

GOLDMAN SACHS GROUP INC

Form 424B2

November 13, 2018

Filed pursuant to Rule 424(b)(2)

Registration Statement No. 333-219206

GS Finance Corp.

\$2,000,000

Trigger Callable Contingent Yield 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 coupon payment date. The amount that you will be paid on your notes is based on the performances of the S&P 500[®] Index, the Russell 2000[®] Index and the EURO STOXX 50[®] Index. Subject to our redemption right, the notes will mature on the stated maturity date (November 14, 2022). We may redeem your notes on any coupon payment date on or after February 12, 2019, regardless of the performance of the indices, at a price equal to the face amount of your notes plus any coupon then due.

Unless previously redeemed, if the closing level of each index is greater than or equal to 60.00% of its initial index level set on November 7, 2018 (the initial levels are 2,813.89 with respect to the S&P 500[®] Index, 1,582.159 with respect to the Russell 2000[®] Index and 3,246.16 with respect to the EURO STOXX 50[®] Index) on every trading day during the preceding quarterly observation period, you will receive on the applicable coupon payment date a coupon of \$0.20 for each \$10 face amount of your notes. A quarterly observation period is the period from but excluding an observation end date (or the trade date, in the case of the first period) to and including the next succeeding observation end date. Coupon payment dates are the dates specified on page S-6 of this prospectus supplement. If the closing level of any index on any trading day during the preceding quarterly observation period is less than 60.00% of its initial index level, you will not receive a coupon payment on the applicable coupon payment date.

Unless previously redeemed, 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 index level of such index on the final observation end date from its initial index level.

At maturity, for each \$10 face amount of your notes outstanding, you will receive, in addition to any coupon payment then due, an amount in cash equal to:

· if the final index level of each index is greater than or equal to 55.00% of its initial index level, \$10; or
· if the final index level of any index is less than 55.00% of its initial index level, the sum of (i) \$10 plus (ii) the product of (a) the lesser performing index return times (b) \$10. You will receive less than 45.00% of the face amount of your notes and you will not receive a final coupon.

The maximum return on your notes is 2.00% quarterly (or 8.00% per annum). You will not receive more than the face amount of your notes at maturity plus the final coupon, if any. If the final index level of any index has declined by more than 45.00% from the initial index level of such index, regardless of the performance of the other two indices, you will receive less than the face amount of your notes. At maturity you could receive significantly less than the face amount of your notes.

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

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately \$984 per \$10 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 14, 2018 Original issue price: 100% of the face amount

Underwriting discount: 1.30% of face amount* Net proceeds to the issuer: 98.70% of face amount

*UBS Financial Services Inc., the selling agent, will receive a selling concession not in excess of 1.00% of the face amount.

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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 \$984 per \$10 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 \$11 per \$10 face amount).

Prior to February 8, 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 over the period from the time of pricing through February 7, 2019). On and after February 8, 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 Notes

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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\$2,000,000

Trigger Callable Contingent Yield Notes due 2022

FINAL TERMS

Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Early redemption right: we have the right to redeem your notes at our option, in whole but not in part, on each coupon payment date on or after February 12, 2019 at a price equal to 100% of the face amount plus any coupon then due, subject to at least two business days' prior notice

Index/Initial index level: S&P 500® Index / 2,813.89 (the closing level of such index on November 7, 2018)

Index/Initial index level: Russell 2000® Index / 1,582.159 (the closing level of such index on November 7, 2018)

Index/Initial index level: EURO STOXX 50® Index / 3,246.16 (the closing level of such index on November 7, 2018)

Trade date: November 8, 2018

Original issue date: November 14, 2018

Determination date: November 8, 2022

Stated maturity date: unless the notes are previously redeemed, November 14, 2022

Cash settlement amount (in addition to any coupon payment then due):

- if the final index level of the lesser performing index is greater than or equal to its downside threshold, \$10; or
- if the final index level of the lesser performing index is less than its downside threshold, the sum of (1) \$10 plus (2) the product of (i) \$10 times (ii) the lesser performing index return

Contingent coupon: \$0.20/quarter (8.00% p.a.)

Downside threshold: 1,547.640 with respect to the S&P 500® Index, 870.187 with respect to the Russell 2000® Index and 1,785.388 with respect to the EURO STOXX 50® Index (in each case, 55.00% of such index's initial index level (rounded to the nearest one-thousandth))

Coupon barrier: 1,688.334 with respect to the S&P 500® Index, 949.295 with respect to the Russell 2000® Index and 1,947.696 with respect to the EURO STOXX 50® Index (in each case, 60.00% of such index's initial index level (rounded to the nearest one-thousandth))

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-28

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-31 the period from but excluding each observation end date (or the trade date, in the case of the first quarterly observation period) to and including the next succeeding observation end date excluding any date or dates on which the calculation agent determines that a market disruption event with respect to any index occurs or is continuing or that the calculation agent determines is not a trading day with respect to any index, as further described under "Specific Terms of Your Notes — Payment of a Contingent Coupon — Quarterly Observation Periods" on page S-26. Although the quarterly observation periods occur quarterly, there may not be an equal number of trading days in each quarterly observation period

