Supplement No. 1

pursuant to Section 16 para. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

dated 10 April 2018

to the base prospectus of

Goldman, Sachs & Co. Wertpapier GmbH
Frankfurt am Main

(the "Issuer")

unconditionally guaranteed by

Goldman Sachs International
England

(the "Guarantor")

This supplement of Goldman, Sachs & Co. Wertpapier GmbH is related to the following base prospectus:

Base Prospectus for Securities (issued in the form of Certificates, Notes or Warrants) dated 11 January 2018

*(the "**Base Prospectus**")*

Subject of this supplement (the "**Supplement**") is (i) the publication of the report on the Regulatory Ratios of Goldman Sachs International for the fiscal quarter ended 31 December 2017 (the "**Report**") on 18 January 2018, (ii) the publication of the registration document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 14 March 2018 (the "**Registration Document**") on 15 March 2018 and (iii) the publication of the Annual Report of for the fiscal year ended 31 December 2017 of Goldman Sachs International (the "**Annual Report**"), containing, in Part II, the Directors' Report and Audited Financial Statements of Goldman Sachs International for the period ended 31 December 2017, on 19 March 2018. A copy of the Report has been filed with the *Commission de Surveillance du Secteur Financier* ("**CSSF**"). The Report and the Registration Document are incorporated by reference into the Base Prospectus. The Report and the Registration Document are available free of charge at Goldman Sachs International, Zweigniederlassung Frankfurt, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main.

The information contained in the Base Prospectus shall be supplemented as follows:

In the Base Prospectus all references to the "Registration Document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 28 February 2017 (as supplemented by the supplements dated 18 April 2017, 12 May 2017, 30 June 2017, 19 July 2017, 7 August 2017, 1 September 2017, 19 September 2017, 18 October 2017, 6 November 2017, 5 January 2018 and 18 January 2018)" shall be read as reference to the "Registration Document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 14 March 2018 (as supplemented by the supplement dated 29 March 2018)".

In the Base Prospectus all references to the "Registration Document of Goldman Sachs International dated 10 January 2018 (as supplemented from time to time)" shall be read as reference to the "Registration Document of Goldman Sachs International dated 10 January 2018 (as supplemented by the supplement dated 10 April 2018)".

*1. In the Base Prospectus in section "**I. Summary**" under "**Element B.4b**" of the subsection "**1. Information relating to Goldman, Sachs & Co. Wertpapier GmbH as Issuer**" on page 13 the whole text shall be replaced as follows:*

> "The Issuer's objective in 2018 is a renewed increase in the issuance activity. It is assumed that the interest in leveraged products, especially warrants and turbos, as well as structured products will be increase. It is planned to extend the offer of leveraged products and structured products, especially warrants, discount certificates and factor certificates. Furthermore, it is expected that in a volatile market there will be a multitude of follow-up issuances in the area of turbo warrants, mini futures and bonus certificates due to the fact that the barrier has been breached. In addition, it is planned to offer further types of leveraged products for the financial year. Also further enhancements to the issuance process allow the issuance of new structured products to be almost fully automated. The issuance activity in the Netherlands is expected to remain at the current level as the securities issued into the Dutch market do not have a fixed maturity date and since a need for follow-up issuances in the field of low leverages is not expected. It is expected that the issuance activity will remain on the current level. The Issuer is part of the firmwide considerations on the UK-Brexit, in particular focusing on potential impacts on the Issuer's business model."

*2. In the Base Prospectus in section "**I. Summary**" under "**Element B.12**" of the subsection "**1. Information relating to Goldman, Sachs & Co. Wertpapier GmbH as Issuer**" on pages 13 et seq. the whole text shall be replaced as follows:*

"The following table shows selected key historical financial information in relation to the Issuer which is derived from the audited financial statements as of 31 December 2017 and 31 December 2016 for each of the two years in the period ended 31 December 2017 and 31 December 2016:

Information in relation to the Profit and Loss Account Statement		
	As of and for the Year	
	1 January - 31 December 2017	**1 January - 31 December 2016**
	(EUR)	
Income taxes	-278,361.25	-270,600.86
Net income	652,821.73	517,184.02

Balance sheet information		
	31 December 2017	**31 December 2016**
	(EUR)	
Total assets	6,466,271,258.32	6,047,710,358.96
Total capital and reserves	4,504,784.89	3,851,963.16

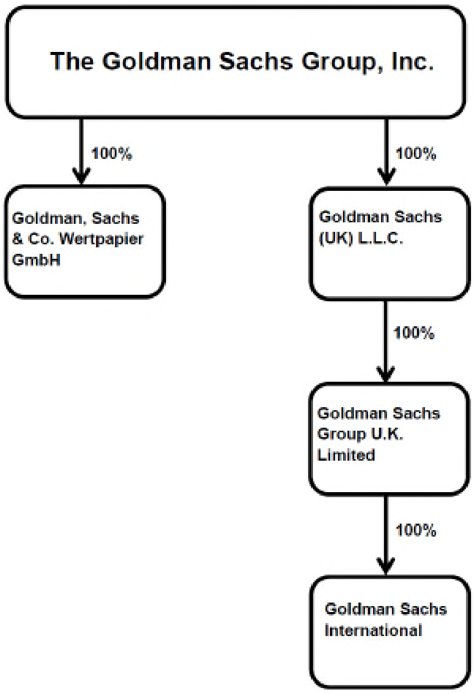
There has been no material adverse change in the prospects of the Issuer since the date of the last published audited financial statements (31 December 2017).

Not applicable. Since the end of the last financial period for which audited financial information have been published (31 December 2017) no significant change in the Issuer's financial or trading position has occurred."

*3. In the Base Prospectus in section "**I. Summary**" under "**Element B.19 (B.5)**" of the subsection "**2. Information relating to Goldman Sachs International as Guarantor**" on page 15 the whole text shall be replaced as follows:*

"Goldman Sachs Group UK Limited, a company incorporated under English law has a 100 per cent. shareholding in GSI. Goldman Sachs (UK) L.L.C. is established under the laws of the State of Delaware and holds 100 per cent. of the ordinary shares of Goldman Sachs Group UK Limited. The Goldman Sachs Group, Inc. is established in Delaware and has a 100 per cent. shareholding in Goldman Sachs (UK) L.L.C.

Holding structure of GSI



Note: The percentages given are for direct holdings of ordinary shares or equivalent."

*4. In the Base Prospectus in section "**I. Summary**" under "**Element B.19 (B.12)**" of the subsection "**2. Information relating to Goldman Sachs International as Guarantor**" on pages 15 et seq. the whole text shall be replaced as follows:*

"The following table shows selected key historical financial information in relation to GSI which is derived from the audited financial statements as of 31 December 2017 for each of the two years in the period ended 31 December 2017 and 31 December 2016:

	As at and for the year (audited)	
(*in USD millions*)	**1 January - 31 December 2017**	**1 January - 31 December 2016**
Operating Profit	2,389	2,280
Profit before taxation	2,091	1,943
Profit for the financial period	1,557	1,456

	As of (audited)	
(*in USD millions*)	**31 December 2017**	**31 December 2016**
Fixed Assets	210	140
Current Assets	939,863	934,129
Total Shareholder's funds	31,701	27,533

There has been no material adverse change in the prospects of GSI since 31 December 2017.

Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 31 December 2017."

*5. In the Base Prospectus in section "**I. Summary**" under "**Element D.2**" on pages 90 et seq. the second paragraph shall be replaced as follows:*

"The Issuer and the Guarantor are subject to a number of key risks:

- GSI's businesses have been and may continue to be adversely affected by conditions in the global financial markets and economic conditions generally.
- GSI's businesses and those of its clients are subject to extensive and pervasive regulation around the world.
- GSI's businesses have been and may be adversely affected by declining asset values. This is particularly true for those businesses in which it has net "long" positions, receives fees based on the value of assets managed, or receives or posts collateral.
- GSI's businesses have been and may be adversely affected by disruptions in the credit markets, including reduced access to credit and higher costs of obtaining credit.
- GSI's investment banking, client execution and investment management businesses have been adversely affected and may continue to be adversely affected by market uncertainty or lack of confidence among investors and CEOs due to general declines in economic activity and other unfavourable economic, geopolitical or market conditions.
- GSI's investment management business may be affected by the poor investment performance of its investment products.
- GSI may incur losses as a result of ineffective risk management processes and strategies.
- GSI's liquidity, profitability and businesses may be adversely affected by an inability to access the debt capital markets or to sell assets or by a reduction in its credit ratings or by an increase in its credit spreads.
- A failure to appropriately identify and address potential conflicts of interest could adversely affect GSI's businesses.
- A failure in GSI's operational systems or infrastructure, or those of third parties, as well as human error, could impair GSI's' liquidity, disrupt GSI's businesses, result in the disclosure of confidential information, damage GSI's reputation and cause losses.
- A failure to protect GSI's computer systems, networks and information, and GSI's clients' information, against cyber attacks and similar threats could impair GSI's ability to conduct GSI's businesses, result in the disclosure, theft or destruction of confidential information, damage GSI's reputation and cause losses.
- GSI's businesses, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, third parties who owe GSI money, securities or other assets or whose securities or obligations GSI holds.
- Concentration of risk increases the potential for significant losses in GSI's market-making, underwriting, investing and lending activities.
- The financial services industry is both highly competitive and interrelated.

