 10-year CMS rate is not an indication that the 10-year CMS rate is more or less

likely to increase or decrease at any time during an interest period, and you should not take the historical levels of the 10-year CMS rate as an indication of its future performance.

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

The amount you will be paid for your notes on the stated maturity 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 principal amount of the notes, then the return on your investment in such notes held to the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at principal amount. If you purchase your notes at a premium to principal amount and hold them to 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 principal amount or a discount to principal amount.

**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

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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 10-year CMS rate;

the volatility i.e., the frequency and magnitude of changes in the level of the 10-year CMS rate;

the expected future performance of the 10-year CMS rate;

economic, financial, regulatory, political, military and other events that affect the level of the 10-year CMS rate generally;

interest rate and yield rates in the market;

the time remaining until your notes mature; and

our creditworthiness, whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings 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 principal amount of your notes.

You cannot predict the future performance of the 10-year CMS rate based on its historical performance. The actual performance of the 10-year CMS rate over the life of the offered notes may bear little or no relation to the historical levels of the 10-year CMS rate or to the hypothetical examples shown elsewhere in this prospectus supplement.

**If the 10-Year CMS Rate Changes, the Market Value of Your Notes May Not Change in the Same Manner**

The price of your notes may move differently than the 10-year CMS rate. Changes in the 10-year CMS rate may not result in a comparable change in the market value of your notes. We discuss some of the reasons for this disparity under **The Amount of Interest Payable on Your Notes Will Not Be Affected by the 10-year CMS rate on Any Day Other Than an Interest Determination Date** and **The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors** 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 futures and/or other instruments linked to 10-year CMS rate. 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 10-year CMS rate, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the final interest 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 10-year CMS rate-linked notes whose returns are linked to 10-year CMS rate.

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 levels of 10-year CMS rate and therefore the market value of your notes and the amount we will pay on your notes 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



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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.

### **As Calculation Agent, Goldman Sachs & Co. LLC Will Have the Authority to Make Determinations that Could Affect the Value of Your Notes and the Amount You May Receive On Any Interest Payment Date**

As calculation agent for your notes, Goldman Sachs & Co. LLC will have discretion in making certain determinations that affect your notes, including determining the 10-year CMS rate on any interest determination date, which we will use to determine the amount we will pay on any applicable floating rate interest payment date during the floating rate interest periods. Further, if Goldman Sachs & Co. LLC determines on an interest determination date that the 10-year CMS rate has been discontinued, then Goldman Sachs & Co. LLC will use a substitute or successor base rate that it has determined in its sole discretion is most comparable to the 10-year CMS rate, provided that if Goldman Sachs & Co. LLC determines there is an industry-accepted successor base rate, then Goldman Sachs & Co. LLC shall use such successor base rate. If Goldman Sachs & Co. LLC has determined a substitute or successor base rate in accordance with the foregoing, Goldman Sachs & Co. LLC in its sole discretion may determine the business day convention, the applicable business days and the interest determination dates to be used, and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the 10-year CMS rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate. See *Specific Terms of Your Notes* *Key Terms* *Discontinuance of the CMS base rate* on page S-4. The exercise of this discretion by Goldman Sachs & Co. LLC could adversely affect the value of your notes and may present Goldman Sachs & Co. LLC with a conflict of interest. We may change the calculation agent at any time without notice and Goldman Sachs & Co. LLC may resign as calculation agent at any time upon 60 days' written notice to Goldman Sachs.

### **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.

### **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 categories is deemed to make by purchasing and holding the offered notes. This is discussed in more detail under *Employee Retirement Income Security Act* below.

### **You May Be Required to Accrue Interest in Excess of Interest Payments Following the Initial Fixed Rate Interest Periods**

Under the rules governing variable rate debt instruments discussed below under Supplemental Discussion of Federal Income Tax Consequences , you may be required to accrue an amount of interest in the initial fixed rate interest periods of your note that is less than the stated interest on your note in such periods. Conversely, you may be required to accrue an amount of interest in the floating rate interest periods of your note that exceeds the stated interest on your note in such periods.

