

GOLDMAN SACHS GROUP INC

Form 424B2

November 06, 2018

Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-219206

GS Finance Corp.

\$740,000

Callable Contingent Coupon Index-Linked Notes due 2022

guaranteed by

The Goldman Sachs Group, Inc.

The notes do not pay a fixed coupon and may pay no coupon on a payment date. The amount that you will be paid on your notes is based on the performances of the Dow Jones Industrial Average[®], the NASDAQ-100 Index[®] and the S&P 500[®] Index. The notes will mature on November 7, 2022, unless we redeem them.

We may redeem your notes at 100% of their face amount plus any coupon then due on any payment date (the 7th day of each February, May, August and November, commencing in February 2019 and ending on the stated maturity date) on or after the payment date in November 2019 up to the payment date in August 2022.

If we do not redeem your notes, on each determination date (the third scheduled trading day for all indices prior to each payment date), if the closing level of each index is greater than or equal to 60% of its initial level (the initial levels are 25,270.83 with respect to the Dow Jones Industrial Average[®], 6,965.294 with respect to the NASDAQ-100 Index[®] and 2,723.06 with respect to the S&P 500[®] Index), you will receive on the applicable payment date a coupon for each \$1,000 face amount of your notes equal to \$16.125. If the closing level of any index on a determination date is less than 60% of its initial level, you will not receive a coupon on the applicable payment date.

If we do not redeem your notes, the amount that you will be paid on your notes at maturity, in addition to the final coupon, if any, is based on the performance of the lesser performing index (the index with the lowest index return). The index return for each index is the percentage increase or decrease in the final level of such index on the final determination date from its initial level.

At maturity, for each \$1,000 face amount of your notes you will receive an amount in cash equal to:

if the index return of each index is greater than or equal to -40% (the final level of each index is greater than or equal to 60% of its initial level), \$1,000 plus the final coupon;

if the index return of each index is greater than or equal to -50% (the final level of each index is greater than or equal to 50% of its initial level) but the index return of any index is less than -40% (the final level of any index is less than 60% of its initial level), \$1,000. You will not receive a coupon; or

if the index return of any index is less than -50% (the final level of any index is less than 50% of its initial level), the sum of (i) \$1,000 plus (ii) the product of (a) the lesser performing index return times (b) \$1,000. You will receive less than 50% of the face amount of your notes and you will not receive a final coupon.

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

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately \$975 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: November 7, 2018 Original issue price: 100% of the face amount

Underwriting discount: 1.8% of the face amount* Net proceeds to the issuer: 98.2% of the face amount

* See "Supplemental Plan of Distribution" on page S-59 for additional information regarding the fees comprising the underwriting discount.

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. 4,551 dated November 2, 2018.

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

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

Estimated Value of Your Notes

The estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is equal to approximately \$975 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 \$25 per \$1,000 face amount).

Prior to November 2, 2019, 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 November 1, 2019). On and after November 2, 2019, 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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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-21. 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.

Indices: the Dow Jones Industrial Average[®] (Bloomberg symbol, “INDU Index”), as published by S&P Dow Jones Indices LLC, the NASDAQ-100 Index[®] (Bloomberg symbol, “NDX Index”), as published by Nasdaq, Inc., and the S&P 500[®] Index (Bloomberg symbol, “SPX Index”), as published by S&P Dow Jones Indices LLC; see “The Indices” on page S-30

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

Face amount: each note will have a face amount equal to \$1,000; \$740,000 in the aggregate for all the offered notes; the aggregate face amount of the offered notes may be increased if the issuer, at its sole option, decides to sell an additional amount of the offered notes on a date subsequent to the date of this prospectus supplement

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

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

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

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Cash settlement amount: subject to our redemption right, for each \$1,000 face amount of your notes, we will pay you on the stated maturity date an amount in cash equal to:

- if the index return of each index is greater than or equal to -40%, \$1,000 plus the final coupon;
- if the index return of each index is greater than or equal to -50% but the index return of any index is less than -40%, \$1,000 (you will not receive a coupon); or
- if the index return of any index is less than -50%, the sum of (i) \$1,000 plus (ii) the product of (a) the lesser performing index return times (b) \$1,000.

Early redemption right: we have the right to redeem your notes, in whole but not in part, at a price equal to 100% of the face amount plus any coupon then due, on each coupon payment date commencing in November 2019 and ending in August 2022, subject to at least three business days' prior notice

Lesser performing index return: the index return of the lesser performing index

Lesser performing index: the index with the lowest index return

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

- if the closing level of each index on the related coupon determination date is greater than or equal to 60% of its initial index level, \$16.125; or
- if the closing level of any index on the related coupon determination date is less than 60% of its initial index level, \$0

Initial index level: 25,270.83 with respect to the Dow Jones Industrial Average[®], 6,965.294 with respect to the NASDAQ-100 Index[®] and 2,723.06 with respect to the S&P 500[®] Index

Final index level: with respect to each index, the closing level of such index on the determination date, except in the limited circumstances described under "Specific Terms of Your Notes — Consequences of a Market Disruption Event or a Non-Trading Day" on page S-24

Closing level: with respect to each index on any trading day, the closing level of such index, as further described under "Specific Terms of Your Notes — Special Calculation Provisions — Closing Level" on page S-26

Index return: with respect to each index on the determination date, the quotient of (i) the final index level minus the initial index level divided by (ii) the initial index level, expressed as a positive or negative percentage

Defeasance: not applicable

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

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

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

Trade date: November 2, 2018

Original issue date (settlement date): November 7, 2018

Stated maturity date: November 7, 2022, subject to adjustment as described under "Specific Terms of Your Notes — Stated Maturity Date" on page S-23

Determination date: the last coupon determination date, November 2, 2022, subject to adjustment as described under "Specific Terms of Your Notes — Determination Date" on page S-23

Coupon determination dates: the third scheduled trading day for all indices prior to each coupon payment date, subject to adjustment as described under "Specific Terms of Your Notes — Coupon Determination Dates" on page S-23

Coupon payment dates: the 7th day of each February, May, August and November, commencing in February 2019 and ending on the stated maturity date, subject to adjustment as described under "Specific Terms of Your Notes — Coupon and Coupon Payment Dates" on page S-23

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

Calculation agent: GS&Co.

