GOLDMAN SACHS GROUP INC
Form FWP
December 06, 2018

December 2018

Free Writing Prospectus pursuant to Rule 433 dated December 6, 2018/ Registration Statement No. 333-219206

STRUCTURED INVESTMENTS

Opportunities in U.S. Equities

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

The Contingent Income Auto-Callable Securities are unsecured notes issued by GS Finance Corp. and guaranteed by The Goldman Sachs Group, Inc. The amount that you will be paid on your securities is based on the performance of the common stock of Amazon.com, Inc. The securities will mature on the stated maturity date (December 19, 2019) unless they are automatically called on any call observation date (each of the first three coupon determination dates). If the final share price on December 16, 2019 is *greater than* or *equal to* the downside threshold level ($, which represents 70.00% of the initial share price on the pricing date (December , 2018)), you will receive your $10 principal amount of your securities plus a coupon payment of $0.25. You will not participate in any appreciation of the underlying stock. **If the final share price is less than the downside threshold level, you will not receive a coupon payment and you will lose a significant portion or all of your investment.**

Your securities will be automatically called if the closing price of the underlying stock on any call observation date is *greater than* or *equal to* the initial share price, resulting in a payment on the corresponding call payment date equal to the principal amount of your securities *plus* the contingent quarterly coupon (defined below) then due.

The securities will not pay a fixed coupon and may pay no coupon on a coupon payment date. On each coupon determination date, subject to the automatic call feature, if the closing price of the underlying stock is *greater than* or *equal to* the downside threshold level, you will receive on the corresponding coupon payment date a contingent quarterly coupon payment of $0.25 for each $10 principal amount of your securities. If the closing price of the underlying stock on any coupon determination date is less than the downside threshold level, you will not receive a coupon payment on the applicable coupon payment date.

On the stated maturity date, for each $10 principal amount of your securities you will receive an amount in cash equal to:

- if the final share price is *greater than or equal to* the downside threshold level, $10 plus the final coupon; or

- if the final share price is *less than* the downside threshold level, the *product* of (i) $10 *times* (ii) the *quotient* of (a) the final share price *divided* by (b) the initial share price.

The securities are for investors who seek to earn a coupon at an above current market rate in exchange for the risk of receiving few or no contingent quarterly coupons and the risk of losing all or a portion of the principal of their securities.

SUMMARY TERMS *(continued on page S-2)*	
Issuer / Guarantor:	GS Finance Corp. / The Goldman Sachs Group, Inc.
Underlying stock:	the common stock of Amazon.com, Inc.
Pricing date:	December , 2018 (expected to price on or about December 14, 2018)
Original issue date:	December , 2018 (expected to be December 19, 2018)
Coupon determination dates:	as set forth under Coupon determination dates below
Coupon payment dates:	as set forth under Coupon payment dates below
Stated maturity date:	December 19, 2019
Stated principal amount/Original issue price:	$10 per security / 100% of the principal amount
Estimated value range:	$9.45 to $9.75. See the following page for more information.

Your investment in the securities involves certain risks, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. See page S-12. You should read the disclosure herein to better understand the terms and risks of your investment.

Original issue date:	December , 2018	**Original issue price:**	100.00% of the principal amount
Underwriting discount:	1.85% ($ in total)*	**Net proceeds to the issuer:**	98.15% ($ in total)

*Morgan Stanley Wealth Management, acting as dealer for the offering, will receive a selling concession of $0.175 for each security it sells. It has informed us that it intends to internally allocate $0.05 of the selling concession for each security as a structuring fee. Goldman Sachs & Co. LLC will receive an underwriting discount of $0.010 for each security.

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 document, the accompanying prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The securities 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

The issue price, underwriting discount and net proceeds listed on the cover page relate to the securities we sell initially. We may decide to sell additional securities after the date of this document, 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 the securities will depend in part on the issue price you pay for such securities.

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

ADDITIONAL SUMMARY TERMS	
Payment at maturity:	• if the final share price is *greater than or equal to* the downside threshold level, \$10.00 plus the final coupon; or • if the final share price is *less than* the downside threshold level, \$10 × the share performance factor
Initial share price:	\$, which is equal to the closing price of the underlying stock on the pricing date
Final share price:	the closing price of the underlying stock on the determination date
Call observation dates:	each of the first three coupon determination dates
Call payment dates:	each of the first three coupon payment dates
Determination date:	the last coupon determination date, expected to be December 16, 2019
Downside threshold level:	\$, which represents 70.00% of the initial share price
Automatic call feature:	if, as measured on any call observation date, the closing price of the underlying stock is greater than or equal to the initial share price, your securities will be automatically called
Contingent quarterly coupon:	• if the closing price of the underlying stock on the applicable coupon determination date is *greater than* or *equal to* the downside threshold level, \$0.25; or • if the closing price of the underlying stock on the applicable coupon determination date is *less than* the downside threshold level, \$0.00
Share performance factor:	final share price / initial share price
CUSIP / ISIN:	36256M759 / US36256M7598
Listing:	the securities will not be listed on any securities exchange
Underwriter:	Goldman Sachs & Co. LLC