**Foreign Account Tax Compliance Act (FATCA) Withholding May Apply to Payments on Your Notes, Including as a Result of the Failure of the Bank or Broker Through Which You Hold the Notes to Provide Information to Tax Authorities**

Please see the discussion under United States Taxation Taxation of Debt Securities Foreign Account Tax Compliance Act (FATCA) Withholding in the accompanying prospectus for a description of the applicability of FATCA to payments made on your notes. The discussion in that section is hereby modified to reflect regulations proposed by the Treasury Department indicating its intent to eliminate the requirements under FATCA of withholding on gross proceeds from the sale, exchange, redemption, maturity or other disposition of relevant financial instruments. The Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

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**USE OF PROCEEDS**

We will use the net proceeds we receive from the sale of the offered notes for the purposes we describe in the accompanying prospectus under "Use of Proceeds".

**HEDGING**

In anticipation of the sale of the offered notes, we and/or our affiliates have entered into or expect to enter into hedging transactions involving purchases of instruments linked to the 10-year CMS rate. In addition, from time to time, we and/or our affiliates expect to enter into additional hedging transactions and to unwind those we have entered into, in connection with the offered notes and perhaps in connection with other notes we issue, some of which may have returns linked to the 10-year CMS rate. Consequently, with regard to your notes, from time to time, we and/or our affiliates:

expect to acquire or dispose of positions in over-the-counter options, futures or other instruments linked to the 10-year CMS rate, and/or

may take short positions in securities of the kind described above (i.e., we and/or our affiliates may sell securities of the kind that we do not own or that we borrow for delivery to purchaser, and/or

may take or dispose of positions in interest rate swaps, options swaps and treasury bonds.

We and/or our affiliates may also acquire a long or short position in securities similar to your notes from time to time and may, in our or their sole discretion, hold or resell those securities.

In the future, we and/or our affiliates expect to close out hedge positions relating to the offered notes and perhaps relating to other notes with returns linked to the 10-year CMS rate. These steps may also involve sales and/or purchases of some or all of the listed or over-the-counter options, futures or other instruments linked to the 10-year CMS rate.

*The hedging activity discussed above may adversely affect the market value of your notes from time to time and the amount we will pay on your notes. See "Additional Risk Factors Specific to Your Notes" above for a discussion of these adverse effects.*

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**ADDITIONAL INFORMATION ABOUT THE NOTES**

***10-Year CMS Rate***

In this prospectus supplement, when we refer to the 10-year CMS rate, we mean the rate as it appears on Reuters screen ICESWAP1 page under the heading 10-year index maturity for rates at approximately 11:00 a.m. New York time, on each interest determination date.

If the calculation agent determines on an interest determination date that the CMS base rate has been discontinued, then the calculation agent will use a substitute or successor base rate that it has determined in its sole discretion is most comparable to the CMS base rate, provided that if the calculation agent determines there is an industry-accepted successor base rate, then the calculation agent shall use such successor base rate. If the calculation agent has determined a substitute or successor base rate in accordance with the foregoing, the calculation agent in its sole discretion may determine the business day convention, the applicable business days and the interest determination dates to be used, and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the CMS base rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

Unless the calculation agent uses a substitute or successor base rate as so provided, if the 10-year CMS rate cannot be determined in the manner described above on the relevant interest determination date, the following procedures will apply to your notes.

The 10-year CMS rate for each interest determination date will be determined on the basis of the mid-market semi-annual swap rate quotations provided by five leading swap dealers in the New York City interbank market at approximately 11:00 a.m., New York City time, on the relevant interest determination date. For this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 (ISDA) day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to ten years commencing on the floating rate interest reset date, with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 (ISDA) day count basis, is equivalent to the index rate that is then used in the calculation of the CMS rate with a designated maturity of three months. The calculation agent will select the five swap dealers in its sole discretion and will request the principal New York City office of each of those dealers to provide a quotation of its rate.

