

# **Supplement No. 5**

pursuant to Section 16 para. 1 of the German Securities Prospectus Act (in the version applicable until 20 July 2019) (*Wertpapierprospektgesetz*)

dated 11 October 2019

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 30 January 2019  
(the "**Base Prospectus**").*

Subject of this supplement (the "**Supplement**") is (i) the publication of the unaudited semi-annual financial statements of Goldman, Sachs & Co. Wertpapier GmbH for the period ended 30 June 2019 for the first half of the financial year 2019 (the "**Interim Financial Statements**") on 4 October 2019 and (ii) the publication of the report on the Regulatory Ratios of Goldman Sachs International for the fiscal quarter ended 31 August 2019 (the "**GSI's Regulatory Ratios, 31 August 2019**") on 25 September 2019. A copy of the GSI's Regulatory Ratios, 31 August 2019 has been filed with the *Commission de Surveillance du Secteur Financier* ("**CSSF**"). The GSI's Regulatory Ratios, 31 August 2019 is incorporated by reference into the Base Prospectus. The Report is available free of charge at Goldman Sachs International, Zweigniederlassung Frankfurt, Marienurm, Taunusanlage 9-10, 60329 Frankfurt am Main.

The information contained in the base prospectus (in the form as lastly supplemented) (the "**Prospectus**") shall be supplemented as follows:

1. In the Base Prospectus in section "**I. Summary**" under "**Element B.12**" in subsection "**I. Information relating to Goldman, Sachs & Co. Wertpapier GmbH as Issuer**" on pages 14 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 unaudited interim financial statements as of 30 June 2019 for the six months ended 30 June 2019 and 30 June 2018 and from the audited financial statements as of 31 December 2018 and 31 December 2017 for each of the two years in the period ended 31 December 2018 and 31 December 2017:

<b>Information in relation to the Profit and Loss Account Statement</b>				
	<b>Six months ended</b>		<b>As of and for the Year ended</b>	
	<b>1 January - 30 June 2019</b>	<b>1 January - 30 June 2018</b>	<b>1 January - 31 December 2018</b>	<b>1 January - 31 December 2017</b>
	<i>(EUR)</i>			
Income taxes	-270,744.01	-150,377.35	-389,205.93	-278,361.25
Income after taxes / net income for the year	580,901.80	320,688.59	829,930.59	652,821.73

<b>Balance sheet information</b>			
	<b>30 June 2019</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<i>(EUR)</i>		
Assets	7,664,850,221.33	7,397,795,665.36	6,466,271,258.32

Capital and reserves	5,915,617.28	5,334,715.48	4,504,784.89
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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 2018).

Not applicable. There has been no significant change in the financial or trading position of the Issuer since the date of the last interim financial information (30 June 2019)."

2. In the Base Prospectus in the German translation of the summary (*Deutsche Übersetzung der Zusammenfassung*) in section "I. Summary" under "Punkt B.12" in subsection "I. Informationen bezüglich der Goldman, Sachs & Co. Wertpapier GmbH als Emittentin" on page 141 the whole text shall be replaced as follows:

"Die folgende Tabelle enthält ausgewählte Finanzinformationen bezüglich der Emittentin, die dem ungeprüften Zwischenabschluss vom 30. Juni 2019 jeweils für die am 30. Juni 2019 bzw. 30. Juni 2018 geendeten sechs Monate sowie den geprüften Abschlüssen vom 31. Dezember 2018 bzw. 31. Dezember 2017 jeweils für das am 31. Dezember 2018 bzw. 31. Dezember 2017 geendete Geschäftsjahr entnommen sind:

<b>Informationen zur Gewinn-und Verlustrechnung</b>				
	<b>Für die sechs Monate endend am</b>		<b>Für das Geschäftsjahr endend am</b>	
	<b>1. Januar - 30. Juni 2019</b>	<b>1. Januar - 30. Juni 2018</b>	<b>1. Januar - 31. Dezember 2018</b>	<b>1. Januar - 31. Dezember 2017</b>
	<i>(EUR)</i>			
Steuern vom Einkommen	-270.744,01	- 150.377,35	-389.205,93	-278.361,25
Ergebnis nach Steuern / Jahresüberschuss	580.901,80	320.688,59	829.930,59	652.821,73

<b>Bilanzinformationen</b>			
	<b>30. Juni 2019</b>	<b>31. Dezember 2018</b>	<b>31. Dezember 2017</b>
	<i>(EUR)</i>		
Summe der Aktiva	7.664.850.221,33	7.397.795.665,36	6.466.271.258,32
Summe des Eigenkapitals	5.915.617,28	5.334.715,48	4.504.784,89

Seit dem Stichtag des letzten geprüften Jahresabschlusses (31. Dezember 2018) hat es keine wesentlichen negativen Veränderungen in den Geschäftsaussichten der Emittentin gegeben.