Coupon determination dates*	**Coupon payment dates****
March 14, 2019	March 19, 2019

June 14, 2019	June 19, 2019
September 16, 2019	September 19, 2019
December 16, 2019 (determination date)	December 19, 2019 (stated maturity date)

*Subject to postponement for non-trading days and market disruption events as described under   Specific Terms of Your Securities   Coupon Determination Dates   on page S-22 of this document

**Subject to postponement as described under   Specific Terms of Your Securities   Contingent Quarterly Coupon and Coupon Payment Dates   on page S-22 of this document

December 2018

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Estimated Value of Your Securities

The estimated value of your securities at the time the terms of your securities are set on the pricing date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is expected to be in the range (the estimated value range) specified on the cover of this document (per $10 principal amount), which is less than the original issue price. The value of your securities 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 securities (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 securities at the time of pricing, plus an additional amount (initially equal to $ per $10 principal amount).

Prior to   , the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would buy or sell your securities (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 securities (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   ). On and after   , the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would buy or sell your securities (if it makes a market) will equal approximately the then-current estimated value of your securities determined by reference to such pricing models.

About Your Securities

GS Finance Corp. and The Goldman Sachs Group, Inc. have filed a registration statement (including a prospectus, as supplemented by the prospectus supplement listed below) with the Securities and Exchange Commission (SEC) for the offering to which this communication relates. Before you invest, you should read the prospectus and prospectus supplement and any other documents relating to this offering that GS Finance Corp. and The Goldman Sachs Group, Inc. have filed with the SEC for more complete information about us and this offering. You may get these documents without cost by visiting EDGAR on the SEC web site at sec.gov. Alternatively, we will arrange to send you the prospectus and prospectus supplement if you so request by calling (212) 357-4612.

The securities are notes that 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 document should be read in conjunction with the following:

- Prospectus supplement dated July 10, 2017

- Prospectus dated July 10, 2017

The information in this document 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 securities.

December 2018

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

We refer to the securities we are offering by this document as the offered securities or the securities . Each of the securities has the terms described under Summary Terms and Specific Terms of Your Securities in this document. Please note that in this document, 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 document mean the senior debt indenture, dated as of October 10, 2008, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015, each among us, as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee. This indenture, as so supplemented and as further supplemented thereafter, is referred to as the GSFC 2008 indenture in the accompanying prospectus supplement.

Investment Summary

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

The Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019, which we refer to as the securities, provide an opportunity for investors to earn a contingent quarterly coupon of $0.25 for each $10 principal amount of their securities with respect to each quarterly coupon determination date on which the closing price of the underlying stock is *greater than* or *equal to* the downside threshold level. It is possible that the closing price of the underlying stock could remain below the downside threshold level for extended periods of time or even throughout the term of the securities so that you may receive few or no contingent quarterly coupons.

If the closing price of the underlying stock is *greater than* or *equal to* the initial share price on any call observation date, the securities will be automatically called for an amount equal to the principal amount *plus* the contingent quarterly coupon then due. If the securities have not previously been automatically called and the final share price is *greater than* or *equal to* the downside threshold level, the payment at maturity will be $10 plus the final coupon. However, if the securities have not previously been automatically called and the final share price is *less than* the downside threshold level, investors will be exposed to the decline in the closing price of the underlying stock, as compared to the initial share price, on a 1 to 1 basis. In this case, the payment at maturity will be less than 70.00% of the principal amount of the securities and could be zero. Investors in the securities must be willing to accept the risk of losing their entire principal and also the risk of not receiving any contingent quarterly coupon. In addition, investors will not participate in any appreciation of the underlying stock.

December 2018

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Key Investment Rationale

The securities offer investors an opportunity to earn a contingent quarterly coupon of $0.25 with respect to each coupon determination date on which the closing price of the underlying stock is *greater than* or *equal to* $ (representing 70.00% of the initial share price), which we refer to as the downside threshold level. The securities may be automatically called prior to maturity for the principal amount per security *plus* the coupon then due, and the payment at maturity will vary depending on the final share price, as follows:

Scenario 1	**On any of the call observation dates, the closing price of the underlying stock is *greater than or equal to* the initial share price.** § The securities will be automatically called for (i) the principal amount *plus* (ii) the contingent quarterly coupon then due. § Investors will not participate in any appreciation of the underlying stock from the initial share price.
Scenario 2	**The securities are not automatically called prior to maturity, and the final share price is *greater than or equal to* the downside threshold level.** § The payment due at maturity will be $10.00 plus the final coupon. § Investors will not participate in any appreciation of the underlying stock from the initial share price.

Scenario 3	**The securities are not automatically called prior to maturity, and the final share price is *less than* the downside threshold level.** § The payment due at maturity will be *equal to* the *product* of (i) the stated principal amount *times* (ii) the share performance factor. § **Investors will lose a significant portion, and may lose all, of their principal in this scenario.**

December 2018

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the closing price of the underlying stock on the applicable call observation date and (2) the final share price.