If at least three quotations are provided, the 10-year CMS rate on the relevant interest determination date will be the arithmetic mean of the quotations described above, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations.

If fewer than three quotations are provided, the calculation agent will determine the 10-year CMS rate in its sole discretion.

Reuters screen means the display on the Thomson Reuters Eikon service, or any successor or replacement service, on the page specified in this prospectus supplement, or any successor or replacement page on that service.

***Day Count Convention***

As further described under Description of Debt Securities We May Offer Calculations of Interest on Debt Securities Interest Rates and Interest in the accompanying prospectus, for each fixed rate interest period or floating rate interest period (each, an interest period ), 30/360 (ISDA) means the number of days in such interest period in respect of which payment is being made divided by 360, calculated on a formula basis as follows, as described in Section 4.16(f) of the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, without regard to any subsequent amendments or supplements:

$$[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)$$

360

**where:**

$Y_1$  is the year, expressed as a number, in which the first day of the interest period falls;

$Y_2$  is the year, expressed as a number, in which the day immediately following the last day included in the interest period falls;

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$M_1$  is the calendar month, expressed as a number, in which the first day of the interest period falls;

$M_2$  is the calendar month, expressed as a number, in which the day immediately following the last day included in the interest period falls;

$D_1$  is the first calendar day, expressed as a number, of the interest period, unless such number would be 31, in which case  $D_1$  will be 30; and

$D_2$  is the calendar day, expressed as a number, immediately following the last day included in the interest period, unless such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30.

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**HISTORICAL 10-YEAR CMS RATES**

The level of the 10-year CMS rate has fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the level of the 10-year CMS rate during any period shown below is not an indication that the 10-year CMS rate is more or less likely to increase or decrease at any time during the life of your notes. See [Additional Risk Factors Specific to Your Notes – The 10-year CMS Rate is Based on a Hypothetical Interest Rate Swap Referencing 3-month USD LIBOR; U.K. Regulators Will No Longer Persuade or Compel Banks to Submit Rates for Calculation of LIBOR After 2021; Interest Rate Benchmark May Be Discontinued](#), [Additional Risk Factors Specific to Your Notes – Recent Regulatory Investigations Regarding Potential Manipulation of ISDAfix May Adversely Affect Your Notes](#), [Additional Risk Factors Specific to Your Notes – Even if the 10-Year CMS Rate is Not Discontinued, Such Rate May Not Be Published on an Interest Determination Date and, If Such Rate is Not Published, it May Be Calculated Based on Dealer Quotations or by the Calculation Agent in its Sole Discretion](#) and [Additional Risk Factors Specific to Your Notes – Regulation and Reform of Benchmarks](#), Including LIBOR and Other Types of Benchmarks, May Cause such Benchmarks to Perform Differently Than in the Past, or to Disappear Entirely, or Have Other Consequences Which Cannot be Predicted for more information relating to the 10-year CMS rate.

**You should not take the historical levels of the 10-year CMS rate as an indication of future levels of the 10-year CMS rate.** We cannot give you any assurance that the future levels of the 10-year CMS rate will result in your receiving a return on your notes that is greater than the return you would have realized if you invested in a debt security of comparable maturity that bears interest at a prevailing market rate.

Neither we nor any of our affiliates make any representation to you as to the performance of the 10-year CMS rate during the floating rate interest periods. Before investing in the offered notes, you should consult publicly available information to determine the levels of the 10-year CMS rate between the date of this prospectus supplement and the date of your purchase of the offered notes. The actual levels of the 10-year CMS rate during the floating rate interest periods may bear little relation to the historical levels of the 10-year CMS rate shown below.

The graph below shows the daily historical last levels of the 10-year CMS rate from January 28, 2009 through January 28, 2019. We obtained the last levels in the graph below from Reuters, without independent verification.