Nicht anwendbar. Seit dem Stichtag der letzten Zwischenfinanzinformationen (30. Juni 2019) sind keine wesentlichen Veränderungen in der Finanzlage oder Handelsposition der Emittentin eingetreten."

3. In the Base Prospectus in section "**VII. Important information about the Issuer**" on page 792 the whole text 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 (in the version applicable as of the date of approval of the Base Prospectus) to the Registration Document of Goldman, Sachs & Co. Wertpapier GmbH and The Goldman Sachs Group, Inc. dated 12 March 2019 (as supplemented by the supplements dated 6 May 2019 and 4 June 2019) (the "**Registration Document of GSW**") 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"). Further required information about Goldman, Sachs & Co. Wertpapier GmbH as Issuer of the Securities can be found on pages K-1 to K-16 of this Base Prospectus."

4. In the Base Prospectus in section "**VIII. Important information about the Guarantor**" on page 793 the following point shall be added at the end of the list contained in the first paragraph:

- the report on the Regulatory Ratios of Goldman Sachs International for the fiscal quarter ended 31 August 2019 ("**GSI's Regulatory Ratios, 31 August 2019**"), published on 25 September 2019."

5. In the Base Prospectus in section "**XIII. Documents Incorporated by Reference**" on page 885 the following point shall be added at the end of the list contained in the fifth paragraph:

- GSI's Regulatory Ratios, 31 August 2019, published on 25 September 2019."

6. In the Base Prospectus after page J-40 of the section "**Appendix III - Unaudited Quarterly Financial Report of Goldman Sachs International for the fiscal quarter ended 31 May 2019**" the Interim Financial Statements of Goldman, Sachs & Co. Wertpapier GmbH as laid out in the following "**Appendix IV - Unaudited semi-annual financial statements of Goldman, Sachs & Co. Wertpapier GmbH for the period ended 30 June 2019 for the first half of the financial year 2019**" is newly inserted as pages K-1 to K-16 into the Base Prospectus.

## **Appendix IV**

**Unaudited semi-annual financial statements of Goldman, Sachs & Co. Wertpapier GmbH for the period ended 30 June 2019 for the first half of the financial year 2019**

# Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main

## Management Report for the Interim Financial Year 2019 (Unaudited)

### A. Business and General Conditions

Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main (hereinafter referred to as "GSWP" or "Company") has been established for the purpose of issuing securities, particularly warrants. As well as warrants, the Company also issues certificates and structured bonds. The securities issued by GSWP are sold to Goldman Sachs International, London (hereinafter referred to as "GSI"). For issuances in Germany Goldman Sachs Bank Europe SE (formerly known as Goldman Sachs AG), Frankfurt am Main (hereinafter referred to as "GSBE") acts as the issuing and paying agent and is responsible for the settlement of all products issued by GSWP and held in custody by Clearstream Banking Frankfurt. GSI assumes responsibility for the Luxembourg program with the depositary Citibank N.A. (non-UK), Ireland and for the Swiss program.

The purpose of the Company is the issuance of fungible securities as well as the conduct of financial transactions and auxiliary transactions for financial transactions. The Company is neither engaged in banking transactions as defined by Section 1 German Banking Act (Kreditwesengesetz) nor in business operations as defined by Section 34c German Industrial Code (Gewerbeordnung).

GSWP arranges hedging transactions with GSI to hedge against any market risk. This places the Company in the position to meet its obligations in accordance with the securities issued.

During the interim financial year, GSWP issued a total of 287,536 securities (prior year: 148,882), an increase of 50%. The new issues consist of share warrants, index warrants, mini future warrants, turbo warrants, FX warrants and commodity warrants as well as discount certificates, bonus certificates and other certificates and structured bonds.

The Company operates its business primarily in Germany and in the Netherlands and, to a lesser extent, in other European countries including Austria, Switzerland, Luxembourg and the United Kingdom.