- GSI faces enhanced risks as new business initiatives lead it to transact with a broader array of clients and counterparties and exposes it to new asset classes and new markets.
- Derivative transactions and delayed settlements may expose GSI to unexpected risk and potential losses.
- GSI's businesses may be adversely affected if GSI is unable to hire and retain qualified employees.
- GSI may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.
- Substantial legal liability or significant regulatory action against GSI could have material adverse financial effects or cause significant reputational harm to GSI, which in turn could seriously harm GSI's business prospects.
- The growth of electronic trading and the introduction of new trading technology may adversely affect GSI's business and may increase competition.
- GSI's commodities activities, particularly its power generation interests and physical commodities activities, subject GSI to extensive regulation potential catastrophic events and environmental, reputational and other risks that may expose it to significant liabilities and costs.
- In conducting its businesses around the world, GSI is subject to political, economic, legal, operational and other risks that are inherent in operating in many countries.
- GSI may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks, extreme weather events or other natural disasters.
- Favourable or simply less adverse developments or market conditions involving industries or markets in a business where GSI has a lower concentration of clients in such industry or market may result in GSI underperforming relative to a similar business of a competitor that has a higher concentration of clients in such industry or market. For example, GSI has a smaller corporate client base in its market-making businesses than many of its peers and therefore GSI’s competitors may benefit more from increased activity by corporate clients.
- Certain of GSI’s businesses and its funding may be adversely affected by changes in the reference rates, currencies, indexes, baskets, exchange-traded funds or other financial metrics to which the products offered by GSI or funding raised by GSI are linked.
- GSW does not carry out any operating business activity other than issuing securities and is largely reliant on derivative transactions with GSI to fund its obligations under the securities and has a low capitalisation."

*6. In the Base Prospectus in the German translation of the summary (Deutsche Übersetzung der Zusammenfassung) in section "**I. Summary**" under "**Punkt B.4b**" of the subsection "**1. Informationen bezüglich der Goldman, Sachs & Co. Wertpapier GmbH als Emittentin**" on page 131 the whole text shall be replaced as follows:*

"Die Emittentin geht von einem erneuten Anstieg der Emissionstätigkeit im Geschäftsjahr 2018 aus. Es wird von einem gestärkten Interesse an Hebelprodukten, insbesondere Optionsscheinen und Turbos, sowie strukturierten Produkten ausgegangen. Eine Erweiterung des Angebots von Hebel- und strukturierten Produkten ist geplant, insbesondere im Bereich der Optionsscheine, Discount- und Faktorenzertifikate. In einem volatilen Marktumfeld wird aufgrund von Barriereereignissen mit regelmäßigen Nachemissionen von Turbo-Optionsscheinen, Mini-Futures und Bonus-Zertifikaten gerechnet. Zusätzlich ist die Einführung von weiteren Hebelprodukttypen für das Geschäftsjahr geplant. Die Weiterentwicklung der Automatisierung im Emissionsprozess erlaubt eine weitgehende vollautomatische Emission neuer strukturierter Produkte. In den Niederlanden besteht aufgrund der Gestaltung von Wertpapieren ausschließlich ohne vorbestimmtes Fälligkeitsdatum nicht die Notwendigkeit der Nachemissionen im niedriggehebelten Bereich.

Es wird mit einer zum aktuellen Niveau vergleichbaren Emissionstätigkeit gerechnet. Die Emittentin ist in die firmenweiten Überlegungen zum EU-Austritt Großbritanniens bezüglich potentieller Auswirkungen auf das Geschäftsmodell der Emittentin einbezogen."

*7. In the Base Prospectus in the German translation of the summary (Deutsche Übersetzung der Zusammenfassung) in section "**I. Summary**" under "**Punkt B.12**" of the subsection "**1. Informationen bezüglich der Goldman, Sachs & Co. Wertpapier GmbH als Emittentin**" on page 132 the whole text shall be replaced as follows:*

"Die folgende Tabelle enthält ausgewählte Finanzinformationen bezüglich der Emittentin, die den geprüften Abschlüssen vom 31. Dezember 2017 bzw. 31. Dezember 2016 jeweils für das am 31. Dezember 2017 bzw. 31. Dezember 2016 geendete Geschäftsjahr entnommen sind:

Informationen zur Gewinn- und Verlustrechnung		
	Für das Geschäftsjahr	
	1. Januar - 31. Dezember 2017	**1. Januar - 31. Dezember 2016**
	(EUR)	
Steuern vom Einkommen	-278.361,25	-270.600,86
Jahresüberschuss	652.821,73	517.184,02

Bilanzinformationen		
	31. Dezember 2017	**31. Dezember 2016**
	(EUR)	
Summe der Aktiva	6.466.271.258,32	6.047.710.358,96
Summe des Eigenkapitals	4.504.784,89	3.851.963,16

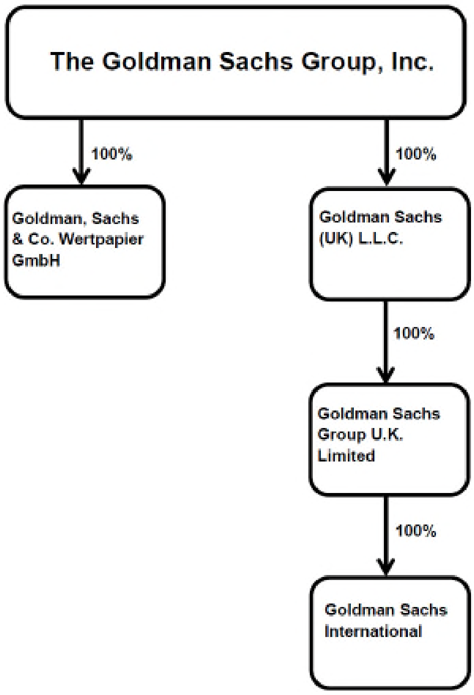
Seit dem Stichtag des letzten veröffentlichten geprüften Jahresabschlusses (31. Dezember 2017) hat es keine wesentlichen negativen Veränderungen in den Geschäftsaussichten der Emittentin gegeben.

Nicht anwendbar. Seit dem Stichtag des letzten veröffentlichten geprüften Jahresabschlusses (31. Dezember 2017) sind keine wesentlichen Veränderungen in der Finanzlage oder Handelsposition der Emittentin eingetreten."

*8. In the Base Prospectus in the German translation of the summary (Deutsche Übersetzung der Zusammenfassung) in section "**I. Summary**" under "**Punkt B.19 (B.5)**" of the subsection "**2. Informationen bezüglich der Goldman Sachs International als Garantin**" on pages 133 et seq. the whole text shall be replaced as follows:*

"Goldman Sachs Group UK Limited, eine nach englischem Recht gegründete Gesellschaft, hält 100 Prozent der Anteile an GSI. Goldman Sachs (UK) L.L.C. ist eine nach dem Recht des US-Bundesstaates Delaware gegründete Gesellschaft, die 100 Prozent der Anteile an der Goldman Sachs Group UK Limited hält. Die The Goldman Sachs Group, Inc. wurde in Delaware gegründet und hält 100 Prozent der Anteile an Goldman Sachs (UK) L.L.C.

Holdingstruktur der GSI



Hinweis: Die genannten Anteile gelten für direkte Beteiligungen durch Stammaktien oder entsprechende Instrumente."

*9. In the Base Prospectus in the German translation of the summary (Deutsche Übersetzung der Zusammenfassung) in section "**I. Summary**" under "**Punkt B.19 (B.12)**" of the subsection "**2. Informationen bezüglich der Goldman Sachs International als Garantin**" on pages 134 et seq. the whole text shall be replaced as follows:*

"Die folgende Tabelle enthält ausgewählte wesentliche Finanzinformationen bezüglich GSI, die dem geprüften Abschluss vom 31. Dezember 2017 jeweils für das am 31. Dezember 2017 bzw. 31. Dezember 2016 geendete Geschäftsjahr entnommen sind:

	Zum und für das Jahr (geprüft)	
(in Mio. USD)	**1. Januar - 31. Dezember 2017**	**1. Januar - 31. Dezember 2016**
Operatives Ergebnis	2.389	2.280
Ergebnis vor Steuern	2.091	1.943
Ergebnis für die Rechnungsperiode	1.557	1.456

(in Mio. USD)	Zum (geprüft) 31. Dezember 2017	31. Dezember 2016
Sachanlagen	210	140
Umlaufvermögen	939.863	934.129
Gesamteigenkapital	31.701	27.533

Es gab seit dem 31. Dezember 2017 keine wesentlichen Änderungen in den Geschäftsaussichten für GSI.