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**Historical Performance of the 10-year CMS Rate**

\*As discussed herein, the 10-Year CMS Rate may not be published by the Intercontinental Exchange on a business day for various reasons. For example, the 10-Year CMS Rate was not published on February 11, 2016, February 6, 2018 or December 24, 2018.

The notes are not sponsored, endorsed, sold or promoted by ICE Benchmark Administration and ICE Benchmark Administration makes no representation regarding the advisability of investing in the notes.

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**SUPPLEMENTAL DISCUSSION OF FEDERAL INCOME TAX CONSEQUENCES**

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus.

The following section is the opinion of Sidley Austin LLP, counsel to The Goldman Sachs Group, Inc. It applies to you only if you hold your notes as a capital asset for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

a dealer in securities or currencies;

a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;

a bank;

a life insurance company;

a regulated investment company;

a tax-exempt organization;

a partnership;

a person that owns the notes as a hedge or that is hedged against interest rate risks;

a person that owns the notes as part of a straddle or conversion transaction for tax purposes; or

a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

*You should consult your tax advisor concerning the U.S. federal income tax, and other tax consequences of your investment in the notes, including the application of state, local or other tax laws and the possible effects of changes*

*in federal or other tax laws.*

### **United States Holders**

This subsection describes the tax consequences to a United States holder. You are a United States holder if you are a beneficial owner of notes and you are:

a citizen or resident of the United States;

a domestic corporation;

an estate whose income is subject to U.S. federal income tax regardless of its source; or

a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If you are not a United States holder, this section does not apply to you and you should refer to **United States Alien Holders** below.

*Tax Treatment.* The notes will be treated as variable rate debt instruments for U.S. federal income tax purposes. Under this characterization, it is the opinion of Sidley Austin LLP that you should include the amounts treated as qualified stated interest in ordinary income at the time you receive or accrue such payments, depending on your regular method of accounting for tax purposes. In addition, you should be required to include any original issue discount in ordinary income as such original issue discount accrues, regardless of your method of accounting for tax purposes.

As discussed in the accompanying prospectus under **United States Taxation Taxation of Debt Securities United States Holders Original Issue Discount**, (i) you must include original issue discount, or OID, (if any) in your gross income for U.S. federal income tax purposes as it accrues (regardless of your regular method of accounting) and (ii) you must determine the amount of interest that is treated as qualified stated interest ( QSI ) on your notes in order to determine the amount of OID in respect of a note. As discussed in the following paragraph and discussed in further detail in the accompanying prospectus under **United States Taxation Taxation of Debt Securities United States Holders Variable Rate Debt Securities**, in order to determine the amount of QSI and OID in respect of the notes, an equivalent fixed rate debt instrument must be constructed. The equivalent fixed rate debt instrument is a hypothetical instrument that has terms that are identical to those of the notes, except that the equivalent fixed rate debt instrument provides for fixed rate substitutes in lieu of the actual rates on the notes. The amount of OID and QSI on the notes is determined for the equivalent fixed rate debt instrument under the rules applicable to fixed rate debt instruments and is generally taken into account as if the holder held the equivalent fixed rate debt instrument (subject to the adjustment to QSI described below).

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The equivalent fixed rate debt instrument is constructed in the following fashion: (i) first, the initial fixed rate is replaced with a qualified floating rate that would preserve the fair market value of the notes, and (ii) second, each floating rate (including the floating rate determined under (i) above) is converted into a fixed rate substitute (which, in each case, will generally be the value of each floating rate as of the issue date). If the amount paid in any quarter is greater than (or less than) the amount assumed to be paid in such quarter, you will be required to increase (or decrease) the amount of QSI you take into income by this difference. In general, your taxable income in each year should include the amount of QSI paid or accrued (subject to the adjustments discussed in this paragraph) and the annual OID accrual with respect to your notes but should not include payments made in respect of your notes that are in excess of QSI (as adjusted). Any amount you receive in an accrual period which is in excess of the sum of the OID and QSI for such period will be treated for federal income tax purposes as a return of principal. You should determine the OID that is allocable to each period in the manner described under **United States Taxation Taxation of Debt Securities United States Holders Original Issue Discount** in the accompanying prospectus.