Diagram #1: Call Observation Dates

Diagram #2: Payment at Maturity if the Securities are Not Automatically Called

December 2018

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Hypothetical Examples

The below examples are based on the following terms:

Hypothetical initial share price:	$1,600.00
Hypothetical downside threshold level:	$1,120.00, which is 70.00% of the hypothetical initial share price
Contingent quarterly coupon:	$0.25 per security
Principal amount:	$10 per security

In Examples 1 and 2, the closing price of the underlying stock fluctuates over the term of the securities and the closing price of the underlying stock is *greater than* or *equal to* the hypothetical initial share price of $1,600 on one of the call observation dates. Because the closing price of the underlying stock is *greater than* or *equal to* the hypothetical initial share price on one of the call observation dates, the securities are automatically called on the applicable call observation date. In Examples 3 and 4, the closing price of the underlying stock on all of the call observation dates is *less than* the hypothetical initial share price, and, consequently, the securities are not automatically called prior to, and remain outstanding until, maturity.

	Example 1			**Example 2**		
Date	Hypothetical Closing Price on Corresponding Date	Contingent Quarterly Coupon	Amount Payable on the Call Payment Date*	Hypothetical Closing Price on Corresponding Date	Contingent Quarterly Coupon	Amount Payable on the Call Payment Date*
Coupon Determination Date / Call Observation Date #1	$1,700.00	$0.25	$10.25	$1,200.00	$0.25	N/A
Coupon Determination Date / Call Observation Date #2	N/A	N/A	N/A	$900.00	$0	N/A
Coupon Determination Date / Call Observation Date #3	N/A	N/A	N/A	$2,240.00	$0.25	$10.25
Coupon Determination Date #4 / Determination Date	N/A	N/A	N/A	N/A	N/A	N/A

* The amount payable on a call payment date includes the unpaid contingent quarterly coupon with respect to the coupon determination date on which the closing price of the underlying stock is *greater than* or *equal to* the initial share price and the securities are automatically called as a result.

§ In **Example 1**, the securities are automatically called on the first call observation date as the closing price of the underlying stock on such date is *greater than* the initial share price. You receive an amount on the corresponding call payment date, calculated as follows:

principal amount + contingent quarterly coupon = $10.00 + $0.25 = $10.25

In this example, the automatic call feature limits the term of your investment to approximately 3 months, and you may not be able to reinvest at comparable terms or returns. If the securities are automatically called, you will stop receiving contingent coupons.

§ In **Example 2**, the securities are automatically called on the third call observation date as the closing price of the underlying stock on such date is *greater than* the initial share price. As the closing prices of the underlying stock on the first and third coupon determination dates are greater than the downside threshold level, you receive the contingent coupon of $0.25 with respect to each such coupon determination date. Following the third call observation date, you receive an amount on the corresponding call payment date of $10.25, which includes the contingent quarterly coupon with respect to the third coupon determination date.

In this example, the automatic call feature limits the term of your investment to approximately 9 months, and you may not be able to reinvest at comparable terms or returns. If the securities are automatically called, you will stop receiving contingent coupons. Further, although the underlying stock has appreciated by 40.00% from its initial share price as of the third call observation date, on the call payment date you receive only $10.25 per security and do not benefit from such appreciation.

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

	Example 3			Example 4		
Date	Hypothetical Closing Price on Corresponding Date	Contingent Quarterly Coupon	Amount Payable on the Call Payment Date	Hypothetical Closing Price on Corresponding Date	Contingent Quarterly Coupon	Amount Payable on the Call Payment Date
Coupon Determination Date / Call Observation Date #1	$800.00	$0.00	N/A	$450.00	$0.00	N/A
Coupon Determination Date / Call Observation Date #2	$900.00	$0.00	N/A	$500.00	$0.00	N/A
Coupon Determination Date / Call Observation Date #3	$700.00	$0.00	N/A	$500.00	$0.00	N/A
Coupon Determination Date #4 / Determination Date	$800.00	$0.00	N/A	$1,360.00	$0.25	N/A
Payment at Maturity	$5.00			$10.25		

Examples 3 and 4 illustrate the payment at maturity per security based on the final share price.

§ In **Example 3**, the closing price of the underlying stock is *less than* the downside threshold level on each coupon determination date and the determination date. As a result, you do not receive any contingent quarterly coupons during the term of the securities and, at maturity, you are fully exposed to the decline in the closing price of the underlying stock. As the final share price is *less than* the downside threshold level, investors will receive a payment at maturity *equal to* the *product* of (i) the stated principal amount *times* (ii) the share performance factor, calculated as follows:

stated principal amount × share performance factor = $10.00 × ($800.00/$1,600.00) = $5.00

In this example, the payment you receive at maturity is significantly less than the principal amount.

§ In **Example 4**, the closing price of the underlying stock decreases to a final share price of $1,360.00. Although the final share price is *less than* the initial share price, because the final share price is still not less than the downside threshold level, you receive $10.00 plus the final coupon.