Entfällt; seit dem 31. Dezember 2017 sind keine wesentlichen Veränderungen in der Finanzlage oder Handelsposition der GSI eingetreten."

*10. In the Base Prospectus in the German translation of the summary (Deutsche Übersetzung der Zusammenfassung) in section "**I. Summary**" under "**Punkt D.2**" on pages 217 et seqq. the whole text shall be replaced as follows:*

"Die Emittentin und die Garantin sind einer Reihe von Risiken ausgesetzt:

- Die Geschäfte der GSI werden und können möglicherweise auch in Zukunft von den Bedingungen auf den globalen Finanzmärkten und den konjunkturellen Bedingungen im Allgemeinen nachteilig beeinflusst werden.
- Die Geschäftstätigkeit der GSI und ihrer Kunden sind weltweit Gegenstand weitreichender und einschneidender Regulierungen.
- Die Geschäfte der GSI werden und können möglicherweise weiterhin durch fallende Anlagewerte nachteilig beeinflusst werden. Das gilt insbesondere für die Geschäfte, in denen sie "Long-Nettopositionen" hält, Gebühren auf der Grundlage verwalteter Vermögenswerte erhält oder Sicherheiten erhält oder stellt.
- Die Geschäfte der GSI werden und können möglicherweise weiterhin durch Störungen auf den Kreditmärkten nachteilig beeinflusst werden. Dies umfasst u. a. eingeschränkten Zugriff auf Kredite und höhere Kosten für die Kreditbeschaffung.
- Die Geschäfte der GSI in den Segmenten Investment Banking, Kundenbetreuung und Investmentmanagement werden und können möglicherweise weiterhin aufgrund von Marktungewissheiten oder fehlendem Vertrauen unter den Anlegern und CEOs angesichts der allgemeinen rückläufigen Entwicklung der Konjunktur und der sonstigen ungünstigen wirtschaftlichen, geopolitischen oder marktbedingten Gegebenheiten nachteilig beeinflusst werden.
- Das Geschäft der GSI im Bereich Investmentmanagement kann durch die schlechte Wertentwicklung ihrer Anlageprodukte beeinträchtigt werden.
- GSI kann aufgrund ineffizienter Risikomanagementprozesse und -strategien Verluste entstehen.
- Die Liquidität, Rentabilität und Geschäfte der GSI können aufgrund des fehlenden Zugriffs auf Fremdkapitalmärkte, des Nichtverkaufs von Vermögenswerten oder aufgrund einer Herabstufung der Bonität oder einer Erhöhung der Credit Spreads (Renditezuschlag) nachteilig beeinflusst werden.
- Eine unsachgemäße Identifizierung und Adressierung von möglichen Interessenkonflikten könnte sich nachteilig auf die Geschäfte der GSI auswirken.
- Ein Ausfall in den operationellen Systemen oder der Infrastruktur dieser Systeme von GSI, oder denen von dritten Parteien, als auch menschliches Versagen, können die Liquidität von GSI beeinträchtigen, die Geschäftstätigkeit stören, zur Offenlegung vertraulicher Informationen führen, die Reputation von GSI schädigen oder zu Verlusten führen.

- Ein Scheitern beim Schutz der Computersysteme, der Netzwerke und von Informationen von GSI sowie von Kundeninformationen gegen Internetangriffe und ähnliche Bedrohungen, können die Fähigkeit von GSI beeinträchtigen, die Geschäfte zu betreiben, zur Enthüllung, Entwendung oder Vernichtung vertraulicher Informationen führen, die Reputation von GSI schädigen oder zu Verlusten führen.
- Die Geschäfte, Rentabilität und Liquidität der GSI können von einer Verschlechterung der Kreditqualität oder Ausfällen von Dritten, die der GSI Geld, Wertpapiere oder sonstige Vermögenswerte schulden oder deren Wertpapiere oder Anleihen die GSI hält, nachteilig beeinflusst werden.
- Eine Risikokonzentration erhöht das Potenzial für bedeutende Verluste im Zusammenhang mit Market Making, Zeichnung, Investitionen und Kreditvergabe der GSI.
- Die Finanzdienstleistungsbranche ist sowohl durch starken Wettbewerb als auch komplexe Wechselbeziehungen geprägt.
- Die GSI ist vermehrten Risiken ausgesetzt, da neue Geschäftsinitiativen zu Transaktionen mit einer breiteren Palette an Kunden und Kontrahenten führen und die Gruppe damit mit neuen Anlageklassen und neuen Märkten in Kontakt kommt.
- Derivative Transaktionen und verzögerte Abwicklungen können unerwartete Risiken und potenzielle Verluste für GSI bedeuten.
- Die Geschäfte der GSI können nachteilig beeinflusst werden, wenn die GSI nicht in der Lage ist, qualifizierte Arbeitnehmer einzustellen und an sich zu binden.
- Die GSI kann aufgrund verstärkter staatlicher und regulatorischer Kontrollen oder negativer Schlagzeilen möglicherweise nachteilig beeinflusst werden.
- Eine wesentliche gesetzliche Haftung oder bedeutende regulatorische Maßnahmen gegen GSI könnten wesentliche finanzielle Auswirkungen haben oder den Ruf der GSI bedeutend schädigen, was wiederum den geschäftlichen Aussichten der Gruppe ernsthaft schaden könnte.
- Die Zunahme des elektronischen Handels und die Einführung neuer Technologien für den Handel können sich möglicherweise nachteilig auf das Geschäft der GSI auswirken und den Wettbewerb verstärken.
- Die Aktivitäten der GSI im Bereich Rohstoffe, insbesondere die Beteiligungen im Bereich von Strom und Aktivitäten mit physischen Rohstoffen, unterliegen umfangreichen regulatorischen Vorschriften, möglichen katastrophalen Ereignissen und Risiken in Bezug auf Umwelt, Ruf und sonstige Risiken, die mit bedeutender Haftung und hohen Kosten verbunden sein können.
- GSI ist aufgrund der Tätigung von Geschäften auf der ganzen Welt politischen, wirtschaftlichen, juristischen, operativen und sonstigen Risiken ausgesetzt, die mit einer Tätigkeit in verschiedenen Ländern verbunden sind.
- GSI kann aufgrund unvorhergesehener oder katastrophaler Ereignisse, einschließlich Pandemien, Terrorangriffen, extremer Wetterbedingungen oder sonstiger Naturkatastrophen, Verluste erleiden.
- Vorteilhafte oder auch nur weniger nachteilige Entwicklungen oder Marktbedingungen in Industrien oder Märkten in einem Geschäftsbereich, in dem GSI eine geringere Kundendichte in der entsprechenden Industrie oder dem entsprechenden Markt hat, können dazu führen, dass sich der Geschäftsbereich von GSI gegenüber einem ähnlichen Geschäftsbereich eines Wettbewerbers, der eine größere Kundendichte in der entsprechenden Industrie bzw. dem entsprechenden Markt hat, verhältnismäßig schlechter entwickelt. Beispielsweise verfügt die GSI bei ihren Market-Making Aktivitäten über einen kleineren Firmenkundenstamm als viele vergleichbare Einheiten, weshalb die Wettbewerber von GSI von stärkeren Aktivitäten der Firmenkunden stärker profitieren können.

- Bestimmte GSI Geschäfte und das Funding können durch Veränderungen der Referenzzinssätze, Währungen, Indizes, Körbe, ETFs oder anderen finanziellen Kennzahlen, die auf Produkte, die von GSI angeboten werden oder Finanzierungen, die GSI erbringt, bezogen sind, negativ beeinflusst werden.
- GSW tätigt außer der Emission von Wertpapieren keine operativen Geschäfte und ist für die Finanzierung ihrer Verbindlichkeiten aus den Wertpapieren hauptsächlich von Derivatetransaktionen mit GSI abhängig und hat eine geringe Kapitalausstattung."

*11. In the Base Prospectus in section "**II. Risk Factors – A. Factors that may affect the ability of the Issuer and the Guarantor to fulfil their obligation under the Securities**" in subsection "**2. Risk Factors relating to the Issuer**" on page 265 the fourth paragraph shall be replaced as follows:*

"To hedge its claims arising from the issued Securities, the Issuer enters into hedging transactions with Goldman Sachs International. In this context, there exists in particular the risk of insolvency of the parties with whom the Issuer concludes derivative transactions to hedge its obligations in respect of the issuance of the Securities. Since the Issuer enters into such hedging transactions primarily with Goldman Sachs International, the Issuer is exposed to a so-called cluster risk compared to other issuers with a more widely spread selection of contracting partners. Therefore, an illiquidity or insolvency of companies affiliated with the Issuer may directly result in an insolvency of the Issuer. Holders of Securities of the Issuer are not entitled to any claims in respect of any hedging transactions concluded in this manner."