You will generally recognize gain or loss upon the sale, exchange or maturity of your notes in an amount equal to the difference, if any, between the amount of cash you receive at such time and your adjusted basis in your notes. See discussion under **United States Taxation Taxation of Debt Securities United States Holders Purchase, Sale and Retirement of the Debt Securities** for more information.

You should consult your tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the notes, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws.

If you purchase the notes at a price lower than the original issue price, you will be subject to the rules governing market discount as described under **United States Taxation Taxation of Debt Securities United States Holders Market Discount** in the accompanying prospectus. If you purchase the notes at a price higher than the original issue price, you will be subject to the rules governing premium as described under **United States Taxation Taxation of Debt Securities United States Holders Debt Securities Purchased at a Premium** in the accompanying prospectus. The original issue price of your notes is equal to the principal amount of the notes.

Pursuant to recently enacted legislation, an accrual method taxpayer that reports revenues on an applicable financial statement generally must recognize income for U.S. federal income tax purposes no later than the taxable year in which such income is taken into account as revenue in an applicable financial statement of the taxpayer. For this purpose, an applicable financial statement generally means a financial statement certified as having been prepared in accordance with generally accepted accounting principles or that is made on the basis of international financial reporting standards and which is used by the taxpayer for various specified purposes. Although this rule is generally currently in effect, this rule only applies to original issue discount for taxable years beginning after December 31, 2018. This rule could potentially require such a taxpayer to recognize income for U.S. federal income tax purposes with respect to the notes prior to the time such income would be recognized pursuant to the rules described above. Potential investors in the notes should consult their tax advisors regarding the potential applicability of these rules to their investment in the notes.

### **United States Alien Holders**

If you are a United States alien holder, please see the discussion under **United States Taxation Taxation of Debt Securities United States Alien Holders** in the accompanying prospectus for a description of the tax consequences relevant to you. You are a United States alien holder if you are the beneficial owner of the notes and are, for U.S. federal income tax purposes:

a nonresident alien individual;

a foreign corporation; or

an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from the notes.

**Backup Withholding and Information Reporting**

Please see the discussion under **United States Taxation** **Taxation of Debt Securities** **Backup Withholding and Information Reporting** in the accompanying prospectus for a description of the applicability of the backup withholding and information reporting rules to payments made on your notes.

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**Foreign Account Tax Compliance Act (FATCA) Withholding**

Pursuant to Treasury regulations, Foreign Account Tax Compliance Act (FATCA) withholding (as described in United States Taxation Taxation of Debt Securities Foreign Account Tax Compliance Act (FATCA) Withholding in the accompanying prospectus) will generally apply to obligations that are issued on or after July 1, 2014; therefore, the notes will generally be subject to the FATCA withholding rules. Pursuant to recently proposed regulations, the Treasury Department has indicated its intent to eliminate the requirements under FATCA of withholding on gross proceeds from the sale, exchange, redemption, maturity or other disposition of relevant financial instruments. The Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

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**Table of Contents****EMPLOYEE RETIREMENT INCOME SECURITY ACT**

*This section is only relevant to you if you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh Plan) proposing to invest in the notes.*