### B. Control system

GSWP is integrated into the global control system of the Goldman Sachs Group, Inc. ("GS Group") and performs its business operations in close cooperation particularly with the affiliated companies GSBE and GSI. The issuance volume of the Company is controlled by the GS Group. The Company intends to offer a wide range of issuable payment profiles or combinations of underlyings. All planned issuances are required to be in compliance with all regulations.

### C. Results of Operations

The net income for the interim financial year 2019 amounts to EUR 581k (30 June 2018: EUR 321k) increasing by 53% compared to prior year. This results from the increased issuance volume which is due to higher demand and in line with prior year's expectation. The Company is reimbursed by GSI for the expenses which arise from the issue of warrants, certificates and structured bonds, plus a markup of 5%. Interest income and interest paid, exclusively incurred as part of the issuance activity, are transferred without a mark up to GSI or reimbursed by GSI.

The net income from reimbursements and expenses related to issuances amount to EUR 766k (30 June 2018: EUR 405k).

Other interest and similar income amounted to EUR 24,354k (30 June 2018: EUR 18,958k). For the most part it relates to interest income on overnight placements with GSI. For the interim financial year 2019 the increase mainly resulted from an increased average amount placed overnight.

Interest and similar expenses amounted to EUR 14,625k (30 June 2018: EUR 8,424k). These mainly relate to interest expense on the collateral received from GSI. As of 30 June 2019 the cash collateral received from GSI amounted to EUR 1,734m (prior year: EUR 1,507m).

Furthermore during the interim financial year 2019 there was interest income due to negative interest rates on cash collateral received amounting to EUR 129k (30 June 2018: EUR 221k). This interest effect is shown separately in the profit and loss statement as positive interest on cash collateral. Additionally there was interest expenses due to negative interest on cash placements of EUR 0k (30 June 2018: EUR 60k) during the financial year. This interest effect is shown separately in the profit and loss statement as negative interest on cash placement.

Interest income of EUR 24,354k, interest expenses of EUR 14,625k and positive interest on cash collateral of EUR 129k, which have been directly incurred as part of the Company's issuance activity are paid without a markup to GSI respectively reimbursed by GSI. In the interim financial year the net amount decreased from EUR 10,670k to EUR 9,773k. This decrease results from the decreased average level of collateral received from GSI during the year. The net amount is included in other operating expenses.

As the company does not employ personnel, no personnel expenses are incurred.

Expenses for trade tax were EUR 137k in the interim financial year 2019 (30 June 2018: EUR 76k) and EUR 135k for corporation income tax and solidarity surcharge (30 June 2018: EUR 75k). The expenses for income taxes were reduced by EUR 1k due to tax refunds relating to the prior years.

## D. Net assets and Financial Position

The balance sheet total of GSWP as of 30 June 2019 amounted to EUR 7,665m, and thus increased by EUR 267m compared to the prior year ; an increase of 4%. The increase is mainly due to increased received collateral amounting to EUR 1,734m (prior year: EUR 1,502m). The liabilities against affiliated companies increased by EUR 153m to EUR 1,738m (prior year: EUR 1,585m) which mainly relates to cash collateral received from GSI.

Receivables from affiliated companies increased by EUR 151m. Received cash collateral and free liquidity are placed overnight with GSI.

Cash at banks increased compared to the prior year by EUR 426k to EUR 1,415k.

Other accruals of EUR 51k for the audit of the annual financial statement (prior year: EUR 101k), for legal costs of EUR 140k (prior year: EUR 166k) and EUR 50k for tax advisory expenses (prior year: EUR 50k) were reported. In addition, the tax accruals for the interim financial year 2019 for corporation income tax and solidarity charge are EUR 68k and for trade tax EUR 66k. For the financial year 2018 there are tax accruals of EUR 46k for corporation income and solidarity charge and EUR 47k for trade tax.

The outstanding issued warrants amounting to EUR 5,918m (prior year: EUR 5,804m) are reported under the item other liabilities and represents 77% of the total of the equity and liabilities as of 30 June 2019. There are other assets of the same amount, as GSWP uses the proceeds it receives from the issuance to enter into offsetting hedging transactions.

Capital and reserves amounts to EUR 5,916k (prior year: EUR 5,335k) with the increase due to the net income in the interim financial year 2019 of EUR 581k.

Cash flows from operating activities are negative EUR 1,227k (prior year: EUR +2,257). The received premiums from the issuances of securities were used to cover the premium for the respective hedge transactions in the same currency.