*12. The information in the Base Prospectus in section "**II. Risk Factors – A. Factors that may affect the ability of the Issuer and the Guarantor to fulfil their obligation under the Securities**" in subsection "**3. Risk Factors relating to the Guarantor**" on pages 266 et seqq. shall be replaced as follows:*

"GSI faces a variety of risks that are substantial and inherent in its businesses including market, liquidity, credit, operational, model, legal, regulatory and reputational risks and uncertainties. The following are some of the more important factors that could affect GSI's business and, as a consequence, may affect GSI`s ability to fulfil their obligations under the Securities. If GSI is not able to fulfil their obligations under the Securities investors in the Securities may lose some or all of the capital invested.

Risks relating to economic and market conditions

GSI's businesses, by their nature, do not produce predictable earnings and are materially affected by conditions in the global financial markets and economic conditions generally, both directly and through their impact on client activity levels. These conditions can change suddenly and negatively.

GSI's financial performance is highly dependent on the environment in which its businesses operate. A favourable business environment is generally characterised by, among other factors, high global GDP (Gross Domestic Product) growth, regulatory and market conditions which result in transparent, liquid and efficient capital markets, low inflation, high business and investor confidence, stable geopolitical conditions, clear regulations and strong business earnings.

Unfavourable or uncertain economic and market conditions can be caused by: concerns about sovereign defaults; uncertainty concerning fiscal or monetary policy; the extent of and uncertainty about tax and other regulatory changes; declines in economic growth, business activity or investor or business confidence; limitations on the availability or increases in the cost of credit and capital; illiquid markets; increases in inflation, interest rates, exchange rate or basic commodity price volatility, or default rates; outbreaks of domestic or international tensions or hostilities, terrorism, nuclear proliferation, cybersecurity threats or attacks and other forms of disruption to or curtailment of global communications, energy transmission or transportation networks or other geopolitical instability or uncertainty, such as corporate, political or other scandals that reduce investor confidence in capital markets; extreme weather events or other natural disasters or pandemics; or a combination of these or other factors.

The financial services industry and the securities markets have been materially and adversely affected in the past by significant declines in the values of nearly all asset classes and by a serious lack of liquidity. In addition, concerns about European sovereign debt risk and its impact on the European banking system, about the impact of Brexit, and about changes in interest rates and other market conditions or actual changes in interest rates and other market conditions, including market conditions in China, have resulted, at times, in significant volatility while negatively impacting the levels of client activity.

General uncertainty about economic, political and market activities, and the scope, timing and impact of regulatory reform, as well as weak consumer, investor and chief executive officer confidence resulting in large part from such uncertainty, continues to negatively impact client activity, which adversely affects many of GSI's businesses. Periods of low volatility and periods of high volatility, combined with a lack of liquidity, have at times had an unfavourable impact on GSI's market-making businesses.

GSI's revenues and profitability and those of its competitors have been and will continue to be impacted by requirements relating to capital, additional loss-absorbing capacity, leverage, minimum liquidity and long-term funding levels, requirements related to resolution and recovery planning, derivatives clearing and margin rules and levels of regulatory oversight, as well as limitations on which and, if permitted, how certain business activities may be carried out by financial institutions. Although interest rates are still near historically low levels, financial institution returns in many countries have also been negatively impacted by increased funding costs due in part to the withdrawal of perceived government support of such institutions in the event of future financial crises. In addition, liquidity in the financial markets has also been negatively impacted as market participants and market practices and structures continue to adjust to new regulations.

The degree to which these and other changes resulting from the financial crisis will have a long-term impact on the profitability of financial institutions will depend on the implementation of recently adopted and new regulations, the manner in which markets, market participants and financial institutions adapt to these regulations, and the prevailing economic and financial market conditions. However, there is a significant risk that such changes will, at least in the near-term, continue to negatively impact the absolute level of revenues, profitability and return on equity of GSI and other financial institutions.

Risks relating to regulation

As a participant in the financial services industry and a subsidiary of a systemically important financial institution, GSI is subject to extensive regulation, principally in the UK, and the European Union ("**EU**"). More generally, but also in the U.S. as a subsidiary of the Goldman Sachs Group and in certain other jurisdictions. GSI faces the risk of significant intervention by law enforcement, regulatory and tax authorities, as well as private litigation, in all jurisdictions in which it conducts its businesses. In many cases, GSI's activities may be subject to overlapping and divergent regulation in different jurisdictions. Among other things, as a result of law enforcement authorities, regulators or private parties challenging GSI's compliance with laws and regulations, GSI or its employees could be fined or criminally sanctioned, prohibited from engaging in certain business activities, subject to limitations or conditions on its business activities including higher capital requirements, or subjected to new or substantially higher taxes or other governmental charges in connection with the conduct of its businesses or with respect to its employees. Such limitations or conditions may limit business activities and negatively impact GSI’s profitability.

GSI is subject to EU legal and regulatory requirements, based on directly binding regulations of the EU and the implementation of EU directives by the UK. GSI currently benefits from non-discriminatory access to EU clients and infrastructure based on EU treaties and EU legislation, including cross-border “passporting” arrangements and specific arrangements for the establishment of EU branches. There is considerable uncertainty as to the regulatory regime that will be applicable in the UK post-Brexit and the regulatory framework that will govern transactions and business undertaken by GSI in the remaining EU countries.

In addition to the impact on the scope and profitability of GSI’s business activities, day-to-day compliance with laws and regulations, in particular those adopted since 2008, has involved and will continue to involve significant amounts of time, including that of GSI's senior leaders and that of a large number of dedicated compliance and other reporting and operational personnel, all of which may negatively impact GSI's profitability.

If there are new laws or regulations or changes in the enforcement of existing laws or regulations applicable to GSI’s businesses or those of GSI's clients, including capital, liquidity, leverage, long-term debt, loss absorbing capacity and margin requirements, restrictions on other business practices, reporting requirements, requirements relating to the implementation of the EU Bank Recovery and Resolution Directive, tax burdens and compensation restrictions, that are imposed on a limited subset of financial institutions (either based on size, activities, geography or other criteria) which may include GSI or The Goldman Sachs Group, Inc. ("**GSG**"), compliance with these new laws and regulations, or changes in the enforcement of existing laws or regulations, could adversely affect GSI's ability to compete effectively with other institutions that are not affected in the same way. In addition, regulation imposed on financial institutions or market participants generally, such as taxes on financial transactions, could adversely impact levels of market activity more broadly, and thus impact GSI's businesses.

These developments could impact GSI's profitability in the affected jurisdictions, or even make it uneconomic to continue to conduct all or certain businesses in such jurisdictions, or could result in GSI incurring significant costs associated with changing business practices, restructuring businesses, moving all or certain businesses and employees to other locations or complying with applicable capital requirements, including liquidating assets or raising capital in a manner that adversely increases GSI's funding costs or otherwise adversely affects its shareholder and creditors.

The EU and national financial legislators and regulators have proposed or adopted numerous market reforms that have impacted and may continue to impact GSI’s businesses. These include stricter capital and liquidity requirements (including proposed amendments to Capital Requirements Directive and Capital Requirements Regulation (collectively known as "**CRD IV**")), authorisations for regulators to impose position limits, the Markets in Financial Instruments Directive (as amended, Directive 2014/65/EU, "**MiFID II**"), restrictions on short selling and credit default swaps and market abuse regulations.

The implementation of higher capital requirements, the liquidity coverage ratio, the net stable funding ratio, requirements relating to long-term debt and total loss-absorbing capacity ("**TLAC**") and the prohibition on proprietary trading and the sponsorship of, or investment in, covered funds by the Volcker Rule may continue to adversely affect GSI's profitability and competitive position, particularly if these requirements do not apply, or do not apply equally, to GSI's competitors or are not implemented uniformly across jurisdictions.

GSI is also subject to laws and regulations relating to the privacy of the information of clients, employees or others, and any failure to comply with these laws and regulations could expose GSI to liability and/or reputational damage. As new privacy-related laws and regulations, such as the General Data Protection Regulation ("**GDPR**"), are implemented, the time and resources needed for GSI to comply with such laws and regulations, as well as GSI's potential liability for non-compliance and reporting obligation in the case of data breaches, may significantly increase.

In addition, GSI's businesses are increasingly subject to laws and regulations relating to surveillance, encryption and data on-shoring in the jurisdictions in which GSI operates. Compliance with these laws and regulations may require GSI to change its policies, procedures and technology for information security, which could, among other things, make GSI more vulnerable to cyber attacks and misappropriation, corruption or loss of information or technology.

Increasingly, regulators and courts have sought to hold financial institutions liable for the misconduct of their clients where such regulators and courts have determined that the financial institution should have detected that the client was engaged in wrongdoing, even though the financial institution had no direct knowledge of the activities engaged in by its client. Regulators and courts have also increasingly found liability as a "control person" for activities of entities in which financial institutions or funds controlled by financial institutions have an investment, but which they do not actively manage. In addition, regulators and courts continue to seek to establish "fiduciary" obligations to counterparties to which no such duty had been assumed to exist. To the extent that such efforts are successful, the cost of, and liabilities associated with, engaging in brokerage, clearing, market-making, prime brokerage, investing and other similar activities could increase significantly. To the extent that GSI has fiduciary obligations in connection with acting as a financial adviser, investment adviser or in other roles for individual, institutional, sovereign or investment fund clients, any breach, or even an alleged breach, of such obligations could have materially negative legal, regulatory and reputational consequences.