The U.S. Employee Retirement Income Security Act of 1974, as amended ( ERISA ) and the U.S. Internal Revenue Code of 1986, as amended (the Code ), prohibit certain transactions ( prohibited transactions ) involving the assets of an employee benefit plan that is subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code (including individual retirement accounts, Keogh plans and other plans described in Section 4975(e)(1) of the Code) (a Plan ) and certain persons who are parties in interest (within the meaning of ERISA) or disqualified persons (within the meaning of the Code) with respect to the Plan; governmental plans may be subject to similar prohibitions unless an exemption applies to the transaction. The assets of a Plan may include assets held in the general account of an insurance company that are deemed plan assets under ERISA or assets of certain investment vehicles in which the Plan invests. Each of The Goldman Sachs Group, Inc. and certain of its affiliates may be considered a party in interest or a disqualified person with respect to many Plans, and, accordingly, prohibited transactions may arise if the notes are acquired by or on behalf of a Plan unless those notes are acquired and held pursuant to an available exemption. In general, available exemptions are: transactions effected on behalf of that Plan by a qualified professional asset manager (prohibited transaction exemption 84-14) or an in-house asset manager (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), transactions involving bank collective investment funds (prohibited transaction exemption 91-38) and transactions with service providers under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code where the Plan receives no less and pays no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code). The person making the decision on behalf of a Plan or a governmental plan shall be deemed, on behalf of itself and the plan, by purchasing and holding the notes, or exercising any rights related thereto, to represent that (a) the plan will receive no less and pay no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code) in connection with the purchase and holding of the notes, (b) none of the purchase, holding or disposition of the notes or the exercise of any rights related to the notes will result in a nonexempt prohibited transaction under ERISA or the Code (or, with respect to a governmental plan, under any similar applicable law or regulation), and (c) neither The Goldman Sachs Group, Inc. nor any of its affiliates is a fiduciary (within the meaning of Section 3(21) of ERISA) or, with respect to a governmental plan, under any similar applicable law or regulation) with respect to the purchaser or holder in connection with such person's acquisition, disposition or holding of the notes, or as a result of any exercise by The Goldman Sachs Group, Inc. or any of its affiliates of any rights in connection with the notes, and neither The Goldman Sachs Group, Inc. nor any of its affiliates has provided investment advice in connection with such person's acquisition, disposition or holding of the notes.

*If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh plan), and propose to invest in the notes, you should consult your legal counsel.*

**Table of Contents****SUPPLEMENTAL PLAN OF DISTRIBUTION**

The Goldman Sachs Group, Inc. and the underwriters for this offering named below have entered into a distribution agreement with respect to the notes. Subject to certain conditions, each underwriter named below has severally agreed to purchase the principal amount of notes indicated in the following table.

<u>Underwriters</u>	Principal Amount of Notes
Goldman Sachs & Co. LLC	\$3,040,000
Incapital LLC	3,040,000
<b>Total</b>	<b>\$6,080,000</b>

Notes sold by the underwriters to the public will initially be offered at the original issue price set forth on the cover of this prospectus supplement. The underwriters intend to purchase the notes from The Goldman Sachs Group, Inc. at a purchase price equal to the original issue price less a discount of 1.282% of the principal amount of the notes. Any notes sold by the underwriters to securities dealers may be sold at a discount from the original issue price of up to 0.882% of the principal amount of the notes. If all of the offered notes are not sold at the original issue price, the underwriters may change the offering price and the other selling terms.

Please note that the information about the original issue price and net proceeds to The Goldman Sachs Group, Inc. on the front cover page relates only to the initial sale of the notes. If you have purchased a note in a market-making transaction by Goldman Sachs & Co. LLC or any other affiliate of The Goldman Sachs Group, Inc. after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

Each underwriter has represented and agreed that it will not offer or sell the notes in the United States or to United States persons except if such offers or sales are made by or through FINRA member broker-dealers registered with the U.S. Securities and Exchange Commission.

The Goldman Sachs Group, Inc. estimates that its share of the total offering expenses, excluding underwriting discounts and commissions, whether paid to Goldman Sachs & Co. LLC or any other underwriter, will be approximately \$15,000.

We will deliver the notes against payment therefor in New York, New York on January 30, 2019.