Liquidity is secured due to the business structure, cash at banks as well as the Company's integration in the GS Group. Liquidity shortages are not expected. Additionally, GSWP has the option to refinance itself at

any given time through the GS Group. The overnight placements and cash collateral received are not subject to fixed interest rates.

## E. Forecast, Opportunity and Risk Report

### a. Forecast and Opportunity Report

GSWP's results continue to be significantly determined by the agreements regarding reimbursements.

Management is targeting a strong increase in the issuance activity which would result in a higher profit for 2019. This is due to increased client demand in warrants and structured products, particularly in the German market as well as additional distribution channels used by GSI. 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. In addition, it is planned to expand the offer in the sections of warrants and structured products. Previously implemented enhancements to the issuance process allow the issuance of new warrants and certificates to be almost fully automated. Issuance activity in the Netherlands is expected to remain at the current level, as here securities do not have a pre-determined maturity date by default, and it is assumed there will not be a great need for follow-up issuances.

GSWP's management is part of the firmwide considerations on the UK's exit from the European Union. The firm has considered the impact of multiple scenarios, ultimately this is not expected to have direct impact on the business model of the entity as GSWP could continue to engage with affiliates as it does today.

### b. Risk Report

Complete hedging against all market risk is an essential component of GSWP's risk strategy and risk management. Therefore, GSWP had and has no market risk positions from the warrants, certificates and structured bonds issued, as they are hedged by offsetting micro hedging transactions with GSI. The transactions and the respective hedging transactions are executed at exactly the same time and have specific characteristics to hedge all market risk. The hedging transactions will be adjusted to increases or redemptions of existing tranches of the warrants, certificates and structured bonds issued.

All products issued including the necessary information with regard to quantity, issue price, securities identification number are managed in a data base (sub ledger). New issues, returns, investments held to maturity and other changes to the issue volume are settled via a front office system which transfers the data to the sub ledger continuously. All cash flows from the issued products and their micro hedging transactions are mostly reconciled and calculated automatically upon maturity. Most payments are automatically generated from GSWP's sub-ledger. If manual payments are required they are made in accordance with the four-eye principle, i.e. the employee who inputs the payment and the employee who approves the payment are two different individuals. In addition, reconciliations are done daily between the paying agent and Clearstream. Likewise, the accounts relevant to bookkeeping and settlement are subject to daily reconciliation by the Operations division. GSWP is integrated in the GS Group's global risk management and therefore takes part in the daily firm-wide automated reconciliation process. The Operations division receives, among other things, daily reconciliation reports in order to clear open positions in a timely manner. The Finance division also performs reconciliation between products issued and the offsetting hedging transactions to ensure accuracy of data in the general ledger.

The functions of the Finance and the Operations divisions are performed by employees of GSBE and Goldman Sachs Europe SE. The quantitative and qualitative staffing in these divisions is adequate. Depending on their respective area of responsibility, the employees have the required knowledge and experience.

All involved divisions must take on the requirements of the Sarbanes-Oxley Act (SOX) on a quarterly basis. According to Article 404, the effectiveness of the internal control systems must be evaluated and the risks and their controls must be assessed. The internal audit division of GS Group is responsible for the periodic review to determine whether the duties of the divisions are properly exercised.

No further interest rate risk exists as the company's interest-bearing receivables and liabilities are all due overnight and therefore no fixed interest rate exists.

Most default risks (settlement risks) arise on hedging transactions with GSI. As of 16 May 2019 GSI's external ratings for long-term debt were A+ with stable outlook (Standard & Poor's), A1 with stable outlook (Moody's) as well as A with stable outlook (Fitch). The issuances of GSWP are guaranteed by GS Group.



GS Group's external ratings for the long-term debts as of 16<sup>th</sup> May 2019 are BBB+ with stable outlook (Standard & Poor's), A3 with stable outlook (Moody's), A with stable outlook (Fitch), A (high) with stable outlook (DBRS) as well as A with stable outlook (R&I). The counterparty default risk is considered to be low.

Liquidity risks and risks from cash flow fluctuations are not discernible due to the Company's integration in GS Group.

Comprehensive reconciliation procedures are performed to reduce the level of operational risks. Final terms and all required documents for issuance are mostly generated automatically. External lawyers are involved in the preparation of securities prospectuses if required. Documents and details of issuances are distributed automatically to market participants, stock exchanges, clearing systems and the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). Furthermore, GSWP is included in the Group's risk management for operational risks. GSWP has no IT systems of its own. The Company uses the systems and standard software of GS Group. Operational risks in processes and IT systems are therefore largely covered by emergency plans of affiliated companies.