In this example, although the final share price represents a 15.00% decline from the initial share price, you receive a total payment of $10.25 per security at maturity because the final share price is not less than the downside threshold level.

December 2018

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Additional 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 the impact that various hypothetical final share prices could have on the payment at maturity assuming all variables remain constant.

The examples below are based on a range of final share prices that are entirely hypothetical; no one can predict what the underlying stock price will be on any day throughout the life of your securities, and no one can predict what the underlying stock price will be on any coupon determination date or the determination date. The underlying stock has been highly volatile in the past meaning that the underlying stock price has changed considerably in relatively short periods and its performance cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the offered securities assuming that they are purchased on the original issue date at the principal amount and held to a call payment date or the stated maturity date. If you sell your securities in a secondary market prior to a call payment date or the stated maturity date, your return will depend upon the market value of your securities 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 underlying stock and the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. In addition, the estimated value of your securities at the time the terms of your securities are set on the pricing date (as determined by reference to pricing models used by GS&Co.) is less than the original issue price of your securities. For more information on the estimated value of your securities, see Additional Risk Factors Specific to Your Securities The Estimated Value of Your Securities At the Time the Terms of Your Securities Are Set On the Pricing Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Securities on page S-12 of this document.

The information in the examples also reflects the key terms and assumptions in the box below.

Key Terms and Assumptions		
Principal amount		$10
Downside threshold level		equivalent to 70.00% of the initial share price

- Neither a market disruption event nor a non-trading day occurs on the originally scheduled determination date
- No change in or affecting the underlying stock

- The effect of any accrued and unpaid coupon has been excluded
- Securities purchased on original issue date at the principal amount and held to the stated maturity date

Moreover, we have not yet set the initial share price that will serve as the baseline for determining the amount of cash that we will pay on your securities at maturity. We will not do so until the pricing date. As a result, the actual initial share price may differ substantially from the underlying stock price prior to the pricing date.

For these reasons, the actual performance of the underlying stock over the life of your securities, as well as the amount payable at maturity, if any, may bear little relation to the hypothetical examples shown below or to the historical underlying stock prices shown elsewhere in this document. For information about the historical prices of the underlying stock during recent periods, see The Underlying Stock Historical Closing Prices of the Underlying Stock below. Before investing in the offered securities, you should consult publicly available information to determine the prices of the underlying stock between the date of this document and the date of your purchase of the offered securities.

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

If the securities are not automatically called on any call observation date (i.e., on each call observation date the closing price of the underlying stock is less than the initial share price), the cash payment we would deliver for each $10 principal amount of your securities on the stated maturity date will depend on the performance of the underlying stock on the determination date, as shown in the table below. The table below assumes that **the securities have not been automatically called on a call observation date** and reflects hypothetical amounts that you could receive on the stated maturity date. The levels in the left column of the table below represent hypothetical final share prices and are expressed as percentages of the initial share price. The amounts in the right column represent the hypothetical payments at maturity,

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

based on the corresponding hypothetical final share price (expressed as a percentage of the initial share price), and are expressed as percentages of the principal amount of a security (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical payment at maturity of 100.000% means that the amount of cash that we would deliver for each $10 of the outstanding principal amount of the offered securities on the stated maturity date would equal 100.000% of the principal amount of a security, based on the corresponding hypothetical final share price (expressed as a percentage of the initial share price) and the assumptions noted above.

The Securities Have Not Been Automatically Called

Hypothetical Final Share Price (as Percentage of Initial Share Price)	**Hypothetical Payment at Maturity if the Securities Have Not Been Automatically Called (as Percentage of Principal Amount)**
175.000%	100.000%*
150.000%	100.000%*
125.000%	100.000%*
110.000%	100.000%*
100.000%	**100.000%***
95.000%	100.000%*
90.000%	100.000%*
70.000%	**100.000%***
69.999%	69.999%
50.000%	50.000%
40.000%	40.000%
25.000%	25.000%
0.000%	**0.000%**

* Does not include the final coupon.

If, for example, **the securities have not been automatically called on a call observation date** and the final share price were determined to be 25.000% of the initial share price, the amount that we would pay on your securities at maturity would be 25.000% of the principal amount of your securities, as shown in the table above. As a result, if you purchased your securities on the original issue date at the principal amount and held them to the stated maturity date, you would lose 75.000% of your investment (if you purchased your securities at a premium to principal amount you would lose a correspondingly higher percentage of your investment). In addition, if the final share price were determined to be 175.000% of the initial share price, the amount that we would pay on your securities at maturity would be limited to 100.000% of each $10 principal amount of your securities. As a result, if you held your securities to the stated maturity date, you would not benefit from any increase in the final share price over the initial share price.