Risks related to market volatility

GSI's businesses have been and may be adversely affected by declining asset values. This is particularly true for those businesses in which GSI has net "long" positions, receives fees based on the value of assets managed, or receives or posts collateral. Many of GSI's businesses have net "long" positions in debt securities, loans, derivatives, mortgages, equities (including private equity) and most other asset classes. These include positions taken when GSI acts as a principal to facilitate clients' activities, including exchange-based market-making activities, or commits large amounts of capital to maintain positions in interest rate and credit products, as well as through currencies, commodities, equities and mortgage-related activities. In addition, GSI invests in similar asset classes. Substantially all of GSI's investing and market-making positions are marked-to-market on a daily basis and declines in asset values directly and immediately impact earnings, unless exposures have been effectively hedged.

In certain circumstances (particularly in the case of credit products and private equities or other securities that are not freely tradable or lack established and liquid trading markets), it may not be possible or economic to hedge such exposures and to the extent that this is done the hedge may be ineffective or may greatly reduce GSI's ability to profit from increases in the values of the assets. Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces the ability to limit losses in such positions and the difficulty in valuing assets may negatively affect GSI's capital, liquidity or leverage ratios, increase its funding costs and generally require maintaining additional capital.

In GSI's exchange-based market-making activities, GSI is obligated by stock exchange rules to maintain an orderly market, including by purchasing securities in a declining market. In markets where asset values are declining and in volatile markets, this results in losses and an increased need for liquidity.

Collateral is posted to support obligations of GSI and received to support the obligations of clients and counterparties in connection with client execution businesses. When the value of the assets posted as collateral declines or the credit ratings of the party posting collateral decline, the party posting the collateral may need to provide additional collateral or, if possible, reduce its trading position. An example of such a situation is a margin call in connection with a brokerage account. Therefore, declines in the value of asset classes used as collateral mean that either the cost of funding positions is increased or the size of positions is decreased. If GSI is the party providing collateral, this can increase costs and reduce profitability and if GSI is the party receiving collateral, this can also reduce profitability by reducing the level of business done with clients and counterparties. In addition, volatile or less liquid markets increase the difficulty of valuing assets which can lead to costly and time-consuming disputes over asset values and the level of required collateral, as well as increased credit risk to the recipient of the collateral due to delays in receiving adequate collateral. In cases where GSI forecloses on collateral, sudden declines in the value or liquidity of such collateral may, despite credit monitoring, over-collateralisation, the ability to call for additional collateral or the ability to force repayment of the underlying obligation, result in significant losses to GSI, especially where there is a single type of collateral supporting the obligation. In addition, GSI may be subject to claims that the foreclosure was not permitted under the legal documents, was conducted in an improper manner or caused a client or counterparty to go out of business.

Risks related to liquidity

Liquidity is essential to GSI's businesses. GSI's liquidity could be impaired by an inability to access secured and/or unsecured debt markets, an inability to access funds from GSG or other affiliates, an inability to sell assets or redeem investments or unforeseen outflows of cash or collateral. This situation may arise due to circumstances that GSI may be unable to control, such as a general market disruption or an operational problem that affects third parties or GSI or its affiliates or even by the perception amongst market participants that GSI, or other market participants, are experiencing greater liquidity risk.

GSI employs structured products to benefit its clients and hedge its own risks. The financial instruments that GSI holds and the contracts to which it is a party are often complex, and these complex structured products often do not have readily available markets to access in times of liquidity stress. GSI's investing activities may lead to situations where the holdings from these activities represent a significant portion of specific markets, which could restrict liquidity for GSI's positions.

Further, GSI's ability to sell assets may be impaired if there is not generally a liquid market for such assets, as well as in circumstances where other market participants are seeking to sell similar assets at the same time, as is likely to occur in a liquidity or other market crisis or in response to changes to rules or regulations. In addition, financial institutions with which GSI interacts may exercise set-off rights or the right to require additional collateral, including in difficult market conditions, which could further impair GSI's liquidity.

GSI is an indirect, wholly-owned operating subsidiary of GSG and depends on GSG for capital and funding. The credit ratings of GSI and those of GSG are important to GSI's liquidity. A reduction in GSI's and / or GSG's credit ratings could adversely affect GSI's liquidity and competitive position, increase borrowing costs, limit access to the capital markets or funding from GSG or trigger obligations under certain provisions in some trading and collateralised financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with GSI or GSG or require additional collateral. Termination of trading and collateralised financing contracts could cause losses and impair liquidity by requiring GSG or GSI to find other sources of financing or to make significant cash payments or securities movements.

GSI's and GSG's cost of obtaining long-term unsecured funding is directly related to both the credit spreads of GSI and GSG. Increases in the credit spreads of GSI and/or GSG can significantly increase the cost of this funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. The credit spreads of GSI and/or GSG are also influenced by market perceptions of GSI's and/or GSG's creditworthiness. In addition, the credit spreads of GSI and/or GSG may be influenced by movements in the costs to purchasers of credit default swaps referenced to GSG's long-term debt. The market for credit default swaps has proven to be extremely volatile and at times has lacked a high degree of transparency or liquidity.

Regulatory changes relating to liquidity may also negatively impact GSI’s results of operations and competitive position. Recently, numerous regulations have been adopted or proposed to introduce more stringent liquidity requirements for large financial institutions. These regulations address, among other matters, liquidity stress testing, minimum liquidity requirements, wholesale funding, restrictions on short-term debt and structured notes issued by top-tier holding companies and prohibitions on parent guarantees that are subject to certain cross-defaults. New and prospective liquidity-related regulations may overlap with, and be impacted by, other regulatory changes, including new rules relating to minimum long-term debt requirements and TLAC, guidance on the treatment of brokered deposits and the capital, leverage and resolution and recovery frameworks applicable to large financial institutions. Given the overlap and complex interactions among these new and prospective regulations, they may have unintended cumulative effects, and their full impact will remain uncertain until implementation of post-financial crisis regulatory reform is complete.

Risks relating to resolution and recovery planning

The circumstances in which a resolution authority would exercise its "bail-in" powers to recapitalise a failing entity by writing down its unsecured debt or converting it into equity are uncertain. If these powers were to be exercised (or if there was a suggestion that they could be exercised) in respect of GSI, such exercise would likely have a material adverse effect on the value of debt investments in GSI, including a potential loss of some or all of such investment. Furthermore, the suggestion that such powers were to be exercised could also have an adverse impact on the value of such investments.

Risks related to credit markets

Widening credit spreads for GSI or GSG, as well as significant declines in the availability of credit, have in the past adversely affected GSI's ability to borrow on a secured and unsecured basis and may do so in the future. GSI obtains the majority of its unsecured funding from GSG, which funds itself on an unsecured basis by issuing long-term debt, by accepting deposits at its bank subsidiaries, by issuing hybrid financial instruments, or by obtaining bank loans or lines of credit. GSI seeks to finance many of its assets on a secured basis. Any disruptions in the credit markets may make it harder and more expensive to obtain funding for businesses. If GSI's available funding is limited or GSI is forced to fund operations at a higher cost, these conditions may require curtailment of business activities and increase the cost of funding, both of which could reduce profitability, particularly in businesses that involve investing and market making.

Clients engaging in mergers and acquisitions and other types of strategic transactions often rely on access to the secured and unsecured credit markets to finance their transactions. A lack of available credit or an increased cost of credit can adversely affect the size, volume and timing of clients' merger and acquisition transactions, particularly large transactions, and adversely affect GSI's financial advisory and underwriting businesses.

GSI's credit businesses have been and may in the future be negatively affected by a lack of liquidity in credit markets. A lack of liquidity reduces price transparency, increases price volatility and decreases transaction volumes and size, all of which can increase transaction risk or decrease the profitability of such businesses.

Risks in connection with the concentration of risk

Concentration of risk increases the potential for significant losses in market-making, underwriting and investing activities. The number and size of such transactions may affect GSI's results of operations in a given period. Moreover, because of concentration of risk, GSI may suffer losses even when economic and market conditions are generally favourable for competitors. Disruptions in the credit markets can make it difficult to hedge these credit exposures effectively or economically.

In the ordinary course of business, GSI may be subject to a concentration of credit risk to a particular counterparty, borrower, issuer, including sovereign issuers, or geographic area or group of related countries, such as the EU. A failure or downgrade of, or default by, such entity could negatively impact GSI's businesses, perhaps materially, and the systems by which GSI sets limits and monitors the level of its credit exposure to individual entities, industries and countries may not function as anticipated. Regulatory reforms, including the European Market Infrastructure Regulation and the Dodd-Frank Wall Street Reform and Consumer Protection Act have led to increased centralisation of trading activity through particular clearing houses, central agents or exchanges, which has significantly increased GSI's concentration of risk with respect to these entities. While GSI's activities expose it to many different industries, counterparties and countries, GSI routinely executes a high volume of transactions with counterparties engaged in financial services activities, including brokers and dealers, commercial banks, clearing houses and exchanges. This has resulted in significant credit concentration with respect to these counterparties.