Compared to last year there were no significant changes of risks. From today's point of view there are no reasonable risks recognized that could endanger the future existence.

Frankfurt am Main, 18. September 2019

*Goldman, Sachs & Co. Wertpapier GmbH  
The Management*

**Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main**

**Balance Sheet as of 30 June 2019**

<b>Assets</b>	<u>30. June 2019</u>	<u>31 December 2018</u>	<b>Equity and Liabilities</b>	<u>30. June 2019</u>	<u>31 December 2018</u>
	EUR	EUR		EUR	EUR
<b>A. Current assets</b>			<b>A. Capital and reserves</b>		
I. Receivables and other assets			1. Issued share capital	51,129.19	51,129.19
1. Receivables from affiliated companies	1,744,044,650.20	1,592,806,799.64	2. Prior year retained earnings	5,283,586.29	4,453,655.70
2. Other assets	5,919,390,444.72	5,803,999,647.76	3. Net income for the year	580,901.80	829,930.59
of which at affiliated companies				<u>5,915,617.28</u>	<u>5,334,715.48</u>
EUR 5,918,439,164.36			<b>B. Accruals</b>		
(prior year: EUR 5,803,999,636.56)			1. Tax Accruals	226,456.09	220,167.98
of which term of maturity is over one year			2. Other accruals	241,501.92	317,412.69
EUR 1,820,577,852.45			<b>C. Liabilities</b>		
(prior year: EUR 2,012,776,643.99)			1. Liabilities against banks	2,209,905.00	2,138,288.97
II. Cash at banks	1,415,126.41	989,217.96	of which with affiliated companies		
			EUR 2,209,905.00 (prior year: EUR 2,138,288.97)		
			of which term of maturity is below one year		
			EUR 2,209,905.00 (prior year: EUR 2,138,288.97)		
			2. Liabilities against affiliated companies	1,737,817,576.68	1,584,847,165.41
			of which term of maturity is below one year		
			EUR 1,737,817,576.68 (prior year: EUR 1,584,847,165.41)		
			3. Other liabilities	5,918,439,164.36	5,804,937,914.83
			of which term of maturity is below one year		
			EUR 4,097,861,311.91		
			(prior year: EUR 3,791,222,992.57)		
			of which term of maturity is over one year		
			EUR 1,820,577,852.45		
			(prior year: EUR 2,012,776,643.99)		
	<u>7,664,850,221.33</u>	<u>7,397,795,665.36</u>		<u>7,664,850,221.33</u>	<u>7,397,795,665.36</u>

**Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main**

**Profit and Loss Statement for the Period  
1 January 2019 to 30 June 2019  
compared to the period 1 January 2018 to 30 June 2018**

	<u>2019</u> EUR	<u>2018</u> EUR
1. Income from reimbursements	16,083,460.43	8,649,172.41
2. Expenses related to issuances	-15,317,581.36	-8,244,068.96
3. Other operating income from currency translation EUR 0 (prior year: EUR 34,048.97)	0.00	41,149.01
4. Other operating expenses from currency translation EUR 39,658.50 (prior year: EUR 0.00)	-9,772,684.24	-10,670,198.04
5. Other interest and similar income from affiliated companies EUR 24,353,953.53 (prior year: EUR 18,957,780.03)	24,353,953.55	18,957,780.03
6. Interest and similar expenses from affiliated companies EUR 14,624,712.84 (prior year: EUR 8,424,134.43)	-14,624,712.84	-8,424,134.43
7. Negative Interest on cash placement from affiliated companies EUR 0 (prior year: EUR 60,019.47)	0.00	-60,019.47
8. Positive Interest on received cash collateral from affiliated companies EUR 129,210.27 (prior year: EUR 221,385.39)	129,210.27	221,385.39
9. Income taxes	-270,744.01	-150,377.35
10. Income after taxes / Net income for the year	<u>580,901.80</u>	<u>320,688.59</u>

# Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main

## Notes to the Financial Statements interim period as of 30 June 2019

(Unaudited)

### A. General Information

The interim financial statements as of 30 June 2019 of Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main (hereinafter referred to as "GSWP" or "Company") were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Act on Limited Liability Companies (GmbHG) as well as in accordance with German principles of proper accounting. The company is registered under HRB 34439 of the local district court Frankfurt am Main.

