

PROSPECTUS SUPPLEMENT NO. 1 TO THE BASE PROSPECTUS DATED 17 NOVEMBER 2015



GOLDMAN SACHS INTERNATIONAL
(Incorporated with unlimited liability in England)

**as Issuer and as Guarantor in respect of Securities issued by
Goldman, Sachs & Co. Wertpapier GmbH**

GOLDMAN, SACHS & CO. WERTPAPIER GMBH
(Incorporated with limited liability in Germany)

as Issuer

**SERIES K PROGRAMME FOR THE ISSUANCE OF
WARRANTS, NOTES AND CERTIFICATES**

This Prospectus Supplement

This prospectus supplement (the "**Prospectus Supplement**") to the base prospectus dated 17 November 2015 prepared by Goldman, Sachs & Co. Wertpapier GmbH ("**GSW**") as issuer and Goldman Sachs International ("**GSI**") as issuer and as guarantor in respect of Securities issued by GSW under their programme for the issuance of warrants, notes and certificates with respect to the securities (the "**Programme**") (the "**Base Prospectus**"), constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 and amended on 3 July 2012 (the "**Luxembourg Law**"). On 17 November 2015, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus for the purposes of Article 7 of the Luxembourg Law.

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement unless otherwise defined herein. This Prospectus Supplement shall form part of and be read in conjunction with the Base Prospectus.

Information being supplemented

Incorporation by reference

This Prospectus Supplement supplements the Base Prospectus by incorporating by reference Goldman Sachs International's unaudited quarterly financial report for the quarter ended September, 30 2015 ("**GSI's 2015 Third Quarter Financial Report**").

A copy of GSI's 2015 Third Quarter Financial Report has been filed with the CSSF in its capacity as competent authority under the Prospectus Directive.

GSI's 2015 Third Quarter Financial Report is incorporated by reference into, and forms part of, this Prospectus Supplement, and the information contained in this Prospectus Supplement and GSI's 2015 Third Quarter Financial Report shall be deemed to update and where applicable, supersede any information contained in the Base Prospectus, or any documents incorporated by reference therein.

This Prospectus Supplement and the document incorporated by reference into this Prospectus Supplement will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Amendments to the Base Prospectus

The Base Prospectus shall be amended by virtue of this Prospectus Supplement, as follows:

1. by replacing Element B.12 (*Selected historical key financial information of the Issuer*) in the Summary, on pages 4 and 5 of the Base Prospectus, with the following:

B.12	Selected historical key financial information of the Issuer	[The following table shows selected key historical financial information in relation to GSI:					
			As and for the nine months ended (unaudited)		As and for the year ended		
			30 September 2015 (USD)	30 September 2014 (USD)	31 December 2014 (USD)	31 December 2013 (USD)	
		Operating Profit	2,276,000,000	1,576,000,000	2,274,132,000	618,173,000	
		Profit on ordinary activities before taxation	2,078,000,000	1,414,000,000	2,080,475,000	297,566,000	
		Profit on ordinary activities after taxation	1,680,000,000	1,143,000,000	1,624,471,000	168,664,000	
			As at (unaudited) 30 September 2015 (USD)		As at 31 December 2014 (USD)		31 December 2013 (USD)
		Fixed Assets	12,000,000		13,876,000		15,537,000
		Current Assets	955,953,000,000		976,971,523,000		816,202,624,000
		Total Shareholders' Funds	25,702,000,000		21,997,080,000		20,300,471,000]
			[The following table shows selected key historical financial information in relation to GSW:				
			As and for the six months ended (unaudited)		As and for the year ended		
			30 June 2015 (EUR)	30 June 2014 (EUR)	31 December 2014 (EUR)	31 December 2013 (EUR)	
		Operating income	295,444.69	254,186.73	527,606.85	380,836.28	
		Taxation on income	-94,408.35	-84,758.00	-170,401.49	-120,965.71	
		Net Income	201,036.34	169,428.73	357,205.36	259,870.57	
			As at (unaudited) 30 June 2015 (EUR)		As at 31 December 2014 (EUR)		31 December 2013 (EUR)
		Total assets	5,247,479,132.47		4,574,414,791.34		4,443,043,003.63
		Total capital and reserves	3,074,545.96		2,873,509.62		2,516,304.26]
			[There has been no material adverse change in the prospects of GSI since 31 December 2014.]				
			[There has been no material adverse change in the prospects of GSW since 31				

		December 2014.]
		[Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 30 September 2015.]
		[Not applicable; there has been no significant change in the financial or trading position particular to GSW subsequent to 30 June 2015.]

2. by replacing Element B.19 (B.12) (*Selected historical key financial information of the Guarantor*) in the Summary, on page 8 of the Base Prospectus, with the following:

B.19 (B.12)	Selected historical key financial information of the Guarantor	The following table shows selected key historical financial information in relation to GSI:				
		As and for the nine months ended (unaudited)	As and for the year ended			
		30 September 2015 (USD)	30 September 2014 (USD)	31 December 2014 (USD)	31 December 2013 (USD)	
		Operating Profit	2,276,000,000	1,576,000,000	2,274,132,000	618,173,000
		Profit on ordinary activities before taxation	2,078,000,000	1,414,000,000	2,080,475,000	297,566,000
		Profit on ordinary activities after taxation	1,680,000,000	1,143,000,000	1,624,471,000	168,664,000
			As at (unaudited)	As at		
			30 September 2015 (USD)	31 December 2014 (USD)	31 December 2013 (USD)	
		Fixed Assets	12,000,000	13,876,000	15,537,000	
Current Assets	955,953,000,000	976,971,523,000	816,202,624,000			
Total Shareholders' Funds	25,702,000,000	21,997,080,000	20,300,471,000			
	There has been no material adverse change in the prospects of GSI since 31 December 2014.					
	Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 30 September 2015.					

3. by replacing the sub-section "Goldman Sachs International" in the section "Documents Incorporated by Reference", on page 97 of the Base Prospectus, with the following:

"1. Goldman Sachs International

GSI files documents and information with the *Commission de Surveillance du Secteur Financier* (the "CSSF"). The following documents, which GSI has filed with the CSSF, are hereby incorporated by reference into this Base Prospectus:

- (a) The Unaudited Quarterly Financial Report of GSI for the period ended 30 September 2015 ("**GSI's 2015 Third Quarter Financial Report**"), containing in Part 2, the unaudited financial

statements of GSI for the period ended 30 September 2015 ("**GSI's Third Quarter Financial Statements**").

- (b) The Unaudited Half-Yearly Financial Report of GSI for the period ended 30 June 2015 ("**GSI's 2015 Half-Yearly Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 June 2015 ("**GSI's Half-Yearly Financial Statements**").
- (c) The Annual Report for the fiscal year ended 31 December 2014 of GSI ("**GSI's 2014 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2014 ("**GSI's 2014 Financial Statements**").
- (d) The Annual Report for the fiscal year ended 31 December 2013 of GSI ("**GSI's 2013 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2013 ("**GSI's 2013 Financial Statements**").

Cross-Reference List

GSI Information in the Financial Statements	GSI's 2015 Third Quarter Financial Report	GSI's 2015 Half-Yearly Financial Report	GSI's 2014 Annual Report	GSI's 2013 Annual Report
Management Report / Strategic Report	pp.2-21	pp. 2-26	pp. 2-54	pp. 2-49
Report of the Directors	Not Applicable	Not Applicable	pp. 56-58	pp. 51-53
Balance Sheet	p. 23	p. 29	p. 62	p. 57
Profit and Loss Account	p. 22	p. 28	p. 61	p. 56
Statements of Cash Flows	p. 25	p. 31	p. 63	N/A ¹
Notes to the Financial Statements	pp. 26-46	pp. 32-59	pp. 64-103	pp. 58-84
Independent Auditors' Report	Not Applicable	Not Applicable	pp. 59-60	p. 54-55

¹ The Statement of Cash Flows of GSI for the fiscal year ended 31 December 2013 are contained in GSI's 2014 Annual Report.

Any information incorporated by reference that is not included in the cross-reference list is considered to be additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004, as amended (the "**Prospectus Regulation**").

Pursuant to Article 23.4 of the Prospectus Regulation, audited cash flow statements for GSI for the year 2013 may be omitted from this Base Prospectus because, having regard to the information already included in the Base Prospectus and the nature of the Notes, Warrants and Certificates that may be issued, a cash flow statement of the kind provided for in the Prospectus Regulation will not provide prospective investors with meaningful additional information for the purposes of their assessment of GSI or the Securities that may be issued, and therefore including such information would be non-pertinent for the purposes of such assessment. Such information is only pertinent in being reviewed in relation to the 2014 audited cash flow statement."

4. by replacing the fourth paragraph under the sub-heading "General Information on Goldman Sachs International" in the section "Goldman Sachs International", on page 562 of the Base Prospectus, with the following:

"There have been no principal investments made by GSI since the date of its last published financial statements. A description of GSI's principal future investments on which its management body has already made firm commitments may be found at page 33 of GSI's 2015 Third Quarter Financial Report, which has been incorporated by reference into this Base Prospectus as set out above."

5. by replacing the sub-section "Selected Financial Information" in the section "Goldman Sachs International", on page 565 of the Base Prospectus, with the following:

"Selected Financial Information

The selected financial information set out below has been extracted from (as applicable) (i) GSI's 2014 Financial Statements, which have been audited by PricewaterhouseCoopers LLP and on which PricewaterhouseCoopers LLP issued an unqualified audit report and (ii) GSI's Third Quarter Financial Statements, which have not been audited.

GSI's 2014 Financial Statements have been prepared in accordance with UK GAAP, which differs in certain respects from International Accounting Standards. GSI's Third Quarter Financial Statements have been prepared in accordance with FRS 101. GSI's 2014 Financial Statements and GSI's Third Quarter Financial Statements are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with the financial statements included in such document, the notes thereto and report thereon.

The following table shows selected key historical financial information in relation to GSI:

	As and for the nine months ended (unaudited)		As and for the year ended	
	30 September 2015 (USD)	30 September 2014 (USD)	31 December 2014 (USD)	31 December 2013 (USD)
Operating Profit	2,276,000,000	1,576,000,000	2,274,132,000	618,173,000
Profit on ordinary activities before taxation	2,078,000,000	1,414,000,000	2,080,475,000	297,566,000
Profit on ordinary activities after taxation	1,680,000,000	1,143,000,000	1,624,471,000	168,664,000
	As at (unaudited) 30 September 2015 (USD)		As at	
			31 December 2014 (USD)	31 December 2013 (USD)
Fixed Assets	12,000,000		13,876,000	15,537,000
Current Assets	955,953,000,000		976,971,523,000	816,202,624,000
Total Shareholders' Funds	25,702,000,000		21,997,080,000	20,300,471,000

"

6. by replacing the paragraph immediately under the sub-heading "No significant change and no material adverse change" in the section "General Information", on page 645 of the Base Prospectus, with the following:

"There has been no significant change in the financial or trading position of GSI since 30 September 2015. There has been no significant change in the financial or trading position of GSW since 30 June 2015."

7. by replacing the sub-section "Litigation" in the section "General Information", on page 645 of the Base Prospectus, with the following:

"4. Litigation

Save as disclosed in (i) paragraph (c) of Note 27 to the Financial Statements (page 92) of GSI's 2014 Annual Report, (ii) paragraph (c) of Note 17 to the Financial Statements (page 43) of GSI's 2015 Half-Yearly Financial Report and (iii) "Legal Proceedings" of Note 15 to the Financial Statements (pages 33 and 34) of GSI's 2015 Third Quarter Financial Report, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GSI or GSW is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on GSI or GSW."

Responsibility

Each of Goldman Sachs International and Goldman, Sachs & Co. Wertpapier GmbH accepts responsibility for the information given in this Prospectus Supplement and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Rights of withdrawal

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Prospectus Supplement is published have the right exercisable until 24 November 2015, which is two working days after the publication of this Prospectus Supplement, to withdraw their acceptances.

Interpretation

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

References to the Base Prospectus shall hereafter mean the Base Prospectus as supplemented by this Prospectus Supplement.