The payments at maturity shown above are entirely hypothetical; they are based on market prices for the underlying stock that may not be achieved on the determination date and on assumptions that may prove to be erroneous. The actual market value of your securities on the stated maturity date or at any other time, including any time you may wish to sell your securities, may bear little relation to the hypothetical payments at maturity shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered securities. The hypothetical payments at maturity on securities held to the stated maturity date in the examples above assume you purchased your securities at their principal amount and have not been adjusted to reflect the actual issue price you pay for your securities. The return on your investment (whether positive or negative) in your securities will be affected by the amount you pay for your securities. If you purchase your securities for a price other than the principal amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read Additional Risk Factors Specific to Your Securities The Market Value of Your Securities May Be Influenced by Many Unpredictable Factors on page S-14.

Payments on the securities are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the securities 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 securities or the U.S. federal income tax treatment of the securities, as described elsewhere in this document.

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

We cannot predict the actual final share price or what the market value of your securities will be on any particular trading day, nor can we predict the relationship between the final share price and the market value of your securities at any time prior to the stated maturity date. The actual amount that you will receive, if any, at maturity and the rate of return on the offered securities will depend on whether or not the securities are automatically called on any call observation date, the actual initial share price, which will be set on the pricing date, and the actual final share price determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount to be paid in respect of your securities, if any, on the stated maturity date may be very different from the information reflected in the examples above.

December 2018

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Risk Factors

An investment in your securities 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 securities described herein and in the accompanying prospectus and the accompanying prospectus supplement. Your securities are a riskier investment than ordinary debt securities. Also, your securities are not equivalent to investing directly in the underlying stock. You should carefully consider whether the offered securities are suited to your particular circumstances.

You May Lose Your Entire Investment in the Securities

You can lose your entire investment in the securities. Assuming your securities are not automatically called, the payment on your securities, if any, on the stated maturity date will be based on the performance of the common stock of Amazon.com, Inc. as measured from the initial share price set on the pricing date to the closing price of the underlying stock on the determination date. If the final share price of the underlying stock is *less than* the downside threshold level, you will lose 1.00% of the stated principal amount of your securities for every 1.00% decline in the closing price over the term of the securities. Thus, you may lose your entire investment in the securities, which would include any premium to principal amount you paid when you purchased the securities.

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

The Return on Your Securities May Change Significantly Despite Only a Small Change in the Price of the Underlying Stock

If your securities are not redeemed and the final share price of the underlying stock is less than the downside threshold level, you will receive less than the stated principal amount of your securities and you could lose all or a substantial portion of your investment in the securities. This means that while a drop of up to 30.00% between the initial share price and the final share price of the underlying stock will not result in a loss of principal on the securities, a decrease in the final share price of the underlying stock to less than 70.00% of the initial share price will result in a loss of a significant portion of the stated principal amount of the securities despite only a small change in the price of the underlying stock.

You May Not Receive a Contingent Quarterly Coupon on Any Coupon Payment Date

If the closing price of the underlying stock on any coupon determination date is less than the downside threshold level, you will not receive a coupon payment on the applicable coupon payment date. If this occurs on every coupon determination date, you will receive no contingent quarterly coupons and you will earn less than you would have earned by investing in a security that bears interest at the prevailing market rate.

The Securities are Subject to the Credit Risk of the Issuer and the Guarantor

Although the return on the securities will be based on the performance of the underlying stock, the payment of any amount due on the securities is subject to the credit risk of GS Finance Corp., as issuer of the securities, and the credit risk of The Goldman Sachs Group, Inc., as guarantor of the securities. The securities are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on the securities, 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 securities, to pay all amounts due on the securities, 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.

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

The original issue price for your securities exceeds the estimated value of your securities as of the time the terms of your securities are set on the pricing date, as determined by reference to GS&Co. s pricing models and taking into account our

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

credit spreads. Such estimated value on the pricing date is set forth above under Estimated Value of Your Securities ; after the pricing 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 securities (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 securities 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 Securities) 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 Securities . Thereafter, if GS&Co. buys or sells your securities 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 securities at any time also will reflect its then current bid and ask spread for similar sized trades of structured securities.

In estimating the value of your securities as of the time the terms of your securities are set on the pricing date, as disclosed above under Estimated Value of Your Securities , 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 securities. 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 securities in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your securities 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 Securities May Be Influenced by Many Unpredictable Factors below.

The difference between the estimated value of your securities as of the time the terms of your securities are set on the pricing 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 securities, 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 securities. We pay to GS&Co. amounts based on what we would pay to holders of a non-structured security with a similar maturity. In return for such payment, GS&Co. pays to us the amounts we owe under your securities.

In addition to the factors discussed above, the value and quoted price of your securities at any time will reflect many factors and cannot be predicted. If GS&Co. makes a market in the securities, 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 securities, including the price you may receive for your securities in any market making transaction. To the extent that GS&Co. makes a market in the securities, 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 securities (and subject to the declining excess amount described above).

Furthermore, if you sell your securities, 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 securities in a secondary market sale.