Risks related to credit quality

GSI is exposed to the risk that third parties who owe money, securities or other assets will not perform their obligations. These parties may default on their obligations to GSI due to bankruptcy, lack of liquidity, operational failure or other reasons. A failure of a significant market participant, or even concerns about a default by such an institution, could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect GSI.

GSI is also subject to the risk that its rights against third parties may not be enforceable in all circumstances. In addition, deterioration in the credit quality of third parties whose securities or obligations are held by GSI including a deterioration in the value of collateral posted by third parties to secure their obligations to GSI under derivatives contracts and loan agreements, could result in losses and / or adversely affect GSI's ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes.

A significant downgrade in the credit ratings of GSI's counterparties could also have a negative impact on GSI's results. While in many cases GSI is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral GSI is entitled to receive and the value of pledged assets. The termination of contracts and the foreclosure on collateral may subject GSI to claims for the improper exercise of its rights. Default rates, downgrades and disputes with counterparties as to the valuation of collateral increase significantly in times of market stress and illiquidity.

Risks related to the composition of GSI's client base

GSI's client base is not the same as that of its major competitors. GSI's businesses may have a higher or lower percentage of clients in certain industries or markets than some or all of its competitors. Therefore, unfavorable industry developments or market conditions affecting certain industries or markets may result in GSI's businesses underperforming relative to similar businesses of a competitor if its businesses have a higher concentration of clients in such industries or markets. For example, GSI’s market-making businesses have a higher percentage of clients with actively managed assets than its competitors and such clients have been disproportionately affected by the low levels of volatility.

Correspondingly, favourable or simply less adverse developments or market conditions involving industries or markets in a business where GSI has a lower concentration of clients in such industry or market may also result in GSI underperforming relative to a similar business of a competitor that has a higher concentration of clients in such industry or market. For example, GSI has a smaller corporate client base in its market-making businesses than many of its peers and therefore GSI's competitors may benefit more from increased activity by corporate clients.

Risks related to derivative transactions

GSI is party to a large number of derivative transactions, including credit derivatives. Many of these derivative instruments are individually negotiated and non-standardised, which can make exiting, transferring or settling positions difficult. Many credit derivatives require that GSI deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, GSI does not hold the underlying security, loan or other obligation and may not be able to obtain the underlying security, loan or other obligation. This could cause GSI to forfeit the payments due under these contracts or result in settlement delays with the attendant credit and operational risk as well as increased costs to GSI.

As a signatory to the International Swaps and Derivatives Association Resolution Stay Protocol (the "**ISDA Protocol**"), GSI may not be able to exercise remedies against counterparties and, as this new regime has not yet been tested, GSI may suffer risks or losses that it would not have expected to suffer if it could immediately close out transactions upon a termination event. Various non-U.S. regulators have also proposed regulations contemplated by the ISDA Protocol, which might result in additional limitations on GSI's ability to exercise remedies against counterparties. The impact of the ISDA Protocol and these rules and regulations will depend on the development of market practices and structures.

Derivative contracts and other transactions entered into with third parties are not always confirmed by the counterparties or settled on a timely basis. While the transaction remains unconfirmed or during any delay in settlement, GSI is subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce its rights.

In addition, as new complex derivative products are created, covering a wider array of underlying credit and other instruments, disputes about the terms of the underlying contracts could arise, which could impair GSI's ability to effectively manage its risk exposures from these products and subject it to increased costs. The provisions of legislation requiring central clearing of credit derivatives and other over-the-counter ("**OTC**") derivatives, or a market shift toward standardised derivatives, could reduce the risk associated with such transactions, but under certain circumstances could also limit GSI's ability to develop derivatives that best suit the needs of clients and to hedge its own risks, and could adversely affect GSI's profitability and increase credit exposure to such a platform.

Risks in connection with operational infrastructure

GSI's businesses are highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, and occur at high volumes and frequencies, across numerous and diverse markets in many currencies. These transactions, as well as information technology services provided to clients, often must adhere to client-specific guidelines, as well as legal and regulatory standards.

Many rules and regulations worldwide govern GSI's obligations to report transactions and other information to regulators, exchanges and investors. Compliance with these legal and reporting requirements can be challenging, and GSI has been, and may in the future be, subject to regulatory fines and penalties for failing to report timely, accurate and complete information. As reporting requirements expand, compliance with these rules and regulations has become more challenging.

The use of computing devices and phones is critical to the work done by GSI's employees and the operation of GSI's systems and businesses and those of its clients and third-party service providers and vendors. It has been reported that there are some fundamental security flaws in computer chips found in many types of computing devices and phones. Addressing this issue could be costly and affect the performance of these businesses and systems, and operational risks may be incurred in applying fixes and there may still be residual security risks.

Additionally, although the prevalence and scope of applications of distributed ledger technology and similar technologies is growing, the technology is also nascent and may be vulnerable to cyber attacks or have other inherent weaknesses. GSI may be, or may become, exposed to risks related to distributed ledger technology through GSI's facilitation of clients’ activities involving financial products linked to distributed ledger technology, such as blockchain or cryptocurrencies, GSI's investments in companies that seek to develop platforms based on distributed ledger technology, and the use of distributed ledger technology by third-party vendors, clients, counterparties, clearing houses and other financial intermediaries.

In addition, GSI faces the risk of operational failure, termination or capacity constraints of any of the clearing agents, exchanges, clearing houses or other financial intermediaries that it uses to facilitate securities and derivatives transactions, and as interconnectivity with clients grows, GSI will increasingly face the risk of operational failure with respect to clients' systems.

Despite the resiliency plans and facilities that are in place, GSI's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its businesses and the communities in which GSI is located. This may include a disruption involving electrical, satellite, undersea cable or other communications, internet, transportation or other services facilities used by GSI, its employees or third parties with which GSI conducts business, including cloud service providers. These disruptions may occur as a result of events that affect only GSI's buildings or systems or those of such third parties, or as a result of events with a broader impact globally, regionally or in the cities where those buildings or systems are located, including, but not limited, to, natural disasters, war, civil unrest, terrorism, economic or political developments, pandemics and weather events.

In addition, although GSI seeks to diversify its third-party vendors to increase its resiliency, GSI is also exposed to the risk that a disruption or other information technology event at a common service provider to GSI’s vendors could impede their ability to provide products or services to GSI. GSI may not be able to effectively monitor or mitigate operational risks relating to its vendors' use of common service providers.

Risks related to cyber security

GSI is regularly the target of attempted cyber attacks, including denial-of-service attacks, and must continuously monitor and develop its systems to protect its technology infrastructure and data from misappropriation or corruption. The increasing migration of GSI's communication and other platforms from company provided devices to employee-owned devices presents additional risks of cyber attacks. In addition, due to the interconnectivity with third-party vendors (and their respective service providers), central agents, exchanges, clearing houses and other financial institutions, GSI could be adversely impacted if any of them is subject to a successful cyber attack or other information security event. These effects could include the loss of access to information or services from the third party subject to the cyber attack or other information security event, which could, in turn, interrupt certain of GSI's businesses.

Despite GSI's efforts to ensure the integrity of its systems and information, it may not be able to anticipate, detect or implement effective preventive measures against all cyber threats, especially because the techniques used are increasingly sophisticated, change frequently and are often not recognised until launched. Cyber attacks can originate from a variety of sources, including third parties who are affiliated with foreign governments or are involved with organised crime or terrorist organisations. Third parties may also attempt to place individuals within GSI or induce employees, clients or other users of GSI's systems to disclose sensitive information or provide access to GSI's data or that of its clients, and these types of risks may be difficult to detect or prevent.

Although GSI takes protective measures and endeavours to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorised access, misuse, computer viruses or other malicious code and other events that could have a security impact. Due to the complexity and interconnectedness of GSI's systems, the process of enhancing protective measures can itself create a risk of systems disruptions and security issues. If one or more of such events occur, this potentially could jeopardise GSI or its clients' or counterparties' confidential and other information processed and stored in, and transmitted through, GSI's computer systems and networks, or otherwise cause interruptions or malfunctions in GSI's, its clients', its counterparties' or third parties' operations, which could impact their ability to transact with GSI or otherwise result in legal or regulatory action, significant losses or reputational damage.

The increased use of mobile and cloud technologies can heighten these and other operational risks. GSI expects to expend significant additional resources on an ongoing basis to modify protective measures and to investigate and remediate vulnerabilities or other exposures, but these measures may be ineffective and GSI may be subject to legal or regulatory action, and financial losses that are either not insured against or not fully covered through any insurance it maintains. Certain aspects of the security of such technologies are unpredictable or beyond GSI's control, and the failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber attacks could disrupt GSI's operations and result in misappropriation, corruption or loss of confidential and other information. In addition, there is a risk that encryption and other protective measures, despite their sophistication, may be defeated, particularly to the extent that new computing technologies vastly increase the speed and computing power available.