U.S. notice

This Prospectus Supplement is not for use in, and may not be delivered to or inside, the United States.

Prospectus Supplement, dated 20 November 2015

PROSPECTUS SUPPLEMENT NO. 2 TO THE BASE PROSPECTUS DATED 17 NOVEMBER 2015



GOLDMAN SACHS INTERNATIONAL
(Incorporated with unlimited liability in England)

as Issuer and as Guarantor in respect of Securities issued by
Goldman, Sachs & Co. Wertpapier GmbH

GOLDMAN, SACHS & CO. WERTPAPIER GMBH
(Incorporated with limited liability in Germany)

as Issuer

SERIES K PROGRAMME FOR THE ISSUANCE OF WARRANTS, NOTES AND CERTIFICATES

This Prospectus Supplement

This prospectus supplement (the "**Prospectus Supplement**") to the base prospectus dated 17 November 2015 prepared by Goldman, Sachs & Co. Wertpapier GmbH ("**GSW**") as issuer and Goldman Sachs International ("**GSI**") as issuer and as guarantor in respect of Securities issued by GSW under their programme for the issuance of warrants, notes and certificates with respect to the securities (the "**Programme**") (the "**Original Base Prospectus**"), constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 and amended on 3 July 2012 (the "**Luxembourg Law**") and should be read in conjunction therewith and with Prospectus Supplement No. 1 to the Base Prospectus dated 20 November 2015 (the Original Base Prospectus as so supplemented prior to this Prospectus Supplement, the "**Base Prospectus**"). On 17 November 2015, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Original Base Prospectus for the purposes of Article 7 of the Luxembourg Law.

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement unless otherwise defined herein. This Prospectus Supplement shall form part of and be read in conjunction with the Base Prospectus.

Purpose of this Prospectus Supplement

The purpose of this Prospectus Supplement is to supplement and amend certain information in the section "Risk Factors" in the Base Prospectus and certain information in the section "Taxation" in the Base Prospectus.

Amendments to the Base Prospectus

The Base Prospectus shall be amended by virtue of this Prospectus Supplement, as follows:

1. by replacing risk factor 5.7 entitled "*Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "benchmarks"*" on pages 70 to 72 of the Original Base Prospectus with the following:

"5.7 Regulation and reform of "benchmarks", including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate, equity, commodity, foreign exchange rate and other types of indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences

which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to such a "benchmark".

Key international proposals for reform of "benchmarks" include IOSCO's *Principles for Financial Market Benchmarks* (July 2013) (the "**IOSCO Benchmark Principles**") and the proposed *EU Regulation on indices used as benchmarks in certain financial instruments and financial contracts* (the "**Proposed Benchmark Regulation**").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. A review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, with widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 9 December 2015, the European Council approved the final compromise text of the Proposed Benchmark Regulation. The text of the Proposed Benchmark Regulation is subject to EU Parliamentary approval and publication in the Official Journal, expected by mid-2016. While still unclear, it appears that the Proposed Benchmark Regulation is unlikely to be implemented before the first quarter of 2018.

Assuming that the current text is passed without change (as appears likely), the Proposed Benchmark Regulation would apply to "contributors", "administrators" and "users" of "benchmarks" in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to have satisfied certain "equivalence" conditions in its local jurisdiction, to be "recognised" by the authorities of a Member State pending an equivalence decision or to be "endorsed" for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of "benchmarks" and (ii) ban the use of "benchmarks" of unauthorised administrators. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (securities or OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or "systematic internaliser"), certain financial contracts and investment funds. Different types of "benchmark" are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a "benchmark" is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50bn, subject to further conditions.

The Proposed Benchmark Regulation could have a material impact on Securities linked to a "benchmark" rate or index, including in any of the following circumstances:

- a rate or index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. In such event, depending on the particular "benchmark" and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Proposed Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published

rate or level, and could lead to adjustments to the terms of the Securities, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequence in relation to Securities linked to such "benchmark". Any such consequence could have a material adverse effect on the value of and return on any such Securities."

2. by replacing risk factor 9.2 entitled "*U.S. taxation developments may have a negative impact on your Securities*" on page 91 of the Original Base Prospectus with the following:

"9.2 U.S. taxation developments may have a negative impact on your Securities

The U.S. Treasury Department has issued final regulations under Section 871(m) of the U.S. Internal Revenue Code (the "**Code**") which impose U.S. federal withholding tax on "dividend equivalent" payments made on certain financial instruments linked to U.S. corporations (which the regulations refer to as "**specified ELIs**") that are owned by non-U.S. holders. However, the final regulations do not apply to "specified ELIs" issued prior to 1 January 2017 (the "**Grandfather Date**"); accordingly we anticipate that non-U.S. holders of the Securities will not be subject to tax under Section 871(m) of the Code unless, as discussed below under "*United States Tax Considerations – Dividend Equivalent Payments*", the Securities are deemed to be wholly or partially reissued for U.S. federal income tax purposes on or after the Grandfather Date, in which case it is possible that the Securities will be subject to Section 871(m) of the Code. We will not pay any additional amounts in respect of this withholding tax, so if this withholding applies, you will receive less than the amount that you would have otherwise received."

3. by replacing the sub-section "Dividend Equivalent Payments" on page 615 of the Original Base Prospectus with the following:

"Dividend Equivalent Payments

It is possible that your Securities could be deemed wholly or partially reissued for tax purposes if an underlying asset, position, index or basket containing the foregoing, that is referenced by your Securities, is modified, adjusted or discontinued. In addition, as discussed in risk factor 9.2 (*U.S. taxation developments may have a negative impact on your Securities*) above, "dividend equivalent" payments made on "specified ELIs" that are issued on or after the Grandfather Date (as defined in risk factor 9.2 (*U.S. taxation developments may have a negative impact on your Securities*) above) may be subject to U.S. federal withholding tax under Section 871(m) of the Code. Securities that directly or indirectly reference shares of a U.S. corporation may be treated as "specified ELIs" for this purpose. It is therefore possible that a holder that acquires Securities that are "specified ELIs" before the Grandfather Date, could nevertheless be subject to such withholding tax in the future if the Securities are deemed to be wholly or partially reissued for U.S. federal income tax purposes on or after such date.

We will not pay any additional amounts in respect of this withholding tax, so if this withholding applies, you will receive less than the amount that you would have otherwise received."

4. by inserting the following selling restriction immediately above the selling restriction for El Salvador on page 625 of the Original Base Prospectus:

"Dubai International Financial Centre

This Base Prospectus relates to an Exempt Offer in accordance with the Markets Rules of the Dubai Financial Services Authority ("**DFSA**").

This Base Prospectus is intended for distribution only to Professional Clients (as defined in the DFSA Rules, as amended) who are not natural persons. It must not be delivered to, or relied on by, any other person.

The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Base Prospectus nor taken steps to verify the information set out in it, and has no responsibility for it.

The Securities to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Securities offered should conduct their own due diligence on the Securities.

If you do not understand the contents of this Base Prospectus you should consult an authorised financial adviser."

5. by inserting the following selling restriction immediately above the selling restriction for Uruguay on page 634 of the Original Base Prospectus:

"United Arab Emirates (UAE)

The offering of the Securities to which this Base Prospectus relates has not been approved or licensed by the UAE Central Bank, the UAE Securities and Commodities Authority ("**SCA**"), the Dubai Financial Services Authority ("**DFSA**") or any other relevant licensing authorities in the UAE, and accordingly does not constitute a public offer of securities in the UAE in accordance with the commercial companies law, Federal Law No. 8 of 1984 (as amended), SCA Resolution No.(37) of 2012 (as amended) or otherwise. Accordingly, the Securities may not be offered to the public in the UAE (including the Dubai International Financial Centre ("**DIFC**")).

This Base Prospectus is strictly private and confidential and is being issued to a limited number of institutional and individual investors:

- (a) who fall within with the exceptions to SCA Resolution No.(37) of 2012 (as amended) or who qualify as sophisticated investors;
 - (b) upon their request and confirmation that they understand that the Securities has not been approved or licensed by or registered with the UAE Central Bank, the SCA, DFSA or any other relevant licensing authorities or governmental agencies in the UAE; and
 - (c) must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose."
6. the sub-section entitled "Italian Tax Considerations" of the "Taxation" section of the Original Base Prospectus beginning on page 593 of the Original Base Prospectus shall be replaced with the following:

"Italian Tax Considerations

The following is a general overview of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Securities by Italian resident investors and does not in any way constitute, nor should it be relied upon as being, a tax advice or a tax opinion covering any or all of the relevant tax considerations surrounding or connected to the purchase,

ownership or disposal of the Securities by Italian or non-Italian resident investors. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Securities, some of which may be subject to special rules. This overview is based upon Italian tax laws and published practice in effect as at 21 January 2016 which may be subject to change, potentially with retroactive effect and assumes that the Securities are issued on or after 1 July 2014.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each client: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.

Italian tax treatment of the Securities (Warrants, Certificates and Notes)

The Securities may be subject to different tax regimes depending on whether:

- (a) they represent a debt instrument implying a use of capital (*impiego di capitale*), through which the investors transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity; or
- (b) they represent derivative financial instruments or bundles of derivative financial instruments, through which the investors purchase indirectly underlying financial instruments.

1. Securities representing debt instruments implying a "use of capital"

Securities having 100 per cent. capital reimbursement

Italian resident investors

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (the "**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident Issuers.

For these purposes, debentures similar to bonds are defined as bonds that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for interim payments) and that do not give any right to directly or indirectly participate in the management of the relevant Issuer or of the business in relation to which they are issued nor any type of control on the management.

Where an Italian resident Investor is:

- (a) an individual not engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected (unless he has opted for the application of the *risparmio gestito* regime – see "**Capital Gains Tax**" below);
- (b) a non-commercial partnership pursuant to Article 5 of the Presidential Decree No. 917 of 22 December 1986 ("**TUIR**") (with the exception of general partnerships, limited partnerships and similar entities);
- (c) a public or private entity (other than a company) or a trust not carrying out a commercial activity; or
- (d) an investor exempt from Italian corporate income taxation;

interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities, accrued during the relevant holding period, are subject to a withholding tax equal to 26 per cent. referred to as *imposta sostitutiva*. In the event that the investors described above are engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the final income tax due by the relevant Investor.

Where an Italian resident Investor is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy - to which the Securities are effectively connected – of a non – Italian resident entity and the Securities are deposited with an authorised intermediary, interest, premium and other income from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Investor's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**", levied at the rate of 27.5 per cent.) and, in certain circumstances, depending on the "status" of the Investor, also to regional tax on productive activities ("**IRAP**", generally levied at the rate of 3.9 per cent., even though regional surcharges may apply).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund. A withholding tax may apply in certain circumstances at the rate of 26 per cent. on distributions made by real estate investment funds. The same tax regime applies to payments of interest made to an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

If an Investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the Securities are deposited with an authorised intermediary, interest, premium and other income accrued during such Investor's holding period will not be subject to *imposta sostitutiva* but must be included in the management result of the Fund or the SICAV. A withholding tax may apply in certain circumstances at the rate of 26 per cent on distributions made by the Fund or the SICAV to certain categories of investors. The same tax regime applies to payments of interest made to an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Where an Italian resident Investor is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) and the Securities are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the special 20 per cent. substitute tax applicable to Italian pension funds.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must

- (a) be resident in Italy; or
- (b) be resident outside Italy, with a permanent establishment in Italy; or
- (c) be an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and

- (d) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or a transfer of the Securities to another deposit or account held with the same or another Intermediary.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to an Investor. If interest and other proceeds on the Securities are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) (inclusive) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual Investor may elect instead to pay ordinary personal income tax ("IRPEF") at the applicable progressive rates in respect of the payments; if so, the Investor should generally benefit from a tax credit for withholding taxes applied outside of Italy, if any.

Non-Italian resident investors

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Investor of interest or premium relating to the Securities, provided that, if the Securities are held in Italy, the non-Italian resident Investor declares itself to be a non-Italian resident according to Italian tax regulations.