The purpose of the Company is the issuance of fungible securities as well as the conduct of financial transactions and auxiliary transactions for financial transactions. The Company is neither engaged in banking transactions as defined by Section 1 German Banking Act (Kreditwesengesetz) nor in business operations as defined by Section 34c German Industrial Code (Gewerbeordnung).

GSWP is a large corporation as defined by Section 267 (3) Clause 2 HGB. The Company prepares a statement of changes in equity as well as a cash flow statement due to its classification as a capital market oriented corporation pursuant to section 264d HGB. Due to the special business operation of GSWP and for clarification purposes in the income statement, we used the item income from reimbursements instead of sales revenues and the item expenses related to issuances instead of cost of materials.

### B. Accounting and Valuation Methods

Receivables from affiliated companies as well as cash at banks are stated at nominal value. Tax credits are recognized at present value. Additional other assets are evaluated at nominal value.

Potential obligations from the issuances that are recognized under the item other liabilities amount to EUR 5,918m (prior year: EUR 5,804m) and are hedged by OTC transactions. These are "Perfect Hedges" for which all value determining factors between the underlying and hedging transactions are identical.

Due to the 1:1 hedging strategy, the Company formed valuation units. The valuation units are accounted for using the hedge accounting method, which means that the accumulated changes in the values of the underlying transactions are defined and compared to the accumulated changes in the values of the hedging transactions. The level of the hedged risk is EUR 715m (prior year: EUR 220m) and equals to the accumulated increase in the market value of the issuances from the beginning of the hedging relationship, this increase and offsetting change in the hedging transactions is not recognized in the income statement.

The issuances and the hedging transactions concluded by the Company are mostly denominated in EUR. Issuances and hedging transactions were also done in USD, CHF, GBP, CAD, SEK, MXN, AUD, CZK, NOK and EGP.

Premiums received or paid for issuances and OTC options remain in other liabilities or other assets until they expire or are exercised, respectively.

Liabilities are stated at their respective settlement amount pursuant to Section 253 (1) HGB. Accruals have been set up at the settlement amount required in accordance with prudent business judgment.

Deferred tax assets and liabilities were not stated on the balance sheet or in the income statement on balance sheet date because temporary and quasi-permanent differences between the values stated on the balance sheet and the tax balance sheet did not exist on balance sheet date.

Assets and liabilities denominated in foreign currencies are converted to EUR with the firm wide used FX rates. Expenses and income are translated at the respective spot rate of the transaction date. Cash at banks also include receivables in USD. Losses from currency translation are reported in other operating expenses.

The income statement is drawn up using the nature of costs method.

## C. Notes and Comments on the Individual Items of the Balance Sheet

### 1. Receivables from affiliated companies

Receivables from affiliated companies include cash collateral of EUR 1,734m (prior year: EUR 1,502m) as well as free liquidity of EUR 4m (prior year: EUR 6m) which are placed overnight with GSI.

### 2. Other assets

Other assets are mainly comprised of OTC option premiums paid in the amount of EUR 5,918m (prior year: EUR 5,804m). On balance sheet date the book values were as follows:

	Book values (in millions EUR)			
	OTC options for warrants	OTC options for certificates	OTC options for structured bonds	Total
Shares	219	1,941	275	2,435
Commodities	24	24	0	48
Future	322	146	0	468
Indices	650	2,204	13	2,867
Other	27	123	92	242
Exchange rates	40	26	0	66
<b>Total</b>	<b>1,282</b>	<b>4,464</b>	<b>380</b>	<b>6,126</b>

### 3. Statement of Changes in Equity

Pursuant to Section 264 (1) clause 2 HGB the Company prepares a Statement of Changes in Equity that is included in the annual financial statements. The Statement of Changes in Equity shows the changes of the equity components as of the prior year balance sheet date.

#### 4. Accruals

Tax accruals have been created for corporation tax and solidarity surcharge for the interim financial year 2019 of EUR 68k and for trade tax for the interim financial year 2019 of EUR 66k. For the year 2018 tax accruals have been created for corporation tax and solidarity surcharge of EUR 46k and for trade tax for the year 2018 of EUR 47k.

Other accruals have been created mainly for expenses for the audit of the Company's annual financial statements in the amount of EUR 51k (prior year: EUR 101k), legal advisory services in the amount of EUR 140k (prior year: EUR 166k) and tax consulting expenses in the amount of EUR 50k (prior year: EUR 50k).