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CUSIP no.: 40056ECH9

ISIN no.: US40056ECH99

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 impact that various hypothetical closing levels of the indices on a coupon determination date could have on the coupon payable, if any, on the related coupon payment date and (ii) the impact that the various hypothetical closing levels of the lesser performing index on the determination date could have on the cash settlement amount at maturity assuming all other variables remain constant.

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

The information in the following examples reflects the hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the face amount and held to the stated maturity date or date of early redemption. If you sell your notes in a secondary market prior to the stated maturity date or date of early redemption, 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 indices, the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. In addition, the estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by GS&Co.) is less than the original issue price of your notes. For more information on the estimated value of your notes, see “Additional Risk Factors Specific to Your Notes — The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes” on page S-11 of this prospectus supplement. The information in the examples also reflect the key terms and assumptions in the box below.

Key Terms and Assumptions

Face amount	\$1,000
Initial index level of the Dow Jones Industrial Average [®]	25,270.83
Initial index level of the NASDAQ-100 Index [®]	6,965.294
Initial index level of the S&P 500 [®] Index	2,723.06
Coupon	\$16.125

Neither a market disruption event nor a non-trading day occurs on any originally scheduled coupon determination date or the originally scheduled determination date

No change in or affecting any of the index stocks or the method by which the applicable index sponsor calculates any index

Notes purchased on original issue date at the face amount and held to the stated maturity date or date of early redemption

For these reasons, the actual performance of the indices over the life of your notes, the actual index levels on any coupon determination date, as well as the coupon payable, if any, on each coupon payment date, may bear little relation to the hypothetical examples shown below or to the historical index levels shown elsewhere in this prospectus supplement. For information about the index levels during recent periods, see “The Indices — Historical Closing Levels of the Indices” on page S-49. Before investing in the notes, you should consult publicly available information to determine the index levels between the date of this prospectus supplement and the date of your purchase of the notes. Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the index stocks.

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Hypothetical Coupon Payments

The examples below show hypothetical performances of each index as well as the hypothetical coupons, if any, that we would pay on each coupon payment date with respect to each \$1,000 face amount of the notes if the closing level of each index on the applicable coupon determination date were the hypothetical closing levels shown and 60% of the initial index level of the Dow Jones Industrial Average® is 15,162.498, 60% of the initial index level of the NASDAQ-100 Index® is 4,179.1764 and 60% of the initial index level of the S&P 500® Index is 1,633.836.

Scenario 1

Hypothetical Coupon Determination Date	Hypothetical Closing Level of the Dow Jones Industrial Average®	Hypothetical Closing Level of the NASDAQ-100 Index®	Hypothetical Closing Level of the S&P 500® Index	Hypothetical Coupon
First	25,000	3,900	900	\$0
Second	11,750	3,900	900	\$0
Third	10,400	3,000	2,900	\$0
Fourth	24,000	7,900	2,000	\$16.125
Fifth	8,950	3,900	900	\$0
Sixth	8,600	5,400	2,000	\$0
Seventh	28,000	5,300	2,300	\$16.125
Eighth	9,500	4,100	2,100	\$0
Ninth	9,600	4,150	2,150	\$0
Tenth	6,500	4,000	2,000	\$0
Eleventh	6,850	4,000	2,000	\$0
Twelfth - Sixteenth	6,700	3,900	1,900	\$0
			Total Hypothetical Coupons	\$32.25

In Scenario 1, the hypothetical closing level of each index increases and decreases by varying amounts on each hypothetical coupon determination date. Because the hypothetical closing level of each index on the fourth and seventh hypothetical coupon determination dates is greater than or equal to 60% of its initial index level, the total of the hypothetical coupons in Scenario 1 is \$32.25. Because the hypothetical closing level of at least one index on all other hypothetical coupon determination dates is less than 60% of its initial index level, no further coupons will be paid, including at maturity.

Scenario 2

Hypothetical Coupon Determination Date	Hypothetical Closing Level of the Dow Jones Industrial Average®	Hypothetical Closing Level of the NASDAQ-100 Index®	Hypothetical Closing Level of the S&P 500® Index	Hypothetical Coupon
First	10,900	3,900	2,100	\$0
Second	10,750	4,900	2,900	\$0
Third	10,400	4,000	2,000	\$0
Fourth	10,950	4,100	1,900	\$0
Fifth	10,600	3,900	1,800	\$0
Sixth	10,500	4,800	2,000	\$0
Seventh	10,600	3,900	2,600	\$0
Eighth	27,000	6,100	1,500	\$0
Ninth	10,850	7,900	2,000	\$0
Tenth	13,700	5,000	900	\$0
Eleventh	10,200	4,000	900	\$0
Twelfth - Sixteenth	10,950	3,900	2,000	\$0
			Total Hypothetical Coupons	\$0

In Scenario 2, the hypothetical closing level of each index increases and decreases by varying amounts on each hypothetical coupon determination date. Because in each case the hypothetical closing level of at least one