Securities qualifying as Atypical Securities (Securities not having 100 per cent capital reimbursement)

In the case of Securities representing debt instruments implying a "use of capital" do not guarantee the total reimbursement of the principal, under Italian tax law they should qualify as "atypical securities" (*titoli atipici*) and payments in respect of such Securities received by Italian investors would be subject to the following regime:

- (a) if the Securities are placed (*collocati*) in Italy, payments made to individual investors holding the Securities not in connection with a trade (*esercizio di attività commerciali*) will be subject to a 26 per cent final withholding tax. This withholding tax is levied by the entrusted Italian resident bank or financial intermediary, if any, that is involved in the collection of payments on the Securities, in the repurchase or in the transfer of the Securities;
- (b) if the Securities are not placed (*collocati*) in Italy or in any case where payments on the Securities are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Securities, in the repurchase or in the transfer thereof) and no withholding tax is levied, the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual Investor may elect instead to pay ordinary IRPEF at the progressive rates applicable to them in respect of the payments; if so, the Investor should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

Capital Gains Tax

Any gain obtained from the sale, early redemption or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Investor, also as part of the net value of production for IRAP purposes) if realised by: (i) an Italian resident company; (ii) an Italian resident commercial partnership; (iii) the Italian permanent establishment of foreign entities to which the Securities are effectively connected; or (iv) Italian resident individuals engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected.

Where an Italian resident Investor is an individual not holding the Securities in connection with an entrepreneurial activity, any capital gain realised by such Investor from the sale, early redemption or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under some conditions and limitations, investors may set off losses with gains. This rule applies also to certain other entities holding the Securities. In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

- (a) Under the tax declaration regime (*regime della dichiarazione*), which is the ordinary regime for taxation of capital gains realised by Italian resident individuals not engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual. The Investor holding Securities not in connection with a commercial activity (*esercizio di attività commerciali*) must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.. Under Law Decree No. 66/2014, available capital losses can be carried forward against capital gains realised as of 1 July 2014 (i) for 48.08 per cent. of their amount, if the losses were realised until 31 December 2011; or (ii) for 76.92 per cent. of their amount, if the losses were realised between 1 January 2012 and 30 June 2014.
- (b) As an alternative to the tax declaration regime, the Italian resident individual Investor holding the Securities not in connection with a commercial activity (*esercizio di attività commerciali*) may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale, early redemption or redemption of the Securities (the *risparmio amministrato* regime provided for by Article 6 of the Legislative Decree 21 November 1997, No. 461 as a subsequently amended, the "**Decree No. 461**"). Such separate taxation of capital gains is allowed subject to: (1) the Securities being deposited with Italian Banks, SIMs or certain authorised financial intermediaries; and (2) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Investor. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian Tax Authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Investor or using funds provided by the Investor for this purpose. Under the *risparmio amministrato* regime, where a sale, early redemption or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Securities management, in the same tax year or in the following tax years up to the fourth. Under Law Decree No. 66/2014 available capital losses can be carried forward against capital gains realised as of 1 July 2014 (i) for 48.08 per cent. of their amount, if the losses were realised until 31 December 2011; or (ii) for 76.92 per cent. of their amount, if the losses were realised between 1 January 2012 and 30 June 2014. Under the *risparmio amministrato* regime, the Investor is not required to declare the capital gains in its annual tax return.
- (c) Any capital gains realised or accrued by Italian resident individual investors holding the Securities not in connection with a commercial activity (*esercizio di attività commerciali*) who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called *risparmio gestito* regime (the regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. *imposta sostitutiva*, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under Law Decree No. 66/2014 depreciation of the managed assets accrued as of 30 June 2014 and not yet compensated can be carried forward against increase in value of the managed assets accrued as of 1 July 2014 (i) for 48.08 per cent. of its amount, if accrued until 31 December 2011; or (ii) for 76.92 per cent. of its amount, if the registered between 1 January 2012 and 30 June 2014. Under the *risparmio gestito* regime, the Investor is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by an Investor which is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and

supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund. The same tax regime applies to capital gains realised by an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by an Investor which is a Fund or a SICAV will neither be subject to *imposta sostitutiva* nor to any form of taxation in the hands of the Fund or of the SICAV, but any income paid by a Fund or by a SICAV in favour of its participants will be subject to taxation in accordance with the specific rules provided for the different kind of participants. The same tax regime applies to capital gains realised by an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by an Investor which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. special substitute tax applicable to Italian pension funds.

Non-Italian resident investors

Capital gains realised by non-Italian resident investors from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (1) are transferred on regulated markets, or (2) if not transferred on regulated markets, are held outside Italy.

Moreover, even if the notes are held in Italy, no *imposta sostitutiva* applies if the non-Italian resident investor is resident for tax purposes in a country which recognizes the Italian tax authorities' right to an adequate exchange of information.

The provisions of applicable tax treaties against double taxation entered into by Italy apply if more favourable and provided that all relevant conditions are met.

2. Securities representing derivative financial instruments or bundles of derivative financial instruments

Pursuant to the generally followed interpretation, payments in respect of Securities qualifying as securitised derivative financial instruments received by Italian investors (not engaged in a commercial activity (*esercizio di attività commerciali*) to which the Securities are connected) as well as capital gains realised by such Italian investors on any sale or transfer for consideration of the Securities or redemption thereof are subject to a 26 per cent. capital gain tax, which applies under the tax declaration regime, the *risparmio amministrato* tax regime or the *risparmio gestito* tax regime according to the same rules described above under the section "Capital Gains Tax" above.

Payments in respect of Securities qualifying as securitised derivative financial instruments received by Italian investors which carry out commercial activities are not subject to the 26 per cent. capital gain tax, but the proceeds are included in their taxable income and subject to taxation in accordance with the ordinary rules.

Securities that cannot be qualified as securitised derivative financial instruments may qualify as "atypical securities" (*titoli atipici*), whose tax regime is described under section "Securities representing debt instruments implying a "use of capital"- *Securities not having 100 per cent. capital reimbursement*" above.

3. Inheritance and gift tax

Transfers of any valuable assets (including the Securities) as a result of death or *inter vivos* gift (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose (*vincoli di destinazione*) are taxed as follows:

- (a) four per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on that part of the value that exceeds EUR 1,000,000 (per beneficiary);
- (b) six per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on that part of the value that exceeds EUR 100,000 (per beneficiary);
- (c) six per cent. if the transfer is made to relatives up to the fourth degree (*parenti fino al quarto grado*), to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree (*affini in linea retta nonché affini in linea collaterale fino al terzo grado*); and
- (d) eight per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on that part of the value that exceeds EUR 1,500,000.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Securities, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree No. 461, as subsequently amended. In particular, if the donee sells the Securities for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

4. **Transfer tax and Registration Tax**

Contracts relating to the transfer of securities are subject to registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy are subject to fixed registration tax at rate of Euro 200; (ii) private deeds (*scritture private autenticate*) are subject to registration tax at rate of Euro 200 only in case of use or voluntary registration.

5. **Stamp Duty**

Pursuant to Law Decree No. 201 of 6 December 2011, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients and relating to securities and financial instruments. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value is available – the nominal value or redemption amount of the securities held. The stamp duty cannot exceed the amount of Euro 14,000 if the recipient of the periodic reporting communications is an entity (i.e. not an individual).

It may be understood that the stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that the notes are held with an Italian-based financial intermediary.

6. **Wealth Tax**

Pursuant to Law Decree No. 201 of 6 December 2011, Italian resident individuals holding the notes abroad are required to pay a wealth tax (IVAFE) at a rate of 0.20 per cent. for each year. This tax is calculated on an annual basis on the market value of the notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held abroad.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of any wealth tax paid in the State where the financial assets are held (up to an amount equal to the IVAFE due).

7. **Financial Transaction Tax (FTT) depending on the features of the Securities**

Pursuant to Law No. 228 of 24 December 2012, a FTT applies to (a) transfer of ownership of shares and other participating securities issued by Italian resident companies or of financial instruments representing the just mentioned shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the Relevant Securities), (b) transactions on financial derivatives (i) the main underlying assets of which are the Relevant Securities, or (ii) whose value depends mainly on one or more Relevant

Securities, as well as to (c) any transaction on certain securities (i) which allow to mainly purchase or sell one or more Relevant Securities or (ii) implying a cash payment determined with main reference to one or more Relevant Securities.

Securities could be included in the scope of application of the FTT if they meet the requirements set out above. On the other hand, Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) are not included in the scope of the FTT.

The FTT on derivative instruments is levied at a fixed amount that varies depending on the nature of the relevant instrument and the notional value of the transaction, and ranges between Euro 0.01875 and Euro 200 per transaction. The amount of FTT payable is reduced to 1/5 of the standard rate in case the transaction is performed on regulated markets or multilateral trading facilities of certain EU and EEA member States. The FTT on derivatives is due by each of the parties to the transactions. FTT exemptions and exclusions are provided for certain transactions and entities.

The FTT is levied and paid by the subject (generally a financial intermediary) that is involved, in any way, in the execution of the transaction. Intermediaries which are not resident in Italy but are liable to apply the FTT can appoint an Italian tax representative for the purposes of the FTT. If no intermediary is involved in the execution of the transaction, the FTT must be paid by the taxpayers. Investors are advised to consult their own tax advisers also on the possible impact of the FTT.

8. **Tax monitoring obligations**

Italian resident individuals (and certain other entities) are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227 of 4 August 1990, for tax monitoring purposes, the amount of Securities held abroad (or beneficially owned abroad under Italian anti-money laundering provisions). This also applies in the case that at the end of the tax year, Securities are no longer held by the above Italian resident individuals and entities.

However, the above reporting obligation is not required in case the financial assets are deposited for management with Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in article 1 of Decree No. 167 of 28 June 1990, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

9. **European Savings directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income made by a paying agent (within the meaning of the EU Savings Directive) within its jurisdiction to an individual resident in that other Member State. Legislative decree No. 84 of 18 April 2005 ("**Decree No. 84**") implemented in Italy, as of 1 July 2005, the EU Savings Directive.

However, on 10 November 2015, the Council of the European Union adopted Council Directive 2015/2060 of 10 November 2015, repealing the EU Savings Tax Directive with effect from 1 January 2016. Certain provisions of the EU Savings Tax Directive will continue to be effective during 2016 and Austria will continue to apply the EU Savings Directive until 31 December 2016 (and until 30 June 2017 in relation to some of its obligations or, in any case, until those obligations have been fulfilled). The repeal of the EU Savings Tax Directive is aimed at preventing overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information

is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

As at the date of this Base Prospectus, the above mentioned Council Directive 2015/2060, repealing the EU Savings Tax Directive with effect from 1 January 2016, has not yet been implemented under Italian national legislation.

Prospective investors resident in a Member State of the European Union should consult their own legal or tax advisers regarding the consequences of the EU Savings Tax Directive in their particular circumstances."

This Prospectus Supplement will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Responsibility Statement

Each of Goldman Sachs International and Goldman, Sachs & Co. Wertpapier GmbH accepts responsibility for the information given in this Prospectus Supplement and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Rights of withdrawal

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Prospectus Supplement is published have the right exercisable until 25 January 2016, which is two working days after the publication of this Prospectus Supplement, to withdraw their acceptances.

Interpretation

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

References to the Base Prospectus shall hereafter mean the Base Prospectus as supplemented by this Prospectus Supplement.

U.S. notice

This Prospectus Supplement is not for use in, and may not be delivered to or inside, the United States.