GSI routinely transmits and receives personal, confidential and proprietary information by email and other electronic means. GSI has discussed and worked with clients, vendors, service providers, counterparties and other third parties to develop secure transmission capabilities and protect against cyber attacks, but does not have, and may be unable to put in place, secure capabilities with all of its clients, vendors, service providers, counterparties and other third parties and it may not be able to ensure that these third parties have appropriate controls in place to protect the confidentiality of the information. An interception, misuse or mishandling of personal, confidential or proprietary information being sent to or received from a client, vendor, service provider, counterparty or other third party could result in legal liability, regulatory action and reputational harm.

Risks in connection with risk management

GSI seeks to monitor and control its risk exposure through a risk and control framework encompassing a variety of separate, but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. GSI's risk management process seeks to balance its ability to profit from market-making positions and underwriting activities with its exposure to potential losses. Whilst GSI employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgements that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. Thus, GSI may, in the course of its activities, incur losses. Market conditions in recent years have involved unprecedented dislocations and highlight the limitations inherent in using historical data to manage risk.

The models that GSI uses to assess and control its risk exposures reflect assumptions about the degrees of correlation or lack thereof among prices of various asset classes or other market indicators. In times of market stress or other unforeseen circumstances, such as occurred during 2008 and early 2009, and to some extent since 2011, previously uncorrelated indicators may become correlated, or conversely previously correlated indicators may move in different directions. These types of market movements have at times limited the effectiveness of GSI's hedging strategies and have caused it to incur significant losses, and they may do so in the future. These changes in correlation can be exacerbated where other market participants are using risk or trading models with assumptions or algorithms that are similar to GSI's. In these and other cases, it may be difficult to reduce GSI's risk positions due to the activity of other market participants or widespread market dislocations, including circumstances where asset values are declining significantly or no market exists for certain assets. In addition, the use of models in connection with risk management and numerous other critical activities presents risks that such models may be ineffective, either because of poor design or ineffective testing, improper or flawed inputs, as well as unpermitted access to such models resulting in unapproved or malicious changes to the model or its inputs.

To the extent that GSI has positions through its market-making or origination activities or it makes investments directly through its investing activities, including private equity, that do not have an established liquid trading market or are otherwise subject to restrictions on sale or hedging, GSI may not be able to reduce its positions and therefore reduce its risk associated with such positions. In addition, to the extent permitted by applicable law and regulation, GSI invests its own capital in private equity, credit, real estate and hedge funds that it manages and limitations on its ability to withdraw some or all of its investments in these funds, whether for legal, reputational or other reasons, may make it more difficult for GSI to control the risk exposures relating to these investments.

Prudent risk management, as well as regulatory restrictions, may cause GSI to limit its exposure to counterparties, geographic areas or markets, which may limit its business opportunities and increase the cost of funding or hedging activities.

Risks related to new business initiatives

GSI faces enhanced risks as new business initiatives lead it to transact with a broader array of clients and counterparties and expose it to new asset classes and new markets. A number of GSI's recent and planned business initiatives and expansions of existing businesses may bring it into contact, directly or indirectly, with individuals and entities that are not within GSI's traditional client and counterparty base and expose it to new asset classes and new markets. For example, GSI continues to transact business and invest in new regions, including a wide range of emerging and growth markets.

New business initiatives expose GSI to new and enhanced risks, including risks associated with dealing with governmental entities, reputational concerns arising from dealing with less sophisticated clients, counterparties and investors, greater regulatory scrutiny of these activities, increased credit-related, market, sovereign and operational risks, risks arising from accidents or acts of terrorism, and reputational concerns with the manner in which these assets are being operated or held or in which GSI interacts with these counterparties.

Risks in connection with operating in multiple jurisdictions

In conducting GSI's businesses and maintaining and supporting its global operations, GSI is subject to risks of possible nationalisation, expropriation, price controls, capital controls, exchange controls and other restrictive governmental actions, as well as the outbreak of hostilities or acts of terrorism. For example, sanctions have been imposed by the U.S. and EU on certain individuals and companies in Russia. In many countries, the laws and regulations applicable to the securities and financial services industries and many of the transactions in which GSI is involved are uncertain and evolving, and it may be difficult to determine the exact requirements of local laws in every market. Any determination by local regulators that GSI has not acted in compliance with the application of local laws in a particular market or a failure to develop effective working relationships with local regulators could have a significant and negative effect not only on GSI's businesses in that market but also on its reputation generally. Further, in some jurisdictions a failure to comply with laws and regulations may subject GSI and its personnel not only to civil actions but also criminal actions. GSI is also subject to the enhanced risk that transactions it structures might not be legally enforceable in all cases.

The exit of the UK from the EU will likely change the arrangements by which UK firms are able to provide services into the EU which may materially adversely affect the manner in which GSI operates certain of its businesses in Europe and could require GSI to restructure certain of its operations. The outcome of the negotiations between the UK and the EU in connection with Brexit is highly uncertain. Such uncertainty may result in market volatility and may negatively impact the confidence of investors and clients. Additionally, depending on the outcome, Brexit could have a disproportionate effect on GSI's operations in the EU compared to some of GSI's competitors who have more extensive pre-existing operations in the EU outside of the UK.

While business and other practices throughout the world differ, GSI is subject in its operations worldwide to rules and regulations relating to corrupt and illegal payments, hiring practices and money laundering, as well as laws relating to doing business with certain individuals, groups and countries, such as the U.S. Foreign Corrupt Practices Act, the USA PATRIOT Act of 2001 and UK Bribery Act.

While GSI has invested and continues to invest significant resources in training and in compliance monitoring, the geographical diversity of its operations, employees, clients and customers, as well as the vendors and other third parties that GSI deals with, greatly increases the risk that GSI may be found in violation of such rules or regulations and any such violation could subject it to significant penalties or adversely affect its reputation.

In addition, there have been a number of highly publicised cases around the world, involving actual or alleged fraud or other misconduct by employees in the financial services industry in recent years, and GSI runs the risk that employee misconduct could occur. This misconduct has included and may include in the future the theft of proprietary information, including proprietary software. It is not always possible to deter or prevent employee misconduct and the precautions taken to prevent and detect this activity have not been and may not be effective in all cases.

Risks related to conflicts of interest

A failure to appropriately identify and address potential conflicts of interest could adversely affect GSI's businesses. Due to the broad scope of the Goldman Sachs Group's businesses and client base, GSI regularly addresses potential conflicts of interest, including situations where services to a particular client or the Goldman Sachs Group's own investments or other interests conflict, or are perceived to conflict, with the interests of another client, as well as situations where one or more of its businesses have access to material non-public information that may not be shared with other businesses within the Goldman Sachs Group and situations where it may be a creditor of an entity with which the Goldman Sachs Group also has an advisory or other relationship.

Extensive procedures and controls are in place that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among businesses. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, and GSI's reputation, which is one of its most important assets, could be damaged and the willingness of clients to enter into transactions with GSI may be affected if it fails, or appears to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

Risks related to competition

To the extent GSI expands into new business areas and new geographic regions, it will face competitors with more experience and more established relationships with clients, regulators and industry participants in the relevant market, which could adversely affect its ability to expand. Governments and regulators have recently adopted regulations, imposed taxes, adopted compensation restrictions or otherwise put forward various proposals that have or may impact GSI's ability to conduct certain of its businesses in a cost-effective manner or at all in certain or all jurisdictions, including proposals relating to restrictions on the type of activities in which financial institutions are permitted to engage. These or other similar rules, many of which do not apply to all GSI's competitors, could impact its ability to compete effectively.

Pricing and other competitive pressures in GSI's businesses have continued to increase, particularly in situations where some competitors may seek to increase market share by reducing prices. For example, in connection with investment banking and other assignments, GSI has experienced pressure to extend and price credit at levels that may not always fully compensate it for the risks taken.

The financial services industry is highly interrelated in that a significant volume of transactions occur among a limited number of members of that industry. Many transactions are syndicated to other financial institutions and financial institutions are often counterparties in transactions. This has led to claims by other market participants and regulators that such institutions have colluded in order to manipulate markets or market prices, including allegations that antitrust laws have been violated. While GSI has extensive procedures and controls that are designed to identify and prevent such activities, allegations of such activities, particularly by regulators, can have a negative reputational impact and can subject GSI to large fines and settlements, and potentially significant penalties, including treble damages.

