GOLDMAN SACHS GROUP INC
Form 424B2
January 30, 2019

Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-219206
GS Finance Corp.
$3,082,000
Callable Monthly Russell 2000® Index-Linked Range Accrual Notes due 2029
guaranteed by
The Goldman Sachs Group, Inc.

The notes will mature on the stated maturity date (January 31, 2029), subject to our right to redeem your notes at 100% of their face amount plus any accrued and unpaid interest on each interest payment date on or after January 31, 2020.

Interest, if any, will be paid on the last calendar day of each month, with the first interest payment date occurring on February 28, 2019. The amount of interest that you will be paid each month will be based on the number of scheduled trading days, each a "reference date", on which the closing level of the Russell 2000® Index is greater than or equal to 75% of the initial index level of 1,473.536, which is 1,105.152. To determine your annualized interest rate for each monthly interest period, we will divide the number of reference dates in the interest period on which the above condition is met by the total number of reference dates in that interest period. We will then multiply the resulting fraction by 5.5%. Your monthly interest payment for each $1,000 face amount of your notes will equal the product of the annualized interest rate times $1,000 times an accrued interest factor. The accrued interest factor is determined in accordance with the 30/360 (ISDA) day count convention, therefore, on any monthly interest payment date, interest, if any, may be paid for less than or greater than 30 days. See page S-19. Unless the above condition is met on each reference date in a monthly interest period, the interest rate with respect to the next interest payment date will be less than 5.5% per annum, and if it is never met, the interest rate with respect to such interest payment date will be 0%.

If your notes are not previously redeemed, on the stated maturity date we will pay you an amount in cash equal to the outstanding face amount of your notes plus any accrued and unpaid interest.

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-9.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately $952 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 the following page.

Original issue date:	January 31, 2019	Original issue price:	100% of the face amount
Underwriting discount:	3.7% of the face amount	Net proceeds to the issuer:	96.3% 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. 4,963 dated January 28, 2019.

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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.

GS Finance Corp. may use this prospectus in the initial sale of the offered 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 $952 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 $15.5 per $1,000 face amount).

Prior to January 31, 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 January 30, 2020). On and after January 31, 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.

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Callable Monthly Russell 2000® Index-Linked Range Accrual Notes due 2029

INVESTMENT THESIS

- For investors who want the opportunity for a potentially higher annualized interest rate than on a comparable fixed or floating rate debt security and believe that the level of the index on any scheduled trading day from and including the original issue date to but excluding the final interest determination date will not be less than 75% of the initial index level of 1,473.536, which is 1,105.152.
- For investors who are willing to receive interest at a rate of less than 5.5% per annum, and possibly 0%, if the index level does not meet or exceed the trigger level on each reference date.
- For investors who understand that, due to the issuer's early redemption right, the term of their notes could be anywhere from one to ten years.

DETERMINING PAYMENT ON THE NOTES

The monthly interest payment for each $1,000 face amount of the notes will equal:

Subject to the issuer's early redemption right, at maturity, for each $1,000 face amount, the investor will receive $1,000.

DETAILS OF THE ISSUER'S EARLY REDEMPTION RIGHT

- We may redeem the notes at 100% of their face amount, plus any accrued and unpaid interest, on any interest payment date on or after January 31, 2020.
- While we may choose to call the notes on any monthly interest payment date on or after January 31, 2020, we are more likely to call the notes if:
  - o the index level stays above the trigger level;
  - o interest rates decline or do not increase; or
  - o the issuer's credit spreads decrease.

KEY TERMS

Issuer:	GS Finance Corp.
Guarantor:	The Goldman Sachs Group, Inc.
Index:	The Russell 2000® Index (Bloomberg symbol, "RTY Index")
Face Amount:	$3,082,000 in the aggregate; each note will have a face amount equal to $1,000
Trade Date:	January 28, 2019
Settlement Date:	January 31, 2019
Stated Maturity Date:	January 31, 2029
Early Redemption Right:	We have the right to redeem the notes, in whole but not in part, at a price equal to 100% of the face amount plus any accrued and unpaid interest to but excluding such redemption date, on each interest payment date on or after January 31, 2020
Redemption Dates:	The interest payment date that will fall on January 31, 2020 and each interest payment date occurring thereafter
Interest Determination Dates:	The tenth scheduled trading day prior to each interest payment date
Interest Payment Dates:	The last calendar day of each month, beginning on February 28, 2019 and ending on the stated maturity date
Initial Index Level:	1,473.536

Trigger Level:	1,105.152, which is 75% of the initial index level
Day Count Convention:	30/360 (ISDA)
Business Day Convention	Following unadjusted
Accrued Interest Factor:	Calculated in accordance with the day count convention with respect to each period from and including each interest payment date (or the original issue date, in the case of the first interest payment date) to but excluding the next succeeding interest payment date
CUSIP/ISIN:	40056EQ50 / US40056EQ507

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HYPOTHETICAL INTEREST PAYMENTS

- Interest Payments: Interest will accrue at the full 5.5% per annum rate.
- Call Feature: The issuer is more likely to call the notes prior to maturity.
- Payment at Maturity: 100% of the face amount.