Prospectus Supplement, dated 21 January 2016

PROSPECTUS SUPPLEMENT NO. 3 TO THE BASE PROSPECTUS DATED 17 NOVEMBER 2015



GOLDMAN SACHS INTERNATIONAL
(Incorporated with unlimited liability in England)

**as Issuer and as Guarantor in respect of Securities issued by
Goldman, Sachs & Co. Wertpapier GmbH**

GOLDMAN, SACHS & CO. WERTPAPIER GMBH
(Incorporated with limited liability in Germany)

as Issuer

**SERIES K PROGRAMME FOR THE ISSUANCE OF
WARRANTS, NOTES AND CERTIFICATES**

This Prospectus Supplement

This prospectus supplement (the "**Prospectus Supplement**") to the base prospectus dated 17 November 2015 prepared by Goldman, Sachs & Co. Wertpapier GmbH ("**GSW**") as issuer and Goldman Sachs International ("**GSI**") as issuer and as guarantor in respect of Securities issued by GSW under their programme for the issuance of warrants, notes and certificates with respect to the securities (the "**Programme**") (the "**Original Base Prospectus**"), constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 and amended on 3 July 2012 (the "**Luxembourg Law**") and should be read in conjunction therewith and with Prospectus Supplement No. 1 to the Base Prospectus, dated 20 November 2015 and Prospectus Supplement No. 2 to the Base Prospectus, dated 21 January 2016 (the Original Base Prospectus as so supplemented prior to this Prospectus Supplement, the "**Base Prospectus**"). On 17 November 2015, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus for the purposes of Article 7 of the Luxembourg Law.

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement unless otherwise defined herein. This Prospectus Supplement shall form part of and be read in conjunction with the Base Prospectus.

Information being supplemented

Incorporation by reference

This Prospectus Supplement supplements the Base Prospectus by incorporating by reference (i) GSI's Annual Report for the fiscal year ended December, 31 2015 ("**GSI's 2015 Annual Report**") and (ii) GSW's yearly financial statements and management report for the period ended 31 December 2015 (together with an unofficial English translation thereof, for which GSW accepts responsibility) ("**GSW's 2015 Financial Statements**").

Copies of GSI's 2015 Annual Report and GSW's 2015 Financial Statements have been filed with the CSSF in its capacity as competent authority under the Prospectus Directive.

GSI's 2015 Annual Report and GSW's 2015 Financial Statements are incorporated by reference into, and form part of, this Prospectus Supplement, and the information contained in this Prospectus Supplement, GSI's 2015 Annual Report and GSW's 2015 Financial Statements shall be deemed to update and where applicable, supersede any information contained in the Base Prospectus, or any documents incorporated by reference therein.

This Prospectus Supplement and the documents incorporated by reference into this Prospectus Supplement will

be available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Amendments to the Base Prospectus

The Base Prospectus shall be amended by virtue of this Prospectus Supplement, as follows:

- by replacing Element B.12 (*Selected historical key financial information of the Issuer*) in the Summary, on pages 4 and 5 of the Original Base Prospectus, with the following:

B.12	Selected historical key financial information of the Issuer	<p>[The following table shows selected key historical financial information in relation to GSI:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">Year ended</th> </tr> <tr> <th></th> <th style="text-align: center;">31 December 2015 (USD)</th> <th style="text-align: center;">31 December 2014 (USD)</th> </tr> </thead> <tbody> <tr> <td>Operating Profit</td> <td style="text-align: right;">2,939,000,000</td> <td style="text-align: right;">2,275,000,000</td> </tr> <tr> <td>Profit on ordinary activities before taxation</td> <td style="text-align: right;">2,661,000,000</td> <td style="text-align: right;">2,060,000,000</td> </tr> <tr> <td>Profit for the financial year</td> <td style="text-align: right;">2,308,000,000</td> <td style="text-align: right;">1,608,000,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">As of December</th> </tr> <tr> <th></th> <th style="text-align: center;">2015 (USD)</th> <th style="text-align: center;">2014 (USD)</th> </tr> </thead> <tbody> <tr> <td>Fixed Assets</td> <td style="text-align: right;">12,000,000</td> <td style="text-align: right;">14,000,000</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">850,219,000,000</td> <td style="text-align: right;">967,411,000,000</td> </tr> <tr> <td>Total Shareholders' Funds</td> <td style="text-align: right;">26,353,000,000</td> <td style="text-align: right;">21,997,000,000]</td> </tr> </tbody> </table> <p>[The following table shows selected key historical financial information in relation to GSW:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">As of and for the year ended</th> </tr> <tr> <th></th> <th style="text-align: center;">31 December 2015 (EUR)</th> <th style="text-align: center;">31 December 2014 (EUR)</th> </tr> </thead> <tbody> <tr> <td>Operating income</td> <td style="text-align: right;">677,585.76</td> <td style="text-align: right;">527,606.85</td> </tr> <tr> <td>Taxation on income</td> <td style="text-align: right;">-216,316.24</td> <td style="text-align: right;">-170,401.49</td> </tr> <tr> <td>Net Income</td> <td style="text-align: right;">461,269.52</td> <td style="text-align: right;">357,205.36</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">As at</th> </tr> <tr> <th></th> <th style="text-align: center;">31 December 2015 (EUR)</th> <th style="text-align: center;">31 December 2014 (EUR)</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td style="text-align: right;">4,975,138,387.11</td> <td style="text-align: right;">4,574,414,791.34</td> </tr> <tr> <td>Total capital and reserves</td> <td style="text-align: right;">3,334,779.14</td> <td style="text-align: right;">2,873,509.62]</td> </tr> </tbody> </table> <p>[There has been no material adverse change in the prospects of GSI since 31 December 2015.]</p> <p>[There has been no material adverse change in the prospects of GSW since 31 December 2015.]</p> <p>[Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 31 December 2015.]</p>		Year ended			31 December 2015 (USD)	31 December 2014 (USD)	Operating Profit	2,939,000,000	2,275,000,000	Profit on ordinary activities before taxation	2,661,000,000	2,060,000,000	Profit for the financial year	2,308,000,000	1,608,000,000		As of December			2015 (USD)	2014 (USD)	Fixed Assets	12,000,000	14,000,000	Current Assets	850,219,000,000	967,411,000,000	Total Shareholders' Funds	26,353,000,000	21,997,000,000]		As of and for the year ended			31 December 2015 (EUR)	31 December 2014 (EUR)	Operating income	677,585.76	527,606.85	Taxation on income	-216,316.24	-170,401.49	Net Income	461,269.52	357,205.36		As at			31 December 2015 (EUR)	31 December 2014 (EUR)	Total assets	4,975,138,387.11	4,574,414,791.34	Total capital and reserves	3,334,779.14	2,873,509.62]
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2. by replacing Element B.19 (B.12) (*Selected historical key financial information of the Guarantor*) in the Summary, on page 8 of the Original Base Prospectus, with the following:

B.19 (B.12)	Selected historical key financial information of the Guarantor	The following table shows selected key historical financial information in relation to GSI:			
		Year ended			
		31 December 2015 (USD)	31 December 2014 (USD)		
		Operating Profit	2,939,000,000	2,275,000,000	
		Profit on ordinary activities before taxation	2,661,000,000	2,060,000,000	
		Profit for the financial year	2,308,000,000	1,608,000,000	
		As of December			
		2015 (USD)			2014 (USD)
		Fixed Assets	12,000,000	14,000,000	
		Current Assets	850,219,000,000	967,411,000,000	
Total Shareholders' Funds	26,353,000,000	21,997,000,000			
There has been no material adverse change in the prospects of GSI since 31 December 2015.					
Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 30 December 2015.					

3. by replacing Element D.2 (*Key risks that are specific to the Issuer[, and the Guarantor]*) in the Summary, on pages 34 to 36 of the Original Base Prospectus, with the following:

D.2	Key risks that are specific to the Issuer[, and the Guarantor]	<p>The payment [or delivery] of any amount due on the Securities is subject to our credit risk. The Securities are our unsecured obligations. The Securities are not bank deposits and are not insured or guaranteed by the UK Financial Services Compensation Scheme or any other government or governmental or private agency, or deposit protection scheme in any jurisdiction. The value of and return on your securities will be subject to our credit risk and to changes in the market's view of our creditworthiness.</p> <p>References in Element[s] B.12 [and B.19 (B.12)] above to the "prospects" and "financial or trading position" of the Issuer [and Guarantor (as applicable)], are specifically to [their respective ability] [the Issuer's ability] to meet [their] [its] full payment obligations under the Securities [(in the case of GSI or GSW)] [or Guarantee (in the case of GSI)] in a timely manner. Material information about the Issuer's [and Guarantor's respective] financial</p>
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		<p>condition and prospects is included in GSI's [and GSW's] annual report[s]. You should be aware, however, that each of the key risks highlighted below could have a material adverse effect on the Issuer's [and Guarantor's] businesses, operations, financial and trading position and prospects, which, in turn, could have a material adverse effect on the return investors receive on the Securities.</p> <p>The Issuer [and the Guarantor] [is][are] subject to a number of key risks:</p> <ul style="list-style-type: none"> • 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 market-making activities have been and may be affected by changes in the levels of market volatility. • 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.
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		<ul style="list-style-type: none"> • 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. • [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.]
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4. by replacing risk factors 2(i) to 2(xvii) with the following risk factors:

"2(i) ***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 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 in U.S. federal and European Union ("EU") fiscal or monetary policy; extent of and uncertainty about the timing and nature of regulatory reforms; 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 hostilities or other geopolitical instability; 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.

In 2008 and through early 2009, the financial services industry and the securities markets generally were materially and adversely affected by significant declines in the values of nearly all asset classes and by a serious lack of liquidity. Since 2011, concerns about European sovereign debt risk and its impact on the European banking system, 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 final implementation of regulatory reform, as well as weak consumer, investor and chief executive officer (CEO) 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 whether and how certain business activities may be carried out by financial institutions. Although interest rates are at or near historically low levels, financial institution returns 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 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 final interpretation and implementation of new regulations, the manner in which markets, market participants and financial institutions adapt to the new landscape, 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.

A determination by the U.K. to exit or otherwise significantly change its relationship with the EU could affect the manner in which GSI conducts its businesses.

2(ii) ***Risks related to market volatility***

Certain market-making activities depend on market volatility to provide trading and arbitrage opportunities to clients and decreases in volatility may reduce these opportunities and adversely affect the results of these activities. In contrast, increased volatility, whilst it can increase trading volumes and spreads, also increases risk as measured by Value at Risk ("**VaR**") and may expose GSI to increased risks in connection with market-making activities or cause GSI to reduce its market-making positions to avoid increasing VaR. Limiting the size of such market-making positions can adversely affect GSI's profitability. In periods when volatility is increasing, but asset values are declining significantly, it may not be possible to sell assets at all or it may only be possible to do so at steep discounts. In such circumstances, GSI may be forced to either take on additional risk or to realise losses in order to decrease its VaR. In addition, increases in volatility increase the level of GSI's Risk-weighted Assets ("**RWAs**"), which increases GSI's capital requirements.

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 real estate) 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 and equities and mortgage-related activities. Because substantially all of these investing and market-making positions are marked-to-market on a daily basis, declines in asset values directly and immediately impact earnings, unless exposures have been effectively hedged to such declines. 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.

Asset-based management fees are received based on the value of clients' portfolios managed by GSI and, in some cases, incentive fees are also received based on increases in the value of such investments. Declines in asset values reduce the value of clients' portfolios which in turn reduce the fees earned for managing such assets.

Collateral is posted to support obligations 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. A classic 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.

2(iii) ***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 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 access to 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 and / or GSG's credit rating 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, and additional regulations are under consideration, to introduce more stringent liquidity requirements for large financial institutions. These regulations and others being considered address, among other matters, liquidity stress testing, minimum liquidity requirements, wholesale funding, restrictions on short-term debt issued by top-tier holding companies and requirements for structured notes and prohibitions on parent guarantees that are subject to cross-defaults. These may overlap with, and be impacted by, other regulatory changes, including new guidance on the treatment of brokered deposits and the capital, leverage and resolution and recovery frameworks applicable to large financial institutions, as well as proposals relating to minimum long-term debt requirements and bail-in capacity. 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.

2(iv) ***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 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.

To the extent that the final rules related to MREL or TLAC require GSI or GSG to issue material amounts of additional qualified loss-absorbing debt or to refinance material amounts of existing debt, such requirements, at least in the near term, could increase GSI's borrowing costs, perhaps materially, and negatively impact the debt capital markets.