#### 5. Liabilities against affiliated companies

Liabilities against affiliated companies include mainly received cash collateral of EUR 1,734m (prior year: EUR 1,502m) in order to hedge against the risk of default. In 2018 this position included a loan from Goldman Sachs Group, Inc. of EUR 81m as well.

#### 6. Other liabilities

Other liabilities for the most part refer to the proceeds from the warrants, certificates and structured bonds issued.

The issuance volume and quantity as well as the breakdown of maturities of the issued products as of the balance sheet date are set forth below:

	Number	Issuance Volume (in millions EUR)	< 1 year	1 – 5 years	> 5 years
<b>Warrants</b>					
Shares	9,262	219	219	0	0
Commodities	786	24	24	0	0
Futures	558	322	320	2	0
Indices	6,782	650	643	7	0
Other warrants	4	27	27	0	0
Exchange rates	622	40	40	0	0
<b>Total warrants</b>	<b>18,014</b>	<b>1,282</b>	<b>1,272</b>	<b>10</b>	<b>0</b>

	Number	Issuance Volume (in millions EUR)	< 1 year	1 – 5 years	> 5 years
<b>Certificates</b>					
Shares	1,525	2013	1047	954	11
Commodities	10	24	24	0	0
Futures	22	101	87	13	0
Indices	1,819	2186	1425	652	108
Other certificates	22	97	97	0	0
Exchange rates	3	30	30	0	0
<b>Total certificates</b>	<b>3,401</b>	<b>4,451</b>	<b>2,711</b>	<b>1,620</b>	<b>120</b>
<b>Structured bonds</b>					
Shares	447	144	93	51	0
Futures	1	0	0	0	0
Indices	1	1	0	1	0
Other bonds	13	40	22	18	0
Exchange rates	0	0	0	0	0
<b>Total structured bonds</b>	<b>462</b>	<b>185</b>	<b>115</b>	<b>71</b>	<b>0</b>
<b>Total</b>	<b>21,877</b>	<b>5,918</b>	<b>4,098</b>	<b>1,701</b>	<b>120</b>

## D. Notes and Comments on the Individual Items of the Income Statement

### 1. Income from reimbursements

This item refers to reimbursements of expenses, plus a markup of 5%, which the Company incurred as a result of its issuance activity. The reimbursements are provided by GSI.

### 2. Expenses related to issuances

This item includes all expenses which were incurred in relation to the issuance of warrants, certificates and structured bonds.

### 3. Other operating income

Other operating income as of June 30<sup>th</sup> 2018 refers mainly to gains from currency translation of EUR 34k.

#### **4. Other operating expenses**

Interest income and interest expenses which have directly incurred as part of the Company's issuance activity are paid without a markup to an affiliated company or reimbursed by an affiliated company. For the interim financial year 2019 the reimbursed amount was EUR 9,773k (30 June 2018: EUR 10,670), that is included in other operating expenses. Losses from currency translation amount to EUR 40k.

#### **5. Other interest and similar income**

Other interest and similar income mainly refers to interest income on overnight placements with GSI of EUR 24,354k (30 June 2018: EUR 18,958k).

#### **6. Interest and similar expenses**

Interest and similar expenses mainly refers to interest expense from cash collateral received of EUR 14,625k (30 June 2018: EUR 8,424k).

#### **7. Negative interest on cash placement**

During the year 2018 the company incurred EUR 60k negative interest on cash placement. As a result, the income statement has been adjusted to show this effect in the line item negative interest on cash placement.

#### **8. Positive Interest on Cash Collateral**

Due to negative interest rates the Company generated interest income on cash collateral received of EUR 129k for the interim financial year 2019 (30 June 2018: EUR 221k). As a result, the income statement has been amended to show this interest effect separately.

#### **9. Income taxes**

The item income taxes refers to corporation income tax and solidarity surcharge for the interim financial year 2019 in the amount of EUR 135k (30 June 2018: EUR 175k) and trade tax for the interim financial year 2019 in the amount of EUR 137k (30 June 2018: EUR 76k). The expenses for income taxes are reduced by EUR 1k due to tax refunds relating to prior periods.

#### **10. Profit distribution**

The net income for the interim financial year 2019 is EUR 580,901.80, which will be transferred to the revenue reserve.



## E. Cash Flow Statement

As a capital market oriented corporation, GSWP is required pursuant to Section 264 (1) Clause 2 HGB to prepare a cash flow statement. This cash flow statement shows the composition and the net increase/decrease in cash and cash equivalents in the financial year.