- Interest Payments: The interest rate will be 5.5% per annum only during the periods when the closing level of the index is always greater than or equal to the trigger level.
- Call Feature: The issuer is somewhat more likely to call the notes prior to maturity when the index level is greater than the trigger level.
- Payment at Maturity: 100% of the face amount.

- Interest Payments: The interest rate will be 5.5% per annum only during the periods when the closing level of the index is always greater than or equal to the trigger level.
- Call Feature: The issuer is somewhat less likely to call the notes prior to maturity when the index level is less than the trigger level.
- Payment at Maturity: 100% of the face amount.

- Interest Payments: The monthly interest payments are mostly zero.
- Call Feature: The issuer is not likely to call the notes prior to maturity.
- Payment at Maturity: 100% of the face amount.

RISKS

The foregoing is only a brief summary. For a more detailed description of the terms of your notes, see "Summary Information" beginning on page S-5 and "Specific Terms of Your Notes" beginning on page S-17 of this prospectus supplement. You should also read "Additional Risk Factors Specific to Your Notes" beginning on page S-9 of this prospectus supplement so that you may better understand the risks associated with an investment in the notes.

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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-17. 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.

Key Terms

Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Index: the Russell 2000® Index (Bloomberg symbol, "RTY Index"), as published by FTSE Russell; see "The Index" on page S-26

Face amount: each note will have a face amount equal to $1,000; $3,082,000 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

Trade date: January 28, 2019

Original issue date (settlement date): January 31, 2019

Stated maturity date: January 31, 2029, subject to our early redemption right and to adjustment as described under "Specific Terms of Your Notes — Payment of Principal on Stated Maturity Date — Stated Maturity Date" on page S-18

Specified currency: U.S. dollars ("$")

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

Supplemental discussion of U.S. federal income tax consequences: We intend to treat your notes 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 interest payments on the notes in ordinary income at the time you receive or accrue such payments, depending on your regular method of accounting for tax purposes. In addition, any gain or loss you recognize upon the sale, exchange, redemption or maturity of your notes should be capital gain or loss except to the extent of any amount attributable to any accrued but unpaid interest payments on your notes. Please see "Supplemental Discussion of Federal Income Tax Consequences" below for a more detailed discussion.

Payment at maturity: if your notes are not previously redeemed, on the stated maturity date we will pay you an amount in cash equal to the outstanding face amount of your notes

Early redemption right: we have the right to redeem your notes, in whole but not in part, on each redemption date at a price equal to 100% of the face amount plus any accrued and unpaid interest to but excluding such redemption date, subject to at least ten business days' prior notice.

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Redemption dates: the interest payment date that will fall on January 31, 2020 and each interest payment date occurring thereafter

Interest rate: the interest rate with respect to any interest payment date will be determined on the immediately preceding interest determination date, based on the closing level of the index on each reference date during the interest period immediately preceding such interest payment date. The interest rate will be equal to: the product of (1) 5.5% times (2) the quotient of (i) the number of reference dates during the applicable interest period when the closing level of the index is greater than or equal to the trigger level divided by (ii) the number of reference dates in such interest period.

Initial index level: 1,473.536

Trigger level: 1,105.152, which is 75% of the initial index level

Closing level of the index: the closing level of the index on any reference date, as further described under "Specific Terms of Your Notes — Special Calculation Provisions — Closing Level" on page S-22

Interest payment dates: the last calendar day of each month, beginning on February 28, 2019 and ending on the stated maturity date, subject to adjustments as described elsewhere in the prospectus supplement

Reference date: for each interest period, each day that is a scheduled trading day

Day count convention: 30/360 (ISDA), as further discussed under "Specific Terms of Your Notes — Interest Payments — Accrued Interest Factor" on page S-19

Business day convention: following unadjusted

Accrued interest factor: calculated in accordance with the day count convention with respect to each period from and including each interest payment date (or the original issue date, in the case of the first interest payment) to but excluding the next succeeding interest payment date (each such period, an "interest accrual period")

Regular record dates: one scheduled business day immediately preceding each interest payment date

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-22

Trading day: as described under "Specific Terms of Your Notes — Special Calculation Provisions — Trading Day" on page S-22

Scheduled trading day: as described under "Specific Terms of Your Notes — Special Calculation Provisions — Trading Day" on page S-22

Interest determination dates: the tenth scheduled trading day prior to each interest payment date

Interest period: the period from and including each interest determination date (or the original issue date, in the case of the initial interest period) to but excluding the next succeeding interest determination date

Calculation agent: Goldman Sachs & Co. LLC ("GS&Co.")

CUSIP no.: 40056EQ50

ISIN no.: US40056EQ507

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 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 method we will use to determine the interest rate on any given interest determination date based on the closing level of the index on the reference dates in the immediately preceding interest period and (ii) the method we will use to calculate the amount of interest accrued between interest payment dates.