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

You Will Not Participate in Any Appreciation in the Price of the Underlying Stock and The Potential for the Value of Your Securities to Increase Will Be Limited

The amount you may receive for each of your securities at maturity is limited to $10.00 plus the final coupon, no matter how much the price of the underlying stock may rise beyond the initial share price over the life of your securities. Accordingly, the amount payable for each of your securities may be significantly less than it would have been had you invested directly in the underlying stock.

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Your Securities Are Subject to Automatic Redemption

We will call and automatically redeem all, but not part, of your securities on a call payment date, if, as measured on any call observation date, the closing price of the underlying stock is *greater than* or *equal to* the initial share price. Therefore, the term for your securities may be reduced to as few as approximately three months after the original issue date. You may not be able to reinvest the proceeds from an investment in the securities at a comparable return for a similar level of risk in the event the securities are automatically called prior to maturity.

The Contingent Quarterly Coupon Does Not Reflect the Actual Performance of the Underlying Stock from Coupon Determination Date to Coupon Determination Date and Is Based Solely on the Closing Price of the Underlying Stock on the Applicable Coupon Determination Date

Whether the contingent quarterly coupon will be paid on a coupon payment date will be based on the closing price of the underlying stock on the applicable coupon determination date. The coupon for each quarterly coupon payment date is different from, and may be less than, a coupon determined based on the percentage difference between the initial share price and the closing price of the underlying stock on any coupon determination date or the difference between the closing prices of the underlying stock on two coupon determination dates. Accordingly, the contingent quarterly coupons, if any, on the securities may be less than the return you could earn on another instrument linked to the underlying stock that pays interest based on the performance of the underlying stock from the initial share price to the closing price of the underlying stock on any coupon determination date or from coupon determination date to coupon determination date. Moreover, because payment of the contingent quarterly coupon is based solely on the closing price of the underlying stock on the applicable coupon determination date, if such closing price is less than the downside threshold level, you will not receive a contingent quarterly coupon with respect to such coupon determination date, even if the closing price of the underlying stock was higher on other days during the term of the securities.

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

When we refer to the market value of your securities, we mean the value that you could receive for your securities 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 securities, including:

- the market price of the underlying stock to which your securities are linked;

- the volatility i.e., the frequency and magnitude of changes in the market price of the underlying stock;
- the dividend rate of the underlying stock;
- economic, financial, regulatory, political, military and other events that affect stock markets generally and the market segment of which the underlying stock is a part, and which may affect the market price of the underlying stock;
- other interest rate and yield rates in the market;
- the time remaining until your securities 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 will influence the price you will receive if you sell your securities before maturity, including the price you may receive for your securities in any market making transaction. If you sell your securities before maturity, you may receive less than the principal amount of your securities.

If the Market Price of the Underlying Stock Changes, the Market Value of Your Security May Not Change in the Same Manner

Your security may trade quite differently from the underlying stock. Changes in the market price of the underlying stock may not result in a comparable change in the market value of your security. We discuss some of the reasons for this disparity under The Market Value of Your Securities May Be Influenced By Many Unpredictable Factors above.

We Will Not Hold Shares of the Underlying Stock for Your Benefit

The indenture governing your security does not contain any restriction on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey a share or shares of the underlying stock acquired by us or them. Neither we nor our

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

affiliates will pledge or otherwise hold shares of the underlying stock for your benefit in order to enable you to exchange your security for shares under any circumstances. Consequently, in the event of our bankruptcy, insolvency or liquidation, any shares of the underlying stock owned by us will be subject to the claims of our creditors generally and will not be available for your benefit specifically.

You Have No Shareholder Rights or Any Rights to Receive Stock

Investing in your securities will not make you a holder of the underlying stock. Neither you nor any other holder or owner of your securities will have any rights with respect to the underlying stock, including any voting rights, any right to receive dividends or other distributions, any rights to make a claim against the underlying stock or any other rights of a holder of the underlying stock. In addition, you will have no right to receive any shares of the underlying stock on the stated maturity date.

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

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

In Some Circumstances, the Payment You Receive on the Securities May Be Based on the Common Stock of Another Company and Not the Issuer of the Underlying Stock

Following certain corporate events relating to the underlying stock where its issuer is not the surviving entity, the amount you receive at maturity may be based on the common stock of a successor to the underlying stock issuer or any cash or any other assets distributed to holders of shares of the underlying stock in such corporate event. The occurrence of these corporate events and the consequent adjustments may materially and adversely affect the value of the securities. We describe the specific corporate events that can lead to these adjustments and the procedures for selecting Distribution Property (as described below) under Specific Terms of Your Securities Anti-dilution Adjustments .

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

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

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

Goldman Sachs expects to hedge our obligations under the securities by purchasing shares of the underlying stock, listed or over-the-counter options, futures and/or other instruments linked to the underlying stock, indices or constituent indices thereof. 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 underlying stock, 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 securities. Alternatively, Goldman Sachs may hedge all or part of our obligations under the securities with unaffiliated distributors of the securities which we expect will undertake similar market activity. Goldman Sachs may also enter into, adjust and unwind hedging transactions relating to other securities whose returns are linked to changes in the price of the underlying stock.