The notes are a new issue of securities with no established trading market. The Goldman Sachs Group, Inc. has been advised by Goldman Sachs & Co. LLC and Incapital LLC that they may make a market in the notes. Goldman Sachs & Co. LLC and Incapital LLC are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

The Goldman Sachs Group, Inc. has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Certain of the underwriters and their affiliates have in the past provided, and may in the future from time to time provide, investment banking and general financing and banking services to The Goldman Sachs Group, Inc. and its affiliates, for which they have in the past received, and may in the future receive, customary fees. The Goldman Sachs

Group, Inc. and its affiliates have in the past provided, and may in the future from time to time provide, similar services to the underwriters and their affiliates on customary terms and for customary fees. Goldman Sachs & Co. LLC, one of the underwriters, is an affiliate of The Goldman Sachs Group, Inc. Please see Plan of Distribution Conflicts of Interest on page 118 of the accompanying prospectus.

Any notes which are the subject of the offering contemplated by this prospectus supplement, the accompanying prospectus and the accompanying prospectus supplement may not be offered, sold or otherwise made available to any retail investor in the European Economic Area. Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation ) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II ); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive ), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or



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- (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive ); and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ), the underwriters represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date ) it has not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus supplement, the accompanying prospectus and the accompanying prospectus supplement to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of such notes may be made to the public in that Relevant Member State:

- a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by the issuer for any such offer; or
- c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of notes referred to above shall require us or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to The Goldman Sachs Group, Inc.

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the notes in, from or otherwise involving the United Kingdom.

The notes may not be offered or sold in Hong Kong by means of any document other than (i) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in

each case whether in Hong Kong or elsewhere) which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made thereunder.

This prospectus supplement, along with the accompanying prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, along with the accompanying prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to

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hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ( Regulation 32 ).

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The notes may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

The notes are not offered, sold or advertised, directly or indirectly, in, into or from Switzerland on the basis of a public offering and will not be listed on the SIX Swiss Exchange or any other offering or regulated trading facility in Switzerland. Accordingly, neither this prospectus supplement nor any accompanying prospectus supplement, prospectus or other marketing material constitute a prospectus as defined in article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus as defined in article 32 of the Listing Rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland. Any resales of the notes by the underwriters thereof may only be undertaken on a private basis to selected individual investors in compliance with Swiss law. This prospectus supplement and accompanying prospectus and prospectus supplement may not be copied, reproduced, distributed or passed on to others or otherwise made available in Switzerland without our prior written consent. By accepting this prospectus supplement and accompanying prospectus and prospectus supplement or by subscribing to the notes, investors are deemed to have acknowledged and agreed to abide by these restrictions. Investors are advised to consult with their financial, legal or tax advisers before investing in the notes.

**Conflicts of Interest**

Goldman Sachs & Co. LLC is an affiliate of The Goldman Sachs Group, Inc. and, as such, will have a conflict of interest in this offering of notes within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121. Consequently, this offering of notes will be conducted in compliance with the provisions of FINRA Rule 5121. Goldman Sachs & Co. LLC will not be permitted to sell notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.



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**VALIDITY OF THE NOTES**

In the opinion of Sidley Austin LLP, as counsel to The Goldman Sachs Group, Inc., when the notes offered by this prospectus supplement have been executed and issued by The Goldman Sachs Group, Inc. and authenticated by the trustee pursuant to the indenture, and delivered against payment as contemplated herein, such notes will be valid and binding obligations of The Goldman Sachs Group, Inc., enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York and the General Corporation Law of the State of Delaware as in effect on the date hereof. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated July 10, 2017, which has been filed as Exhibit 5.5 to The Goldman Sachs Group, Inc.'s registration statement on form S-3 filed with the Securities and Exchange Commission on July 10, 2017.

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We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus supplement or the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement, the accompanying prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under the circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement, the accompanying prospectus supplement and the accompanying prospectus is current only as of the respective dates of such documents.

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\$6,080,000

**The Goldman Sachs Group, Inc.**

Fixed and Floating Rate Notes due 2026

**Goldman Sachs & Co. LLC**

**Incapital LLC**