2(v) ***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. Rules adopted under the Dodd-Frank Act require issuers of asset-backed securities and any person who organises and initiates an asset-backed securities transaction to retain economic exposure to the asset, which is likely to significantly increase the cost to GSI of engaging in securitisation activities. GSI's inability to reduce its credit risk by selling, syndicating or securitising these positions, including during periods of market stress, could negatively affect GSI's results of operations due to a decrease in the fair value of the positions, including due to the insolvency or bankruptcy of the borrower, as well as the loss of revenues associated with selling such securities or loans.

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. 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. Provisions of the European Market Infrastructure Regulation and Dodd-Frank 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.

2(vi) ***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.

2(vii) ***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 delivers 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. Derivative transactions may also involve the risk that documentation has not been properly executed, that executed agreements may not be enforceable against the counterparty, or that obligations under such agreements may not be able to be netted against other obligations with such counterparty. In addition, counterparties may claim that such transactions were not appropriate or authorised.

As a signatory to 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. The ISDA Protocol contemplates adoption of implementing regulations by various U.S. and non-U.S. regulators, and the ISDA Protocol's impact will depend on, among other things, how it is implemented.

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.

Regulations have been proposed or adopted in various jurisdictions that provide for significantly increased regulation of and restrictions on derivative markets and transactions, including the introduction of standardised execution and clearing, margining and reporting requirements for OTC derivatives. The EU has established regulatory requirements for OTC derivatives activities under the European Market Infrastructure Regulation, including requirements relating to portfolio reconciliation and reporting, which have already taken effect, as well as requirements relating to clearing and margining for uncleared derivatives, which are currently expected to be finalised during 2016. In addition, under the Dodd-Frank Act, the U.S. Commodity Futures Trading Commission has proposed or adopted rules relating to swaps, swap dealers and major swap participants, and the U.S. Securities and Exchange Commission ("**SEC**") has proposed or adopted rules relating to security-based swaps, security-based swap dealers and major security-based swap participants.

2(viii) ***Risks in connection with operational infrastructure***

GSI's businesses are highly dependent on its ability to process and monitor, on a daily basis, a 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 to regulators, exchanges and investors. Compliance with these legal and reporting requirements can be challenging, and GSI and other financial institutions have been 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.

As GSI's client base and geographical reach expands, and the volume, speed, frequency and complexity of transactions, especially electronic transactions (as well as the requirements to report such transactions on a real-time basis to clients, regulators and exchanges) increases, developing and maintaining operational systems and infrastructure becomes more challenging, and the risk of systems or human error in connection with such transactions increases, as well as the potential consequences of such errors due to the speed and volume of transactions involved and the potential difficulty associated with discovering such errors quickly enough to limit the resulting consequences.

Financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond GSI's control, such as a spike in transaction volume, adversely affecting GSI's ability to process these transactions or provide these services. GSI must continuously update these systems to support its operations and growth and to respond to changes in regulations and markets, and invest heavily in systemic controls and training to ensure that such transactions do not violate applicable rules and regulations or, due to errors in

processing such transactions, adversely affect markets, clients and counterparties or GSI itself. Systems enhancements and updates, as well as the requisite training, including in connection with the integration of new businesses, entail significant costs and create risks associated with implementing new systems and integrating them with existing ones.

Notwithstanding the proliferation of technology and technology-based risk and control systems, GSI's businesses ultimately rely on human beings as their greatest resource, and from time-to-time, mistakes are made that are not always caught immediately by technological processes or by other procedures which are intended to prevent and detect such errors. These can include calculation errors, mistakes in addressing emails, errors in software development or implementation, or simple errors in judgement. GSI strives to eliminate such human errors through training, supervision, technology and by duplicate or overlapping processes and controls. Human errors, even if promptly discovered and remediated, can result in material losses and liabilities for GSI.

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.

In recent years, there has been significant consolidation among clearing agents, exchanges and clearing houses and an increasing number of derivative transactions are now or in the near future will be cleared on exchanges, which has increased GSI's exposure to operational failure, termination or capacity constraints of the particular financial intermediaries that GSI uses and could affect its ability to find adequate and cost-effective alternatives in the event of any such failure, termination or constraint. Industry consolidation, whether among market participants or financial intermediaries, increases the risk of operational failure as disparate complex systems need to be integrated, often on an accelerated basis.

Furthermore, the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased centrality of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact GSI's ability to conduct business. Any such failure, termination or constraint could adversely affect GSI's ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses or result in financial loss or liability to its clients, impairment of its liquidity, disruption of its businesses, regulatory intervention or reputational damage.

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 or other communications, internet, transportation or other services facilities used by GSI 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.

GSI's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. There have been several recent highly publicised cases involving financial services and consumer-based companies reporting the unauthorised disclosure of client or customer information in recent years, as well as cyber attacks involving the dissemination, theft and destruction of corporate

information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third-parties, including actions by foreign governments.

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. In addition, due to the interconnectivity with third-party vendors, 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.

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. 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 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 litigation 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.

2(ix) ***Risks related to technology***

Technology is fundamental to GSI's businesses and industry. The growth of electronic trading and the introduction of new technologies is changing these businesses and presenting GSI with new challenges. Securities, futures and options transactions are increasingly occurring electronically, both on GSI's own systems and through other alternative trading systems, and it appears that the trend toward alternative trading systems will continue. Some of these alternative trading systems compete with GSI's businesses, particularly GSI's exchange-based market-making activities, and GSI may experience continued competitive pressures in these and other areas. In addition, the increased use by clients of low-cost electronic trading systems and direct electronic access to trading markets could cause a reduction in commissions and spreads. As clients increasingly use GSI's systems to trade directly in the markets, GSI may incur liabilities as a result of their use of GSI's order routing and execution infrastructure. Significant resources have been invested into the development of electronic trading systems and GSI expects to continue to do so, but there is no assurance that the revenues generated by these systems will yield an adequate return on this investment, particularly given the generally lower commissions arising from electronic trades.

2(x) ***Risks related 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 United Kingdom and the EU more generally but also in the United States as a subsidiary of GSG and in certain other jurisdictions. GSI faces the risk of significant intervention by regulatory and tax authorities 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 regulators or private parties challenging GSI's compliance with laws and regulations, it could be fined, prohibited from engaging in certain business activities, subject to limitations or conditions on its business activities 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 negatively impact GSI's profitability.

Separate and apart from the impact on the scope and profitability of GSI's business activities, day-to-day compliance with laws and regulations, in particular those laws and regulations adopted since 2008, has involved and will continue to involve significant amounts of time, including that of GSI's senior leaders and that of an increasing 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 ("**BRRD**"), 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 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 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.

Regulatory developments, in particular MiFID II, Basel III and the Dodd-Frank Act have significantly altered the regulatory framework within which GSI operates and may adversely affect GSI's competitive position and profitability.

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 legislation (in the form of Capital Requirements Directive and Capital Requirements Regulation, collectively known as "**CRD IV**") to implement the Basel Committee's December 2010 final capital framework for strengthening international capital standards (the "**Basel III**" capital requirements) for GSI. In addition, the EU has finalised MiFID II, which is scheduled to become effective in January 2018.

Additional market reforms also include rules on the recovery and resolution of EU institutions, rules on the separation of certain trading activities from deposit taking, rules on the cross-border provision of services from countries outside the European Economic Area, authorisations for regulators to impose position limits, requirements to execute certain transactions only on certain regulated venues, reporting requirements (including requirements to publish information about transactions), restrictions on short selling and credit default swaps, additional obligations and restrictions on the management and marketing of funds in the EU, sanctions for regulatory breach and further revised organisational, market structure, conduct of business and market abuse rules. The implementation of these reforms may 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.

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 and the prohibition on proprietary trading and the sponsorship of, or investment in, covered funds by the Volcker Rule may 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 regulations could expose GSI to liability and / or reputational damage. 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.

2(xi) ***Risks in connection with 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 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.

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.

2(xii) ***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 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.

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, as a result of the significant conflict between Russia and Ukraine in recent years, 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. GSI is also subject to the enhanced risk that transactions it structures might not be legally enforceable in all cases.

GSI's businesses and operations are increasingly expanding throughout the world, including emerging and growth markets, and this trend is expected to continue. Various emerging and growth market countries have experienced severe economic and financial disruptions, including significant devaluations of their currencies, defaults or threatened defaults on sovereign debt, capital and currency exchange controls, and low or negative growth rates in their economies, as well as military activity, civil unrest or acts of terrorism. The possible effects of any of these conditions include an adverse impact on GSI's businesses and increased volatility in financial markets generally.

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 U.K. 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.

2(xiii) ***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 Goldman Sachs' businesses and client base, GSI regularly addresses potential conflicts of interest, including situations where services to a particular client or Goldman Sachs' 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 Goldman Sachs and situations where it may be a creditor of an entity with which Goldman Sachs 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.

2(xiv) ***Risks related to competition***

The financial services industry and all of GSI's businesses are intensely competitive, and are expected to remain so. GSI competes on the basis of a number of factors, including transaction execution, products and services, innovation, reputation, creditworthiness and price. There has been substantial consolidation and convergence among companies in the financial services industry. This consolidation and convergence has also hastened the globalisation of the securities and other financial services markets.

As a result, GSI has had to commit capital to support its international operations and to execute large global transactions. 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.

2(xv) ***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 individuals; 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 GSI's profitability, or in the outlook for its future profitability, as well as regulatory limitations on compensation levels and terms, can negatively impact its ability to hire and retain highly qualified employees.

Competition from within the financial services industry and from businesses outside the financial services 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. 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 Regulatory 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.

2(xvi) ***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 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.

Recently, 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.

2(xvii) ***Risks in connection with unforeseen or catastrophic events***

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, such as the Ebola or Zika viruses, 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."

5. by replacing the sub-section "Goldman Sachs International" in the section "Documents Incorporated by Reference", on page 97 of the Original Base Prospectus, with the following:

"1. **Goldman Sachs International**

GSI files documents and information with the *Commission de Surveillance du Secteur Financier* (the "CSSF"). The following documents, which GSI has filed with the CSSF, are hereby incorporated by reference into this Base Prospectus:

- (a) The Annual Report for the fiscal year ended 31 December 2015 of GSI ("**GSI's 2015 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2015 ("**GSI's 2015 Financial Statements**").
- (b) The Unaudited Quarterly Financial Report of GSI for the period ended 30 September 2015 ("**GSI's 2015 Third Quarter Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 September 2015 ("**GSI's Third Quarter Financial Statements**").
- (c) The Unaudited Half-Yearly Financial Report of GSI for the period ended 30 June 2015 ("**GSI's 2015 Half-Yearly Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 June 2015 ("**GSI's Half-Yearly Financial Statements**").
- (d) The Annual Report for the fiscal year ended 31 December 2014 of GSI ("**GSI's 2014 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2014 ("**GSI's 2014 Financial Statements**").
- (e) The Annual Report for the fiscal year ended 31 December 2013 of GSI ("**GSI's 2013 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2013 ("**GSI's 2013 Financial Statements**").

Cross-Reference List

GSI Information in the Financial Statements	GSI's 2015 Annual Report	GSI's 2014 Annual Report
Management Report / Strategic Report	pp. 2-48	pp. 2-54
Report of the Directors	pp. 49-50	pp. 56-58
Balance Sheet	p. 54	p. 62

Profit and Loss Account	p. 53	p. 61
Statements of Cash Flows	p. 56	N/A*
Notes to the Financial Statements	pp. 57-94	pp. 64-103
Independent Auditors' Report	pp. 51-52	pp. 59-60

*The Statement of Cash Flows of GSI for the fiscal year ended 31 December 2014 are contained in GSI's 2015 Annual Report.

Any information incorporated by reference that is not included in the cross-reference list is considered to be additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004, as amended (the "**Prospectus Regulation**").

Pursuant to Article 23.4 of the Prospectus Regulation, audited cash flow statements for GSI for the year 2013 may be omitted from this Base Prospectus because, having regard to the information already included in the Base Prospectus and the nature of the Notes, Warrants and Certificates that may be issued, a cash flow statement of the kind provided for in the Prospectus Regulation will not provide prospective investors with meaningful additional information for the purposes of their assessment of GSI or the Securities that may be issued, and therefore including such information would be non-pertinent for the purposes of such assessment. Such information is only pertinent in being reviewed in relation to the 2014 audited cash flow statement."