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

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 securities 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 securities; hedging the exposure of Goldman Sachs to the securities including any interest in the securities 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 securities.

Any of these hedging or other activities may adversely affect the prices of the underlying stock and therefore the market value of your securities and the amount we will pay on your securities 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 securities. 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 securities, and may receive substantial returns on hedging or other activities while the value of your securities declines. In addition, if the distributor from which you purchase securities is to conduct hedging activities in connection with the securities, that distributor may otherwise profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the distributor receives for the sale of the securities 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 securities to you in addition to the compensation they would receive for the sale of the securities.

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

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

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

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

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

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

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

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

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

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

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

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

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

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

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

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Past Performance of the Underlying Stock is No Guide to Future Performance of the Underlying Stock

The actual performance of the underlying stock over the life of the securities, as well as the amount payable at maturity or on any coupon payment date, as applicable, may bear little or no relation to the historical closing prices of the underlying stock set forth below under The Underlying Stock Historical Closing Prices of the Underlying Stock or to the hypothetical examples shown elsewhere in this document. You cannot predict the future prices of the underlying stock based on its historical fluctuations.

As Calculation Agent, GS&Co. Will Have the Authority to Make Determinations that Could Affect the Market Value of Your Securities, When Your Securities Mature and the Amount You Receive at Maturity

As calculation agent for your securities, GS&Co. will have discretion in making certain determinations that affect your securities, including determining: whether your securities will be automatically called; the final share price of the underlying stock on the determination date, which we will use to determine the amount we must pay on the stated maturity date; whether to postpone a call observation date or the determination date because of a market disruption event or a non-trading day; the coupon payment dates; the call observation dates; the call payment dates and the stated maturity date. The calculation agent also has discretion in making certain adjustments relating to the underlying stock. See Specific Terms of Your Securities Anti-dilution Adjustments below. The exercise of this discretion by GS&Co. could adversely affect the value of your securities and may present GS&Co. with a conflict of interest. We may change the calculation agent at any time without notice and GS&Co. may resign as calculation agent at any time upon 60 days written notice to GS Finance Corp.

There is No Affiliation Between the Underlying Stock Issuer and Us

Goldman Sachs is not affiliated with the underlying stock issuer. As discussed above, however, we or our affiliates may currently or from time to time in the future own securities of, or engage in business with, the underlying stock issuer. Neither we nor any of our affiliates have participated in the preparation of any publicly available information or made any due diligence investigation or inquiry with respect to the underlying stock issuer. You, as an investor in your security, should make your own investigation into the underlying stock issuer.

The underlying stock issuer is not involved in this offering of your securities in any way and does not have any obligation of any sort with respect to your securities. Thus, the underlying stock issuer does not have any obligation to take your interests into consideration for any reason, including in taking or not taking any corporate actions that might affect the value of your securities.

We Expect Your Securities Will Not Have an Active Trading Market

Your securities will not be listed on any securities exchange or included in any interdealer market quotation system, and there may be little or no secondary market for your securities. Even if a secondary market for your securities develops, we expect it will 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 securities in any secondary market could be substantial.

You Have Limited Anti-Dilution Protection

GS&Co., as calculation agent for your security, will adjust the underlying stock price for stock splits, reverse stock splits, stock dividends, extraordinary dividends, reorganization events, and other events that affect the underlying stock issuer s, or any distribution property issuer s, capital structure, but only in the situations we describe in Specific Terms of Your Securities Anti-dilution Adjustments below. The calculation agent will not be required to make an adjustment for every corporate event that may affect the underlying stock. For example, the calculation agent will not adjust the underlying stock price for events such as an offering of the underlying stock for cash by the underlying stock issuer, a tender or exchange offer for the underlying stock at a premium to its then-current market price by the underlying stock issuer or a tender or exchange offer for less than all the outstanding shares of the underlying stock by a third party. In addition, the calculation agent will not adjust the reference amount for regular cash dividends. Furthermore, the calculation agent will determine in its sole discretion whether to make adjustments with respect to corporate or other events as described under Specific Terms of Your Securities Anti-dilution Adjustments Reorganization Events below. Those events or other actions by the underlying stock issuer or a third party may nevertheless adversely affect the market price of one share of the underlying stock and, therefore, adversely affect the market value of your security. The underlying stock issuer or a third party could make an offering or a tender or exchange offer, or the underlying stock issuer could take any other action, that adversely affects the market price of the underlying stock and the market value of your security but does not result in an anti-dilution adjustment for your benefit.

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

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

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

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

If the calculation agent determines that, on a date that would otherwise be a coupon determination date or the determination date, as applicable, a market disruption event has occurred or is continuing or that day is not a trading day, the applicable coupon determination date or the determination date will be postponed as described under Specific Terms of Your Securities Coupon Determination Dates and Determination Date below.

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 securities 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 securities 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 securities. This is discussed in more detail under Employee Retirement Income Security Act below.