The examples below are based on a range of levels of the index that are entirely hypothetical; no one can predict what the level of the index will be on any day throughout the life of your notes, and no one can predict whether interest will accrue on your notes. 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 method we will use to calculate the interest rate applicable to any interest payment date and 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 stated maturity date. If you sell your notes in a secondary market prior to the stated maturity date, as the case may be, 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, 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-9 of this prospectus supplement. The information in the examples also reflect the key terms and assumptions in the box below.

Key Terms and Assumptions

Trigger level	75% of the initial index level
The day count convention calculation results in an accrued interest factor of approximately 0.08333 (the accrued interest factor for an interest accrual period may be less than or greater than approximately 0.08333)	
The notes are not called	
Neither a market disruption event nor a non-trading day occurs on any reference date	
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 stated maturity date	

For these reasons, the actual levels of the index on any reference date in any interest period, as well as the interest payable at each interest payment date, may bear little relation to the hypothetical examples shown below or to the historical levels of the index 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-33. Before investing in the notes, you should consult publicly available information to determine the index level between the date of this prospectus supplement and the date of your purchase of the notes.

The following table illustrates the method we will use to calculate the interest rate with respect to an interest payment date, subject to the key terms and assumptions above. The numbers in the first column represent the number of reference dates ("N") during any given interest period for which the closing level of the index is greater than or equal to the trigger level. The levels in the fourth column represent the hypothetical interest amount, as a percentage of the face amount of each note (rounded to the nearest

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one-hundredth of a percent), that would be payable with respect to a given interest period in which the closing level of the index is greater than or equal to the trigger level for a given number of reference dates (as specified in the first column).
Also, the hypothetical examples shown below do not take into account the effect of applicable taxes.

N* (A)	Assumed number of eligible trading days in an interest period (B)	Accrual fraction (A/B) x 5.5%	Amount of interest to be paid for such period (using 30/360 (ISDA) convention)
0	20	0.00000000	0.00%
5	20	0.01375000	0.11%
10	20	0.02750000	0.23%
15	20	0.04125000	0.34%
20	20	0.05500000	0.46%

*The number of days for which the closing level of the index is greater than or equal to the trigger level in a given interest period is subject to numerous adjustments, as described elsewhere in this prospectus supplement.
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 or the market value of your notes, 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 interest payment that a holder of the notes will receive on each interest payment date and the rate of return on the offered notes will depend on the actual closing levels of the index as determined by the calculation agent. Moreover, the assumptions on which the hypothetical examples are based may turn out to be inaccurate. Consequently, the interest amount to be paid in respect of your notes, if any, on each interest payment date may be very different from the information reflected in the examples above.

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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 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

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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 interest 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 42 of the accompanying prospectus.

If the Closing Level of the Index Is Less Than the Trigger Level on Any Reference Date in Any Interest Period, the Interest Rate With Respect to the Next Interest Payment Date Will Be Reduced

Because of the formula used to calculate the interest rate applicable to your notes, in the event the closing level of the index on any reference date in any applicable interest period is less than the trigger level, the interest rate with respect to the next interest payment date will be reduced. Therefore, if the closing level of the index is less than the trigger level for an entire interest rate period, you will receive no interest on the related interest payment date. In such case, even if you receive some interest payments on some or all of the interest payment dates, the overall return you earn on your notes may be less than you would have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate.

Risks Relating to the Use of the 30/360 (ISDA) Day Count Convention

The notes follow a "30/360 (ISDA)" day count convention as described under "Specific Terms of Your Notes — Interest Payments — Accrued Interest Factor" below. For certain interest payment dates, specifically those that fall in February and March, application of the 30/360 (ISDA) day count convention may result in interest accrual periods of less than or greater than 30 days out of a year of 360 days.

While the actual interest payment, if any, will depend upon, among other things, the number of reference dates during the applicable interest period and the number of reference dates in such period when the closing level of the index is greater than or equal to the trigger level, the accrued interest factor (reflecting the amount of days for which interest will be paid) may be based on a period of less than or greater than 30 days.

Further, because an interest accrual period may have less than or greater than 30 days, if you purchase or sell notes in the secondary market, if any, during an interest accrual period with less than or greater than 30 days, the price of the notes may not reflect the exact number of days in the applicable interest accrual period as determined by the 30/360 (ISDA) day count convention. See "Specific Terms of Your Notes — Interest Payments — Accrued Interest Factor" below for more information.

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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 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 face 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 face amount. If you purchase your notes at a premium to face 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 face amount or a discount to face amount.

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

The index sponsor calculates the level of the 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.

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 level 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, 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, as well as the interest payable on each interest payment date, may bear little or no relation to the historical closing levels of the index or the hypothetical examples shown elsewhere in this prospectus supplement.

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 the trigger level during some portion of the life of the notes, the market value of your notes may not increase in the same manner. We discuss some of the reasons for this disparity under "— The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors" above.

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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 or the index stocks. 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