6. by replacing the sub-section "Goldman Sachs & Co Wertpapier GmbH" in the section "Documents Incorporated by Reference", on pages 98 and 99 of the Original Base Prospectus with the following:

"2. Goldman Sachs & Co Wertpapier GmbH

The following documents, which have previously been published and have been filed with the CSSF shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) The German language version of the (i) Financial Statements for the business year from 1 January 2015 to 31 December 2015 and (ii) Auditors' Report thereon (together with, in each case, an unofficial English translation thereof, for which GSW accepts responsibility) (the "**GSW's 2015 Financial Statements**").
- (b) The German language version of the (i) Financial Statements for the business year from 1 January 2014 to 31 December 2014 and (ii) Auditors' Report thereon (together with, in each case, an unofficial English translation thereof, for which GSW accepts responsibility) (the "**GSW's 2014 Financial Statements**").

Cross-Reference List

GSW Information in the Financial Statements	GSW's 2015 Financial Statements*	GSW's 2014 Financial Statements*
Balance Sheet	p. 13	p. 8
Profit and Loss Account/Income Statement	p. 15	p. 9
Cash Flow Statement	p. 25	p. 16
Notes to the Financial Statements	pp. 17 – 23	pp. 10 – 15
Independent Auditors' Report	pp. 29 – 31	pp. 18 – 19

*The page numbers referenced above in relation to GSW's 2015 Financial Statements relate to the order in which the pages appear in the PDF version of such document.

Only the German language versions of GSW's 2015 Financial Statements and GSW's 2014 Financial Statements relating to GSW are legally binding and the page references above refer to the German language versions of such documents.

Any information incorporated by reference that is not included in the cross-reference list is considered to be additional information and is not required by the relevant schedules of the Prospectus Regulation.

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of any Securities. Any statement contained in a document or the relevant portion of which is incorporated by reference into this Base Prospectus, shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in this Base Prospectus or in any supplement to this Base Prospectus filed under Article 16 of the Prospectus Directive, including any documents incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). The documents incorporated by reference will be available on the Luxembourg Stock Exchange's website (www.bourse.lu)."

7. by replacing the fourth paragraph under the sub-heading "General Information on Goldman Sachs International" in the section "Goldman Sachs International", on page 562 of the Original Base Prospectus, with the following:

"There have been no principal investments made by GSI since the date of its last published financial statements. A description of GSI's principal future investments on which its management body has already made firm commitments may be found at pages 77 and 78 of GSI's 2015 Annual Report, which has been incorporated by reference into this Base Prospectus as set out above."

8. The first sub-paragraph of the paragraph entitled 'Capitalisation' on page 562 of the Original Base Prospectus shall now read as follows:

"GSI is authorised to issue 950,000,000 ordinary shares of U.S.\$ 1 each ("**Ordinary Shares**"), 1,500,000,000 A preference shares of U.S.\$ 0.01 each ("**A Preference Shares**") and 500,000,000 B preference shares of U.S.\$ 0.01 each ("**B Preference Shares**"). As at 31 December 2014, GSI has 581,964,161 issued Ordinary Shares. There are no issued Class A and Class B preference shares. The issue of additional shares by GSI shall be at the discretion of the Directors of GSI in accordance with Article 2(G) of the Articles of Association of GSI. All of the issued shares are fully paid and are owned by Goldman Sachs Holdings (U.K.) and Goldman Sachs Group Holdings (U.K.)."

9. by replacing the sub-section "Audit Committee" in the section "Goldman Sachs International", on pages 563 to 565 of the Original Base Prospectus, with the following:

"EMEA Conduct Risk Committee

The following are the members of the EMEA Conduct Risk Committee ("**ECRC**") of GSI:

Dermot McDonogh (Co-Chair)
Robert Mass (Co-Chair)
Isabelle Ealet (Attendee)
Chris French (Attendee)
Andrew Wilson (Attendee)
FX de Mallman (Attendee)

Sally Boyle (Attendee)
Lord Griffiths of Fforestfach (Attendee)
Andrew Bagley (Counsel)

The mission of the ECRC is to assist senior management of GSI in the Europe, Middle East and Africa region in the oversight of conduct risk and business standards. Conduct risk is the risk of engaging in activities that could adversely affect clients and/or the functioning of the financial markets.

The ECRC is accountable for business standards and practices, including reputational risk management (as defined below), within the scope of its mission.

The following are the duties and responsibilities of the ECRC:

1. Overseeing the Conduct Risk Framework:
 - Review processes for identifying conduct risk;
 - Review effectiveness of management information received regarding conduct risk;
 - Review effectiveness of governance processes around conduct risk;
 - Make recommendations for improvements in conduct risk management;
2. Reviewing select policies and procedures that address business standards and conduct risks;
3. Resolving cross divisional business practices and business selection matters;
4. Addressing business practices, suitability and reputational matters, including those escalated from other firm committees;
5. Addressing client concerns and incidents;
6. Reviewing internal and external incidents with significant conduct risk impact;
7. Overseeing certain sub-committees;
8. Providing regular substantive reports to, the European Management Committee, Firmwide Client and Business Standards Committee and the boards of directors, or committees of the boards, of significant entities in the region, as appropriate;
9. Discharging any other duties or responsibilities delegated to the ECRC from time to time.

In fulfilling these duties and responsibilities, the ECRC must consider, among other things, and to the extent applicable to the ECRC's activities, the potential effects of any business opportunities, transactions, new activities, acquisitions, dispositions, investments, or other similar matters ("transactions or matters") on the reputation of GSI.

When reviewing transactions or matters, the ECRC must specifically assess any applicable reputational risks to GSI. GSI has adopted the Federal Reserve's definition of reputational risk, which is "the potential that negative publicity regarding an institution's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions". ECRC memoranda relating to an approval of a transaction or matter must include a section entitled "Reputational Risks", which comprehensively describes any reputational risks and related mitigants.

Transactions or matters that have been approved and have been identified as presenting heightened reputational risk must be escalated to the Firmwide Reputational Risk Committee. The following characteristics, individually or in combination, may indicate "heightened" reputational risk to GSI, particularly:

- i) where GSI's participation has the potential to attract negative or outsized media, political or regulatory scrutiny (e.g., the transaction or matter involves a sovereign), and/or where effective mitigant(s) are not present;
- ii) the transaction or matter is highly complex or structured;
- iii) GSI is involved in multiple roles; or
- iv) there is a strong possibility of damage to GSI's reputation.

Moreover, in carrying out its duties and responsibilities the ECRC also takes into account as appropriate the broad policy considerations that GSI's trading and investment activities do not (i) involve or result in a material conflict of interest, (ii) result in a material exposure to high-risk assets or high-risk trading strategies that could significantly increase the likelihood that GSI could incur a substantial financial loss, or (iii) otherwise pose a threat to the safety and soundness of GSI or the financial stability of the United States or any other country in which GSI operates.

To the extent the ECRC is responsible for approving transactions or matters, the ECRC must consider the principles and preferences established in GSI's Risk Appetite Statement, which is approved by the Risk Committee of GSI's Board of Directors.

Where the ECRC is considering transactions or matters on behalf of Goldman Sachs Bank USA (the "**Bank**"), the ECRC will ensure that its highest priority is the interest of the Bank."

10. by replacing the sub-section "Selected Financial Information" in the section "Goldman Sachs International", on page 565 of the Original Base Prospectus, with the following:

"Selected Financial Information

The selected financial information set out below has been extracted from GSI's 2015 Financial Statements, which have been audited by PricewaterhouseCoopers LLP and on which PricewaterhouseCoopers LLP issued an unqualified audit report.

GSI's 2015 Financial Statements have been prepared in accordance with FRS 101. GSI's 2015 Financial Statements are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with the financial statements included in such document, the notes thereto and report thereon.

The following table shows selected key historical financial information in relation to GSI:

	Year ended	
	31 December 2015 (USD)	31 December 2014 (USD)
Operating Profit	2,939,000,000	2,275,000,000
Profit on ordinary activities before taxation	2,661,000,000	2,060,000,000
Profit for the financial year	2,308,000,000	1,608,000,000
	As of December	
	2015 (USD)	2014 (USD)
Fixed Assets	12,000,000	14,000,000
Current Assets	850,219,000,000	967,411,000,000

Total Shareholders' Funds	26,353,000,000	21,997,000,000
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11. by replacing the sub-section "GSW Overview" in the section "Goldman, Sachs & Co. Wertpapier GmbH", on page 566 of the Original Base Prospectus with the following:

"GSW has been established for the purpose of issuing securities, particularly warrants. Apart from warrants, GSW also issues certificates and structured bonds. The securities issued by GSW are sold to GSI. For issuances in Germany Goldman Sachs AG, Frankfurt am Main acts as the issuing and paying agent and is responsible for the settlement of all products issued by GSW and held in custody by Clearstream Banking Frankfurt. GSI assumes responsibility for the Luxembourg program with the depository Citibank N.A. (non-UK), Ireland and for the Swiss program. For issuances in the Netherlands Goldman Sachs AG assumes only the function of the issuing agent.

The purpose of GSW is the issuance of fungible securities as well as the conduct of financial transactions and auxiliary transactions for financial transactions. GSW 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*).

GSW arranges contrary hedging transactions with GSI to hedge against any market price risks. This places GSW in the position to meet its obligations in accordance with the securities issued.

During the financial year, GSW issued a total of 185,618 securities (prior year: 102,605), an increase of over 80%. 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.

GSW operates its business primarily in Germany and in the Netherlands and, to a lesser extent, also in other European countries including Austria, Luxembourg and the United Kingdom. The financial year 2015 was characterised by a dynamic market environment. The number of issuances increased significantly compared to the prior financial year."

12. by replacing the sub-section "Selected Financial Information" in the section "Goldman, Sachs & Co. Wertpapier GmbH", on pages 567 and 568 of the Original Base Prospectus with the following:

"The selected financial information set out below has been extracted from GSW's 2015 Financial Statements produced by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft.

GSW's 2014 Financial Statements and GSW's 2015 Financial Statements are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with the financial statements included in such documents, the notes thereto and report thereon.

The following table shows selected key historical financial information in relation to GSW:

	As of and for the year ended	
	31 December 2015 (EUR)	31 December 2014 (EUR)
Operating income	677,585.76	527,606.85
Taxation on income	-216,316.24	-170,401.49
Net Income	461,269.52	357,205.36
	As at	
	31 December 2015 (EUR)	31 December 2014 (EUR)

Total assets	4,975,138,387.11	4,574,414,791.34
Total capital and reserves	3,334,779.14	2,873,509.62

13. Sub-paragraphs (a) and (b) under the sub-heading 'Financial Statements' in the section "General Information", on page 645 of the Original Base Prospectus, shall now read as follows:

"(a) Goldman Sachs International

The statutory financial statements of GSI for the periods ended 31 December 2015 and 31 December 2014 have been audited without qualification by PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 7 More London Riverside, London, SE1 2RT in accordance with the laws of England. PricewaterhouseCoopers LLP is a registered member of the Institute of Chartered Accountants in England and Wales.

(b) Goldman, Sachs & Co. Wertpapier GmbH

The annual financial statements of GSW for the periods ended 31 December 2015 and 31 December 2014 have been audited without qualification by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Friedrich-Ebert-Anlage 35 – 37, 60327 Frankfurt am Main in accordance with the laws of Germany. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), a public body (*Körperschaft des öffentlichen Rechts*), Rauchstraße 26, 10787 Berlin."

14. by replacing the first two paragraphs immediately under the sub-heading "No significant change and no material adverse change" in the section "General Information", on page 645 of the Original Base Prospectus, with the following:

"There has been no significant change in the financial or trading position of GSI or GSW since 31 December 2015.

There has been no material adverse change in the prospects of GSI or GSW since 31 December 2015."