For the most part, the cash flow from operating activities refers to payment transactions (cash inflow and outflow) related to the Company's issuance activity. There was no cash flow provided by/used for investing and financing activities during the financial year.

Cash funds consist of cash at banks of EUR 1,415k and placement of the free liquidity of EUR 4,151k with affiliated companies.

## F. Report on subsequent events

No events of particular importance have occurred after 30 June 2019.

There have not been any circumstances after the balance sheet date which were relevant to valuation and which could significantly affect GSWP's financial position.

## G. Other Disclosures

### 1. Management

Michael Schmitz, Managing Director	Employee of the Goldman Sachs International branch Frankfurt
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Management is employed by other entities of the GS Group and receives no remuneration directly from the company.

### 2. Audit Committee

The Company has established an audit committee pursuant to section 324 HGB, which currently consists of three members.

### 3. Consolidated Financial Statements

GSWP is a directly and wholly-owned subsidiary of The Goldman Sachs Group, Inc., Wilmington, Delaware and is included in the company's consolidated financial statements for the largest consolidation scope of companies. The largest scope is also the smallest among the companies. The consolidated financial statements can be obtained on the Company's premises.

### 4. Employees

In the financial year, the Company had no employees as defined by Section 285 Clause 1 No. 7 HGB.

### 5. Total Auditors Fee

The total auditor's fee for the interim financial year 2019 amounts to EUR 50k (30 June 2018: EUR 45k). It refers exclusively to audit services.

## H. Affirmation of the legal representatives

To the best of my knowledge, I affirm that, pursuant to the applicable financial reporting standards, the annual financial statements give a true and fair view of the Company's net assets, financial position and results of operations. I also affirm that the management report gives a true and fair view of the course of business including the operating results and the Company's position and describes the significant opportunities and risks of the Company's anticipated development.

Frankfurt am Main, 18. September 2019

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Michael Schmitz

**Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main**

**Statement of Changes in Equity**

**for the Period from 31 December 2018 through 30 June 2019**

	Issued share capital in EUR	Prior year retained earnings in EUR	Net income for the year in EUR	Total equity in EUR
As of 31 December 2018	51,129.19	4,453,655.70	829,930.59	5,334,715.48
Allocations (+) / withdrawals (-)	-	829,930.59	-829,930.59	0.00
Net income for the year	-	-	580,901.80	580,901.80
As of 30 June 2019	51,129.19	5,283,586.29	580,901.80	5,915,617.28

**Goldman, Sachs & Co. Wertpapier GmbH, Frankfurt am Main**

**Cash Flow Statement for the Period  
1 January 2019 to 30 June 2019  
compared to the period 1 January 2018 to 31 December 2018**

	<u>2019</u>	<u>2018</u>
	EUR	EUR
1. Net income for the year	580,901.80	829,930.59
2. + / - Increase / decrease in accruals	-69,622.66	13,628.44
3. - / + Increase / decrease in other assets; principally related to premiums paid for OTC-Options	-115,390,796.96	-49,815,539.22
4. - / + Increase / decrease in other receivables which are not related to investment or financing activities	-152,890,602.88	-879,452,343.42
5. + / - Increase / decrease in other liabilities; principally related to premiums received for issued warrants, certificates and structured bonds	113,501,249.53	50,742,406.56
6. + / - Increase / decrease in other payables which are not related to investment or financing activities	153,042,027.30	879,938,441.45
7. = Cash flows from operating activities	-1,226,843.87	2,256,524.40
8. + Cash flows from investing activities	0.00	0.00
9. + Cash flows from financing activities	0.00	0.00
10. = Change in cash funds from cash relevant transactions	-1,226,843.87	2,256,524.40
11. + Cash funds at the beginning of the period	6,792,529.28	4,536,004.88
12. = Cash funds at the end of the period	<u>5,565,685.41</u>	<u>6,792,529.28</u>

The Supplement and the Base Prospectus are available free of charge at the offices of Goldman Sachs International, Zweigniederlassung Frankfurt, Marienurm, Taunusanlage 9-10, 60329 Frankfurt am Main and furthermore are available on the website [www.gs.de/service/wertpapierprospekte](http://www.gs.de/service/wertpapierprospekte).

**Pursuant to article 16 para. 3 of the German Securities Prospectus Act (in the version applicable until 20 July 2019), 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, Marienurm, Taunusanlage 9-10, 60329 Frankfurt am Main.**