Risks related to changes in underliers

Certain of GSI's businesses and its funding may be adversely affected by changes in the reference rates, currencies, indexes, baskets, exchange-traded funds ("**ETF**") or other financial metrics (the underlier) to which the products offered by GSI or funding raised by GSI are linked. All of GSI's floating rate funding pays interest by reference to a rate, such as the London Interbank Offered Rate ("**LIBOR**") or Federal Funds. In addition, many of the products that

GSI owns or that it offers, such as structured notes, warrants, swaps or security-based swaps, pay interest or determine the principal amount to be paid at maturity or in the event of default by reference to similar rates or by reference to the underlier. In the event that the composition of the underlier is significantly changed, by reference to rules governing such underlier or otherwise, or the underlier ceases to exist (for example, in the event that LIBOR is discontinued, a country withdraws from the Euro or links its currency to or delinks its currency from another currency or benchmark, or an index or ETF sponsor materially alters the composition of an index or ETF), there may be uncertainty as to the calculation of the amounts to be paid to the lender, investor or counterparty, depending on the terms of the governing instrument.

Such changes in an underlier or underliers could result in GSI's hedges being ineffective or otherwise result in losses on a product or having to pay more or receive less on securities that GSI owns or has issued. In addition, such uncertainty could result in lengthy and costly litigation.

Risks related to personnel

GSI's businesses may be adversely affected if it is unable to hire and retain qualified employees. GSI's performance is largely dependent on the talents and efforts of highly skilled people; therefore, GSI's continued ability to compete effectively in its businesses, to manage its businesses effectively and to expand into new businesses and geographic areas depends on its ability to attract new talented and diverse employees and to retain and motivate existing employees. Factors that affect GSI's ability to attract and retain such employees include compensation and benefits, and a reputation as a successful business with a culture of fairly hiring, training and promoting qualified employees. As a significant portion of the compensation that GSI pays to its employees is paid in the form of year-end discretionary compensation, a significant portion of which is in the form of deferred equity-related awards, declines in Goldman Sachs Group's profitability, or in the outlook for its future profitability, as well as regulatory limitations on compensation levels and terms, can negatively impact GSI's ability to hire and retain highly qualified employees.

Competition from within the financial services industry and from businesses outside the financial services industry, including the technology industry, for qualified employees has often been intense. Recently, GSI has experienced increased competition in hiring and retaining employees to address the demands of new regulatory requirements and GSI’s technology initiatives. This is also the case in emerging and growth markets, where GSI is often competing for qualified employees with entities that have a significantly greater presence or more extensive experience in the region.

Changes in law or regulation in jurisdictions in which GSI's operations are located that affect taxes on GSI's employees' income, or the amount or composition of compensation, may also adversely affect GSI's ability to hire and retain qualified employees in those jurisdictions.

GSI's compensation practices are subject to review by, and the standards of, the Prudential Regulation Authority (the "**PRA**") and the Financial Conduct Authority (the "**FCA**"). As a large financial institution, GSI is subject to limitations on compensation practices (which may or may not affect competitors) by the PRA and the FCA and other regulators worldwide. These limitations, including any imposed by or as a result of future legislation or regulation, may require GSI to alter compensation practices in ways that could adversely affect its ability to attract and retain talented employees.

Risks related to legal liability

Substantial legal liability or significant regulatory action against GSI could have material adverse financial effects or cause significant reputational harm, which in turn could seriously harm business prospects. GSI faces significant legal risks in its businesses, and the volume of claims and amount of damages and penalties claimed in litigation and regulatory proceedings against financial institutions remain high. GSI is, from time to time, subject to a number of other investigations and reviews by, and in some cases has received requests for documents and information from, various governmental and regulatory bodies and self-regulatory organisations relating to various aspects of GSI's businesses and operations. From experience, legal claims by customers and clients increase in a market downturn and employment-related claims increase following periods of staff reduction. Additionally, governmental entities have been and are plaintiffs in certain of the legal proceedings in which GSI is involved, and it may face future actions or claims by the same or other governmental entities, as well as follow-on civil litigation that is often commenced after regulatory settlements.

Significant settlements by several large financial institutions with governmental entities have been publicly announced. The trend of large settlements with governmental entities may adversely affect the outcomes for other financial institutions in similar actions, especially where governmental officials have announced that the large settlements will be used as the basis or a template for other settlements. The uncertain regulatory enforcement environment makes it difficult to estimate probable losses, which can lead to substantial disparities between legal reserves and subsequent actual settlements or penalties.

GSI is subject to laws and regulations worldwide, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act, relating to corrupt and illegal payments to, and hiring practices with regard to, government officials and others. Violations of such laws and regulations could result in significant monetary penalties, severe restrictions on GSI's activities and damage to its reputation.

Risks in connection with unforeseen or catastrophic events

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks, extreme terrestrial or solar weather events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair GSI's ability to manage its businesses and result in losses."

*13. In the Base Prospectus the information contained in section "**VII. Important information about the Issuer**" on page 758 shall be replaced as follows:*

"With respect to the required information about Goldman, Sachs & Co. Wertpapier GmbH as Issuer of the Securities, reference is made pursuant to Section 11 para. 1 sentence 1 no. 1 German Securities Prospectus Act to the Registration Document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 14 March 2018 (as supplemented by the supplement dated 29 March 2018) (the "**Registration Document**") which has been filed with the Competent Authority (detailed information about the pages in the Registration Document, to which reference is made with respect to the required information about the Issuer, can be found in section "XIII. Information incorporated by reference")."

*14. In the Base Prospectus the information contained in section "**VIII. Important information about the Guarantor**" on page 759 shall be replaced as follows:*

"With respect to the required information about Goldman Sachs International as Guarantor of the Securities, reference is made pursuant to Section 11 para. 1 sentence 1 no. 1 German Securities Prospectus Act to the Registration Document of Goldman Sachs International dated 10 January 2018 (as supplemented by the Supplement dated 10 April 2018) (the "**Registration Document of GSI**") which has been filed with the Competent Authority (detailed information regarding the pages in the Registration Document of GSI, to which reference is made with respect to the required information about the Guarantor, can be found in section "XIII. Information incorporated by reference"). With respect to further substantial information in respect of Goldman Sachs International as Guarantor of the Securities reference pursuant to Section 11 para. 1 sentence 2 German Securities Prospectus Act is made to the following document which is filed with the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in Luxembourg:

- the report on the Regulatory Ratios of Goldman Sachs International for the fiscal quarter ended 31 December 2017 ("**GSI's Regulatory Ratios, 31 December 2017**"), published on 18 January 2018."

*15. In the Base Prospectus the information contained in the section "**XIII. Documents Incorporated by Reference**" on page 847 shall be replaced as follows:*

"With respect to the information on Goldman, Sachs & Co. Wertpapier GmbH as Issuer of the Securities, reference in section "VII. Important information about the Issuer" is made pursuant to Section 11 para. 1 sentence 1 no. 1 German Securities Prospectus Act to pages 13 to 18, F-1 to F-19 and G-1 to G-14 of the Registration Document which has been approved by the Competent Authority.

With respect to the information on Goldman Sachs International as Guarantor of the Securities, reference in section "VIII. Important information about the Guarantor" is made pursuant to Section 11 para. 1 sentence 1 no. 1 German Securities Prospectus Act to pages 29 to 39, F-1 to F-91 and G-1 to G-85 of the Registration Document of GSI which has been approved by the Competent Authority.

Insofar as reference is made above to certain parts of the Registration Document and/or the Registration Document of GSI, only these parts shall form part of this Base Prospectus and all other information contained in the Registration Document and/or the Registration Document of GSI is either not relevant for the investor or is covered elsewhere in this Base Prospectus.

The Registration Document and the Registration Document of GSI are available free of charge at Goldman Sachs International, Zweigniederlassung Frankfurt, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main.

With respect to the information about Goldman Sachs International as Guarantor of the Securities reference in section "VIII. Important information about the Guarantor" is made pursuant to Section 11 para. 1 sentence 2 of the German Securities Prospectus Act to the following document which has been filed with the CSSF:

- GSI's Regulatory Ratios, 31 December 2017, published on 18 January 2018.

In connection with the approval of the Base Prospectus relating to the Series M Programme for the issuance of Warrants, Notes and Certificates of Goldman Sachs International dated 1 March 2018 (as supplemented) the document has been filed with the CSSF in Luxembourg and is available from the website of the Luxembourg stock exchange at www.bourse.lu. In addition the document is available free of charge at Goldman Sachs International, Zweigniederlassung Frankfurt, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main."

The Supplement, the Base Prospectus, the Registration Document and the Report are available free of charge at the offices of Goldman Sachs International, Zweigniederlassung Frankfurt, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main and furthermore are available on the website www.gs.de/service/wertpapierprospekte.

Pursuant to article 16 para. 3 of the German Securities Prospectus Act, investors who have already agreed to purchase or subscribe for securities offered under the Base Prospectus before this Supplement has been published shall have the right, exercisable within a time period of two working days after the publication of this Supplement, to withdraw their acceptances, provided that the new factor, mistake or inaccuracy arose before the final closing of the offer to the public and the delivery of the securities. No grounds must be stated for the withdrawal, which must be made in text form. The timely dispatch of the withdrawal is sufficient to comply with the deadline.

Addressee of a withdrawal is Goldman Sachs International, Zweigniederlassung Frankfurt, MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main.