15. by replacing the sub-section "Litigation" in the section "General Information", on page 645 of the Original Base Prospectus, with the following:

"4. Litigation

Save as disclosed in (i) paragraph (c) of Note 27 to the Financial Statements (page 92) of GSI's 2014 Annual Report, (ii) paragraph (c) of Note 17 to the Financial Statements (page 43) of GSI's 2015 Half-Yearly Financial Report, (iii) "Legal Proceedings" of Note 15 to the Financial Statements (pages 33 and 34) of GSI's 2015 Third Quarter Financial Report and (iv) "Legal Proceedings" of Note 27 to the Financial Statements (pages 77 and 78) of GSI's 2015 Annual Report, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GSI or GSW is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on GSI or GSW."

Responsibility

Each of Goldman Sachs International and Goldman, Sachs & Co. Wertpapier GmbH accepts responsibility for the information given in this Prospectus Supplement and confirms that, having taken all reasonable care to

ensure that such is the case, the information contained in this Prospectus Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Rights of withdrawal

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Prospectus Supplement is published have the right exercisable until 30 March 2016, which is two working days after the publication of this Prospectus Supplement, to withdraw their acceptances.

Interpretation

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

References to the Base Prospectus shall hereafter mean the Base Prospectus as supplemented by this Prospectus Supplement.

U.S. notice

This Prospectus Supplement is not for use in, and may not be delivered to or inside, the United States.

Prospectus Supplement, dated 24 March 2016

PROSPECTUS SUPPLEMENT NO. 4 TO THE BASE PROSPECTUS DATED 17 NOVEMBER 2015



GOLDMAN SACHS INTERNATIONAL
(Incorporated with unlimited liability in England)

**as Issuer and as Guarantor in respect of Securities issued by
Goldman, Sachs & Co. Wertpapier GmbH**

GOLDMAN, SACHS & CO. WERTPAPIER GMBH
(Incorporated with limited liability in Germany)

as Issuer

**SERIES K PROGRAMME FOR THE ISSUANCE OF
WARRANTS, NOTES AND CERTIFICATES**

This Prospectus Supplement

This prospectus supplement (the "**Prospectus Supplement**") to the base prospectus dated 17 November 2015 prepared by Goldman, Sachs & Co. Wertpapier GmbH ("**GSW**") as issuer and Goldman Sachs International ("**GSI**") as issuer and as guarantor in respect of Securities issued by GSW under their programme for the issuance of warrants, notes and certificates with respect to the securities (the "**Programme**") (the "**Original Base Prospectus**"), constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005, as amended (the "**Luxembourg Law**") and should be read in conjunction therewith and with Prospectus Supplement No. 1 to the Base Prospectus, dated 20 November 2015, Prospectus Supplement No. 2 to the Base Prospectus, dated 21 January 2016 and Prospectus Supplement No. 3 to the Base Prospectus, dated 24 March 2016 (the Original Base Prospectus, as so supplemented prior to this Prospectus Supplement, the "**Base Prospectus**"). On 17 November 2015, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus for the purposes of Article 7 of the Luxembourg Law.

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement unless otherwise defined herein. This Prospectus Supplement shall form part of and be read in conjunction with the Base Prospectus.

Information being supplemented

Incorporation by reference

This Prospectus Supplement supplements the Base Prospectus by incorporating by reference Goldman Sachs International's unaudited quarterly financial report for the quarter ended 31 March 2016 ("**GSI's 2016 First Quarter Financial Report**").

A copy of GSI's 2016 First Quarter Financial Report has been filed with the CSSF in its capacity as competent authority under the Prospectus Directive.

GSI's 2016 First Quarter Financial Report is incorporated by reference into, and forms part of, this Prospectus Supplement, and the information contained in this Prospectus Supplement and GSI's 2016 First Quarter Financial Report shall be deemed to update and, where applicable, supersede any information contained in the Base Prospectus, or any documents incorporated by reference therein.

This Prospectus Supplement and the document incorporated by reference into this Prospectus Supplement will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Amendments to the Base Prospectus

The Base Prospectus shall be amended by virtue of this Prospectus Supplement, as follows:

1. Element B.12 (*Selected historical key financial information of the Issuer*), on pages 4 to 5 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall now read as follows:

"

B.12	Selected historical key financial information of the Issuer	[The following table shows selected key historical financial information in relation to GSI:				
		Three months ended (unaudited)				
		Year ended				
		<i>(in USD)</i>				
		31 March 2016				
		31 March 2015				
		December 2015				
		December 2014				
		Operating Profit	627,000,000	1,019,000,000	2,939,000,000	2,275,000,000
		Profit on ordinary activities before taxation	545,000,000	969,000,000	2,661,000,000	2,060,000,000
		Profit for the financial period	385,000,000	777,000,000	2,308,000,000	1,608,000,000
		As of (unaudited)	As of			
		March 2016	December 2015	December 2014		
		<i>(in USD)</i>				
Fixed Assets	9,000,000	12,000,000	14,000,000			
Current Assets	1,053,380,000,000	850,219,000,000	967,411,000,000			
Total Shareholders' funds:	26,850,000,000	26,353,000,000	21,997,000,000]			
[The following table shows selected key historical financial information in relation to GSW:						
As of and for the year ended						
31 December 2015	31 December 2014					
(EUR)	(EUR)					
Operating income	677,585.76	527,606.85				
Taxation on income	-216,316.24	-170,401.49				
Net Income	461,269.52	357,205.36				
31 December 2015	As at	31 December 2014				
(EUR)		(EUR)				

		Total assets	4,975,138,387.11	4,574,414,791.34
		Total capital and reserves	3,334,779.14	2,873,509.62]
		[There has been no material adverse change in the prospects of GSI since 31 December 2015.]		
		[There has been no material adverse change in the prospects of GSW since 31 December 2015.]		
		[Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 31 March 2016.]		
		[Not applicable; there has been no significant change in the financial or trading position particular to GSW subsequent to 31 December 2015.]		

2. Element B.19 (B.12) (*Selected historical key financial information of the Guarantor*) in the Summary, on page 8 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

B.19 (B.12)	Selected historical key financial information of the Guarantor	The following table shows selected key historical financial information in relation to GSI:				
			Three months ended (unaudited)		Year ended	
		<i>(in USD)</i>	31 March 2016	31 March 2015	31 December 2015	31 December 2014
		Operating Profit	627,000,000	1,019,000,000	2,939,000,000	2,275,000,000
		Profit on ordinary activities before taxation	545,000,000	969,000,000	2,661,000,000	2,060,000,000
		Profit on ordinary activities after taxation	385,000,000	777,000,000	2,308,000,000	1,608,000,000
			As of (unaudited) March 2016		As of	
		<i>(in USD)</i>			December 2015	December 2014
		Fixed Assets	9,000,000		12,000,000	14,000,000
		Current Assets	1,053,380,000,000		850,219,000,000	967,411,000,000
Total Shareholders' Funds	26,850,000,000		26,353,000,000	21,997,000,000]		
		There has been no material adverse change in the prospects of GSI since 31 December 2015.				
		Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 31 March 2016.				

3. the sub-section "Goldman Sachs International" in the section "Documents Incorporated by Reference", on page 97 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"1. Goldman Sachs International

GSI files documents and information with the *Commission de Surveillance du Secteur Financier* (the "CSSF"). The following documents, which GSI has filed with the CSSF, are hereby incorporated by reference into this Base Prospectus:

- (a) The Unaudited Quarterly Financial Report of GSI for the period ended 31 March 2016 ("**GSI's 2016 First Quarter Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 31 March 2016 ("**GSI's 2016 First Quarter Financial Statements**").
- (b) The Annual Report for the fiscal year ended 31 December 2015 of GSI ("**GSI's 2015 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2015 ("**GSI's 2015 Financial Statements**").
- (c) The Unaudited Quarterly Financial Report of GSI for the period ended 30 September 2015 ("**GSI's 2015 Third Quarter Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 September 2015 ("**GSI's Third Quarter Financial Statements**").
- (d) The Unaudited Half-Yearly Financial Report of GSI for the period ended 30 June 2015 ("**GSI's 2015 Half-Yearly Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 June 2015 ("**GSI's Half-Yearly Financial Statements**").
- (e) The Annual Report for the fiscal year ended 31 December 2014 of GSI ("**GSI's 2014 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2014 ("**GSI's 2014 Financial Statements**").
- (f) The Annual Report for the fiscal year ended 31 December 2013 of GSI ("**GSI's 2013 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2013 ("**GSI's 2013 Financial Statements**").

Cross-Reference List

GSI Information in the Financial Statements	GSI's 2016 First Quarter Financial Report	GSI's 2015 Annual Report	GSI's 2014 Annual Report
Management Report / Strategic Report	p.2	pp. 2-48	pp. 2-54
Report of the Directors	Not Applicable	pp. 49-50	pp. 56-58
Balance Sheet	p.25	p. 54	p. 62
Profit and Loss Account	p.24	p. 53	p. 61
Statements of Cash Flows	p.27	p. 56	p. 63
Notes to the Financial Statements	pp.28-45	pp. 57-94	pp. 64-103
Independent Auditors' Report	Not Applicable	pp. 51-52	pp. 59-60

Any information incorporated by reference that is not included in the cross-reference list is considered to be additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004, as amended (the "**Prospectus Regulation**")."

4. The fourth paragraph under the sub-heading "General Information on Goldman Sachs International" in the section "Goldman Sachs International", on page 562 of the Original Base Prospectus, shall be replaced with the following:

"There have been no principal investments made by GSI since the date of its last published financial statements. A description of GSI's principal future investments on which its management body has already made firm commitments may be found at page 33 of GSI's 2016 First Quarter Financial Report, which has been incorporated by reference into this Base Prospectus as set out above."

5. The sub-section "Selected Financial Information" in the section "Goldman Sachs International", on page 561 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"Selected Financial Information"

The selected financial information set out below has been extracted from (i) GSI's 2015 Financial Statements, which have been audited by PricewaterhouseCoopers LLP and on which PricewaterhouseCoopers LLP issued an unqualified audit report, (ii) GSI's 2016 First Quarter Financial Statements, which have not been audited.

GSI's 2015 Financial Statements have been prepared in accordance with FRS 101. GSI's 2015 Financial Statements are incorporated by reference into this Base Prospectus. GSI's 2016 First Quarter Financial Statements have been prepared in accordance with FRS 104. GSI'S 2015 Financial Statements and GSI's 2016 First Quarter Financial Statements are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with the financial statements included in such document, the notes thereto and report thereon

The following table shows selected key historical financial information in relation to GSI:

	Three months ended		Year ended	
	31 March 2016 (USD)	31 March 2015 (USD)	31 December 2015 (USD)	31 December 2014 (USD)
Operating Profit	627,000,000	1,019,000,000	2,939,000,000	2,275,000,000
Profit on ordinary activities before taxation	545,000,000	969,000,000	2,661,000,000	2,060,000,000
Profit for the financial year	385,000,000	777,000,000	2,308,000,000	1,608,000,000

	As at (unaudited) March 2016 (USD)	As at	
		December 2015 (USD)	December 2014 (USD)
Fixed Assets	9,000,000	12,000,000	14,000,000
Current Assets	1,053,380,000,000	850,219,000,000	967,411,000,000

Total Shareholders' Funds	26,850,000,000	26,353,000,000	21,997,000,000
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"

6. The paragraph immediately under the sub-heading "No significant change and no material adverse change" in the section "General Information", on page 645 of the Original Base Prospectus, shall be replaced with the following:

"There has been no significant change in the financial or trading position of GSI since 31 March 2016

There has been no significant change in the financial or trading position of GSW since 31 December 2015."

7. The sub-section "Litigation" in the section "General Information", on page 645 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"4. **Litigation**

Save as disclosed in (i) paragraph (c) of Note 27 to the Financial Statements (page 92) of GSI's 2014 Annual Report, (ii) paragraph (c) of Note 17 to the Financial Statements (page 43) of GSI's 2015 Half-Yearly Financial Report, (iii) "Legal Proceedings" of Note 15 to the Financial Statements (pages 33 and 34) of GSI's 2015 Third Quarter Financial Report, (iv) "Legal Proceedings" of Note 25 to the Financial Statements (pages 77 and 78) of GSI's 2015 Annual Report and (v) "Legal Proceedings" of Note 15 to the Financial Statements (pages 33 and 34) of GSI's 2016 First Quarter Financial Report, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GSI or GSW is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on GSI or GSW."