You May Be Subject to Adverse Tax Consequences in the Future

The tax consequences of an investment in your securities are uncertain, both as to the timing and character of any inclusion in income in respect of your securities.

The Internal Revenue Service announced on December 7, 2007 that it is considering issuing guidance regarding the tax treatment of an instrument such as your securities, and any such guidance could adversely affect the value and the tax treatment of your securities. Among other things, the Internal Revenue Service may decide to require the holders to accrue ordinary income on a current basis and recognize ordinary income on payment at maturity, and could subject non-U.S. investors to withholding tax. Furthermore, in 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your securities after the bill was enacted to accrue interest income over the term of such instruments even though there may be no interest payments over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your securities. We describe these developments in more detail under Supplemental Discussion of U.S. Federal Income Tax Consequences United States Holders Possible Change in Law below. You should consult your tax advisor about this matter. Except to the extent otherwise provided by law, GS Finance Corp. intends to continue treating the securities for U.S. federal income tax purposes in accordance with the treatment described under Supplemental Discussion of U.S. Federal Income Tax Consequences on page S-35 below unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate. Please also consult your tax advisor concerning the U.S. federal income tax and any other applicable tax consequences to you of owning your securities in your particular circumstances.

Foreign Account Tax Compliance Act (FATCA) Withholding May Apply to Payments on Your Securities, Including as a Result of the Failure of the Bank or Broker Through Which You Hold the Securities 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 securities.

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Specific Terms of Your Securities

We refer to the securities we are offering by this document as the offered securities or the securities . Please note that in this document, 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. Please note that in this section entitled Specific Terms of Your Securities , references to holders mean those who own securities 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 securities registered in street name or in securities 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 .

The Contingent Income Auto-Callable Securities are unsecured notes issued by GS Finance Corp. and guaranteed by The Goldman Sachs Group, Inc. The offered securities are part of a series of debt securities, entitled Medium-Term Notes, Series E , that we may issue under the indenture from time to time as described in the accompanying prospectus. The offered securities are also indexed debt securities , as defined in the accompanying prospectus. This document summarizes specific financial and other terms that apply to the offered securities, including your security; terms that apply generally to all Series E medium-term securities are described in Description of Notes We May Offer in the accompanying prospectus supplement. The terms described here supplement those described in the accompanying prospectus and the accompanying prospectus supplement and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

In addition to those terms described under Summary Terms in this document, the following terms will apply to your security:

Specified currency:

- U.S. dollars ($ or USD)

Form of note:

- global form only: yes, at DTC
- non-global form available: no

Principal amount: each security will have a principal amount of $10; $ in the aggregate for all the offered securities; the aggregate principal amount of the offered securities may be increased if the issuer, at its sole option, decides to sell an additional amount of the offered securities on a date subsequent to the date of this document

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

Denominations: each security registered in the name of a holder must have a principal amount of $10 or an integral multiple of $10 in excess thereof

No listing: your securities will not be listed or displayed on any securities exchange or included in any interdealer market quotation system

Defeasance applies as follows:

- full defeasance: no
- covenant defeasance: no

GS Finance Corp.

Contingent Income Auto-Callable Securities Based on the Performance of the Common Stock of Amazon.com, Inc. due December 19, 2019

Principal at Risk Securities

Other terms:

- the default amount will be payable on any acceleration of the maturity of your security as described under Special Calculation Provisions below

- anti-dilution provisions will apply to your security; see Anti-dilution Adjustments below

- a business day for your security may not be the same as a business day for certain of our other Series E medium-term securities; see Special Calculation Provisions below

- a trading day for your security may not be the same as a trading day for certain of our other Series E medium-term securities; see Special Calculation Provisions below

Please note that the information about the settlement or pricing dates, issue price, discounts, commission or concessions and net proceeds to GS Finance Corp. on the front cover page or elsewhere in this document relates only to the initial issuance and sale of the securities. We may decide to sell additional securities on one or more dates after the date of this document, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth on the front cover page or elsewhere in this document. If you have purchased your security in a market making transaction after the initial issuance and sale of the securities, any such relevant information about the sale to you will be provided in a separate confirmation of sale.

We describe the terms of your security in more detail below.

Underlying Stock and Underlying Stock Issuer

In this document, when we refer to the underlying stock, we mean the common stock of Amazon.com, Inc., except as described under Anti-dilution Adjustments Reorganization Events and Anti-dilution Adjustments Distribution Property below. When we refe to the underlying stock issuer, we mean Amazon.com, Inc. or any successor thereto.

Automatic Call Feature

If, as measured on any call observation date, the closing price of the underlying stock is *greater than* or *equal to* the initial share price, your securities will be automatically called. If your securities are automatically called on any call observation date, on the corresponding call payment date you will receive an amount in cash equal to $10 for each $10 principal amount of your securities in addition to the coupon then due.

The calculation agent will determine the closing price of the underlying stock for each call observation date, which will be the closing price of the underlying stock on the applicable call observation date, subject to any anti-dilution adjustments.

The calculation agent will have discretion to adjus