Quarterly observation period:

Index return:

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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

Lesser

performing index: the index with the lowest index return

Lesser

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

Face amount: \$10 per note

Original issue price: 100% of the face amount

CUSIP / ISIN: 36256M593 / US36256M5931

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

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Observation End Dates* Coupon Payment Dates**

February 8, 2019 February 12, 2019

May 8, 2019 May 10, 2019

August 8, 2019 August 12, 2019

November 8, 2019 November 13, 2019

February 10, 2020 February 12, 2020

May 8, 2020 May 12, 2020

August 10, 2020 August 12, 2020

November 9, 2020 November 12, 2020

February 8, 2021 February 10, 2021

May 10, 2021 May 12, 2021

August 9, 2021 August 11, 2021

November 8, 2021 November 10, 2021

February 8, 2022 February 10, 2022

May 9, 2022 May 11, 2022

August 8, 2022 August 10, 2022

November 8, 2022 November 14, 2022

*Subject to adjustment as described under “Specific Terms of Your Notes — Observation End Dates” on page S-28 of this prospectus supplement

**Subject to adjustment as described under “Specific Terms of Your Notes — Coupon and Coupon Payment Dates” on page S-28 of this prospectus supplement

This is the first date on which your notes may be redeemed.

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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-25. 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 S&P 500[®] Index (Bloomberg symbol, “SPX Index”), as published by S&P Dow Jones Indices LLC, the Russell 2000[®] Index (Bloomberg symbol, “RTY Index”), as published by FTSE Russell, and the EURO STOXX 50 Index (Bloomberg symbol, “SX5E Index”), as sponsored and maintained by STOXX Limited; see “The Indices” on page S-35

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

Face amount: each note will have a face amount equal to \$10 and integral multiples of \$10 in excess thereof; \$2,000,000 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: \$10 and integral multiples of \$10 in excess thereof

Minimum purchase amount: In connection with the initial offering of the notes, the minimum face amount of notes that may be purchased by any investor is \$1,000

Supplemental plan of distribution: GS Finance Corp. has agreed to sell to Goldman Sachs & Co. LLC (“GS&Co.”), and GS&Co. has agreed to purchase from GS Finance Corp., the aggregate face amount of the offered notes specified on the front cover of this prospectus supplement. GS&Co. proposes initially to offer the notes to the public at the original issue price set forth on the cover page of this prospectus supplement, and to UBS Financial Services Inc. at such price less a concession not in excess of 1.00% of the face amount. See “Supplemental Plan of Distribution” on page S-64

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-17 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

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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.

Cash settlement amount (on the stated maturity date): subject to our early redemption right, for each \$10 face amount of your notes, we will pay you on the stated maturity date, in addition to any coupon payment then due, an amount in cash equal to:

- if the final index level of the lesser performing index is greater than or equal to its downside threshold, \$10; or
- if the final index level of the lesser performing index is less than its downside threshold, the sum of (1) \$10 plus (2) the product of (i) \$10 times (ii) the lesser performing index return

Downside threshold: 1,547.640 with respect to the S&P 500[®] Index, 870.187 with respect to the Russell 2000[®] Index and 1,785.388 with respect to the EURO STOXX 50[®] Index (in each case, 55.00% of such index’s initial index level (rounded to the nearest one-thousandth))

Early redemption right: we have the right to redeem your notes at our option, in whole but not in part, on each coupon payment date or after February 12, 2019 at a price equal to 100% of the face amount plus any coupon then due, subject to at least two 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 early redemption right, on each coupon payment date, for each \$10 face amount of your notes, we will pay you an amount in cash equal to:

- if the closing level of each index on every trading day during the preceding quarterly observation period is greater than or equal to its coupon barrier, \$0.20 (2.00% quarterly or 8.00% per annum); or
- if the closing level of any index on any trading day during the preceding quarterly observation period is less than its coupon barrier, \$0.00

No coupon payment or return of principal is guaranteed. As discussed above, we will not pay a coupon on a coupon payment date if the closing level of any index is less than its coupon barrier on any trading day during the preceding quarterly observation period. Also, although quarterly observation periods and coupon payment dates occur quarterly, there may not be an equal number of trading days in each quarterly observation period and there may not be an equal number of days between coupon payment dates. However, the way in which the coupon is determined will not vary based on the actual number of trading days in any quarterly observation period or the actual number of days between coupon payment dates.

Quarterly observation period: the period from but excluding each observation end date (or the trade date, in the case of the first quarterly observation period) to and including the next succeeding observation end date excluding any date or dates on which the calculation agent determines that a market disruption event with respect to any index occurs or is continuing or that the calculation agent determines is not a trading day with respect to any index, as further described under “Specific Terms of Your Notes — Payment of a Contingent Coupon — Quarterly Observation Periods” on page S-26. Although the quarterly observation periods occur quarterly, there may not be an equal number of trading days in each quarterly observation period.

Coupon barrier: 1,688.334 with respect to the S&P 500[®] Index, 949.295 with respect to the Russell 2000[®] Index and 1,947.696 with respect to the EURO STOXX 50[®] Index (in each case, 60.00% of such index’s initial index level (rounded to the nearest one-thousandth))

Initial index level: 2,813.89 with respect to the S&P 500[®] Index, 1,582.159 with respect to the Russell 2000[®] Index and 3,246.16 with respect to the EURO STOXX 50[®] Index. The initial index level of each index represents the closing level of such index on November 7, 2018 and may be higher or lower than the closing level of such index on the trade date.

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-28

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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-31

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-31

Trading day: as described under “Specific Terms of Your Notes — Special Calculation Provisions — Trading Day” on page S-31

Trade date: November 8, 2018

Original issue date (settlement date): November 14, 2018

Determination date: November 8, 2022, subject to adjustment as described under “Specific Terms of Your Notes — Determination Date” on page S-27

Stated maturity date: November 14, 2022, subject to our redemption right and to adjustment as described under “Specific Terms of Your Notes — Stated Maturity Date” on page S-27

Observation end dates: the dates specified as such in the table under “Coupon payment dates” below, subject to adjustment as described under “Specific Terms of Your Notes — Observation End Dates” on page S-28. Although the observation end dates occur quarterly, there may not be an equal number of days between observation end dates.

Coupon payment dates: the dates specified in the table below, subject to adjustment as described under “Specific Terms of Your Notes — Coupon and Coupon Payment Dates” on page S-28. Although the coupon payment dates occur quarterly, there may not be an equal number of days between coupon payment dates.

Observation End Dates Coupon Payment Dates

February 8, 2019	February 12, 2019
May 8, 2019	May 10, 2019
August 8, 2019	August 12, 2019
November 8, 2019	November 13, 2019
February 10, 2020	February 12, 2020
May 8, 2020	May 12, 2020
August 10, 2020	August 12, 2020
November 9, 2020	November 12, 2020
February 8, 2021	February 10, 2021
May 10, 2021	May 12, 2021
August 9, 2021	August 11, 2021
November 8, 2021	November 10, 2021
February 8, 2022	February 10, 2022
May 9, 2022	May 11, 2022
August 8, 2022	August 10, 2022
November 8, 2022	November 14, 2022

This is the first date on which your notes may be redeemed.

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

Calculation agent: GS&Co.

CUSIP no.: 36256M593

ISIN no.: US36256M5931

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

(Hypothetical terms only. Actual terms may vary.)

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 during a quarterly observation period 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 of the lesser performing index 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 trading day during any quarterly observation period 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, 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-12 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	\$10
Initial index level of the S&P 500 [®] Index	2,813.89
Initial index level of the Russell 2000 [®] Index	1,582.159
Initial index level of the EURO STOXX 50 [®] Index	3,246.16
Downside threshold	1,547.640 with respect to the S&P 500 [®] Index, 870.187 with respect to the Russell 2000 [®] Index and 1,785.388 with respect to the EURO STOXX 50 [®] Index (in each case, 55.00% of such index’s initial index level (rounded to the nearest one-thousandth))
Coupon barrier	1,688.334 with respect to the S&P 500 [®] Index, 949.295 with respect to the Russell 2000 [®] Index and 1,947.696 with respect to the EURO STOXX 50 [®] Index (in each case, 60.00% of such index’s initial index level (rounded to the nearest one-thousandth))
Coupon	\$0.20 (2.00% quarterly or 8.00% per annum)
Neither a market disruption event nor a non-trading day occurs during any quarterly observation period or on 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	

For these reasons, the actual performance of the indices over the life of your notes, the actual index levels on any trading day during a quarterly observation period, as well as the coupon payable, if any, on each coupon payment date, may bear little relation to the hypothetical examples shown below or to the historical index levels shown elsewhere in this prospectus supplement. For information about the index levels during recent periods, see “The Indices — Historical Closing Levels of the Indices” on page S-55. 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.

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

Hypothetical Coupon Payments

With respect to each \$10 face amount of notes, the examples below show hypothetical coupons, if any, that we would pay on a coupon payment date if the lowest closing levels of the indices during the applicable quarterly observation period were the hypothetical closing levels shown.

Scenario 1

	Lowest	Lowest	
	Hypothetical	Hypothetical	
Hypothetical	Closing Level of	Closing Level of	Lowest
Quarterly	the S&P 500®	the Russell 2000®	Hypothetical
Observation	Index During the	Index During the	Closing Level of
Period	Applicable	Applicable	the EURO STOXX
	Quarterly	Quarterly	
	Observation	Observation	
	Period	Period	