Responsibility

Each of Goldman Sachs International and Goldman, Sachs & Co. Wertpapier GmbH accepts responsibility for the information given in this Prospectus Supplement and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Rights of withdrawal

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Prospectus Supplement is published have the right exercisable until 27 May 2016, which is two working days after the publication of this Prospectus Supplement, to withdraw their acceptances.

Interpretation

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

References to the Base Prospectus shall hereafter mean the Base Prospectus as supplemented by this Prospectus Supplement.

U.S. notice

This Prospectus Supplement is not for use in, and may not be delivered to or inside, the United States.

Prospectus Supplement, dated 24 May 2016

48685327(Ver4)/Ashurst(MGAGGI/ARANCE)/JG

PROSPECTUS SUPPLEMENT NO. 5 TO THE BASE PROSPECTUS DATED 17 NOVEMBER 2015



GOLDMAN SACHS INTERNATIONAL
(Incorporated with unlimited liability in England)

**as Issuer and as Guarantor in respect of Securities issued by
Goldman, Sachs & Co. Wertpapier GmbH**

GOLDMAN, SACHS & CO. WERTPAPIER GMBH
(Incorporated with limited liability in Germany)

as Issuer

**SERIES K PROGRAMME FOR THE ISSUANCE OF
WARRANTS, NOTES AND CERTIFICATES**

This Prospectus Supplement

This prospectus supplement (the "**Prospectus Supplement**") to the base prospectus dated 17 November 2015 prepared by Goldman, Sachs & Co. Wertpapier GmbH ("**GSW**") as issuer and Goldman Sachs International ("**GSI**") as issuer and as guarantor in respect of Securities issued by GSW under their programme for the issuance of warrants, notes and certificates with respect to the securities (the "**Programme**") (the "**Original Base Prospectus**"), constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005, as amended (the "**Luxembourg Law**") and should be read in conjunction therewith and with Prospectus Supplement No. 1 to the Base Prospectus, dated 20 November 2015, Prospectus Supplement No. 2 to the Base Prospectus, dated 21 January 2016, Prospectus Supplement No. 3 to the Base Prospectus, dated 24 March 2016 and Prospectus Supplement No. 4 to the Base Prospectus, dated 24 May 2016 (the Original Base Prospectus, as so supplemented prior to this Prospectus Supplement, the "**Base Prospectus**"). On 17 November 2015, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus for the purposes of Article 7 of the Luxembourg Law.

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement unless otherwise defined herein. This Prospectus Supplement shall form part of and be read in conjunction with the Base Prospectus.

Purpose of this Prospectus Supplement

The purpose of this Prospectus Supplement is to supplement and amend certain information in the sections "General Terms and Conditions of the Instruments", "General Terms and Conditions of The Notes" and "Taxation" in the Base Prospectus.

Amendments to the Base Prospectus

The Base Prospectus shall be amended by virtue of this Prospectus Supplement, as follows:

1. by amending the section entitled "General Terms and Conditions of the Instruments" as follows:
 - (a) General Instrument Condition 2(a) (*Definitions*), on pages 118 to 137 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be amended by inserting the following definition:

"Default Quotation Period" means the period beginning on the day the Non-scheduled Early Repayment Amount first becomes due and ending on the third Business Day after such due day unless:

- (i) no quotation described in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Instrument Condition 2) is obtained during such period, or
- (ii) each such quotation so obtained is objected to within five Business Days after such due day as provided in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Instrument Condition 2).

If either of the events set out in paragraph (i) or (ii) above occurs, the Default Quotation Period will continue until the third Business Day after the first Business Day on which prompt notice is given of such a quotation as provided in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Instrument Condition 2), unless such quotation is objected to as provided in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Instrument Condition 2) within five Business Days after such first Business Day, in which case the Default Quotation Period will continue as provided in this sentence. Notwithstanding the foregoing, if the Default Quotation Period (and the subsequent two Business Day objection period) has not ended prior to the Maturity Date, then the Non-scheduled Early Repayment Amount for such Instrument will equal the Settlement Amount of the Instrument."

- (b) the definition of "Non-scheduled Early Repayment Amount" in General Instrument Condition 2(a) (*Definitions*), on page 131 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with:

"Non-scheduled Early Repayment Amount" means, on any day:

- (i) in respect of a Certificate, if "**Par**" is specified in the relevant Final Terms, an amount in the Settlement Currency equal to the Nominal Amount; or
- (ii) if "**Fair Market Value**" is specified in the relevant Final Terms, an amount, in the Settlement Currency, which shall be determined by the Calculation Agent in accordance with paragraph (A) or (B) as applicable:
 - (A) in the case of a Non-scheduled Early Repayment Amount being payable due to the occurrence of an Event of Default and with respect to an Instrument, on any day, an amount equal to the cost of having a Qualified Financial Institution, expressly assume all Issuer's payment and other obligations with respect to that Instrument as of that day and as if no default or acceleration had occurred (or to undertake other obligations providing substantially equivalent economic value to the Holder of such Instrument as the Issuer's obligations hereunder). Such cost will be equal to:
 - (1) the lowest amount that a Qualified Financial Institution (selected as provided below) would charge to effect this assumption or undertaking, plus
 - (2) the reasonable expenses (including reasonable attorneys' fees), incurred by the Holder of such Instrument in preparing any documentation necessary for such assumption or undertaking.

During the Default Quotation Period, each Holder of an Instrument and the Issuer (or Calculation Agent or Guarantor (if applicable) on its behalf) may request a Qualified Financial Institution to provide a quotation of the amount it would charge to effect such assumption or

undertaking and must, if it obtains such a quotation, notify the other in writing of such quotation. The amount referred to in paragraph (1) above will equal the lowest (or, if there is only one, the only) quotation so obtained, and as to which notice is so given, during the Default Quotation Period; provided, however, that, with respect to any quotation, the party not obtaining such quotation may object, on reasonable and significant grounds, to the effectuation of such assumption or undertaking by the Qualified Financial Institution providing such quotation and notify the other party in writing of such grounds within two Business Days after the last day of the Default Quotation Period, in which case that quotation will be disregarded in determining the Non-scheduled Early Repayment Amount; or

- (B) otherwise, on any day, an amount based on the quotes of three Qualified Financial Institutions, as the suitable market price of an Instrument, taking into account its remaining present value, immediately before the redemption. In the event that quotes are not able to be obtained from three Qualified Financial Institutions, the amount shall be determined in good faith by the Calculation Agent as the fair market value of the Instrument, taking into account the remaining present value, immediately before the redemption, and, only if "Adjusted for any reasonable expenses and costs" is specified to be applicable in the relevant Final Terms, adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates, including, those relating to the unwinding of any underlying and/or related hedging and funding arrangements, as determined by the Calculation Agent."

- (c) paragraph (b) entitled "Consequences" in General Instrument Condition 31 (*Events of Default*), on page 165 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"*Consequences*: If an Event of Default occurs and is continuing, the Holder of any Instrument may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Programme Agent declare its Instrument to be immediately due and payable and unless all such defaults have been cured by the Issuer or the Guarantor (if applicable) prior to the receipt of such notice, the nominal amount of the Instrument (if any) shall be immediately due and payable together with accrued interest (if any) unless the Settlement Amount or Interest Amount of the Instrument is linked to or determined by reference to one or more Underlying Asset(s), in which case the amount payable upon such acceleration shall be equal to the Non-scheduled Early Repayment Amount (and the payment of such amount shall be postponed until the Business Day after the Non-scheduled Early Repayment Amount has been finally determined)."

2. by amending the section entitled "General Terms and Conditions of the Notes" as follows:

- (a) the definition of "Holder" in General Note Condition 2(a) (*Definitions*), on page 178 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

""**Holder**" has the meaning given in General Note Condition 4 (*Title*)""

- (b) the definition of "Noteholder" in General Note Condition 2(a) (*Definitions*), on page 181 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

""**Noteholder**" has the meaning given in General Note Condition 4 (*Title*)""

- (c) the bolded text "holder of Notes" in General Note Condition 4(b) (*Title to Notes represented by a Global Registered Note*), on page 190 of the Original Base Prospectus, as

supplemented prior to this Prospectus Supplement, shall be replaced with **"Holder of Notes"**

- (d) the definition of "Non-scheduled Early Repayment Amount" in General Note Condition 2(a) (*Definitions*), on page 181 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with:

"Non-scheduled Early Repayment Amount" means, on any day:

- (i) if "Par" is specified in the relevant Final Terms, an amount in the Specified Currency, equal to the Specified Denomination of a Note (or, if less, its outstanding nominal amount); or
- (ii) if "Fair Market Value" is specified in the relevant Final Terms, an amount, in the Specified Currency, which shall be determined by the Calculation Agent in accordance with paragraph (A) or (B) as applicable:
 - (A) in the case of a Non-scheduled Early Repayment Amount being payable due to the occurrence of an Event of Default and with respect to a Note, on any day, an amount equal to the cost of having a Qualified Financial Institution, expressly assume all Issuer's payment and other obligations with respect to that Note as of that day and as if no default or acceleration had occurred (or to undertake other obligations providing substantially equivalent economic value to the Holder of such Note as the Issuer's obligations hereunder). Such cost will be equal to:
 - (1) the lowest amount that a Qualified Financial Institution (selected as provided below) would charge to effect this assumption or undertaking, plus
 - (2) the reasonable expenses (including reasonable attorneys' fees), incurred by the Holder of such Note in preparing any documentation necessary for such assumption or undertaking.

During the Default Quotation Period, each Holder of a Note and the Issuer (or Calculation Agent or Guarantor (if applicable) on its behalf) may request a Qualified Financial Institution to provide a quotation of the amount it would charge to effect such assumption or undertaking and must, if it obtains such a quotation, notify the other in writing of such quotation. The amount referred to in paragraph (1) above will equal the lowest (or, if there is only one, the only) quotation so obtained, and as to which notice is so given, during the Default Quotation Period; provided, however, that, with respect to any quotation, the party not obtaining such quotation may object, on reasonable and significant grounds, to the effectuation of such assumption or undertaking by the Qualified Financial Institution providing such quotation and notify the other party in writing of such grounds within two Business Days after the last day of the Default Quotation Period, in which case that quotation will be disregarded in determining the Non-scheduled Early Repayment Amount; or

- B) otherwise, on any day, an amount based on the quotes of three Qualified Financial Institutions, as the suitable market price of a Note, taking into account its remaining present value, immediately before the redemption. In the event that quotes are not able to be obtained from three Qualified Financial Institutions, the amount shall be determined in good faith by the Calculation Agent as the fair market value of the Note, taking into account the remaining present value, immediately before the redemption, and, only if "Adjusted for any reasonable expenses and costs" is specified to be applicable in the relevant Final Terms, adjusted to account fully for any reasonable

expenses and costs of the Issuer and/or its affiliates, including, those relating to the unwinding of any underlying and/or related hedging and funding arrangements, as determined by the Calculation Agent."

- (e) General Note Condition 2(a) (*Definitions*), on pages 170 to 188 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be amended by inserting the following definition:

"Default Quotation Period" means the period beginning on the day the Non-scheduled Early Repayment Amount first becomes due and ending on the third Business Day after such due day unless:

- (i) no quotation described in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Note Condition 2) is obtained during such period, or
- (ii) each such quotation so obtained is objected to within five Business Days after such due day as provided in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Note Condition 2).

If either of the events set out in paragraph (i) or (ii) above occurs, the Default Quotation Period will continue until the third Business Day after the first Business Day on which prompt notice is given of such a quotation as provided in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Note Condition 2), unless such quotation is objected to as provided in paragraph (A) of the definition of "Non-scheduled Early Repayment Amount" (as set out in this General Note Condition 2) within five Business Days after such first Business Day, in which case the Default Quotation Period will continue as provided in this sentence. Notwithstanding the foregoing, if the Default Quotation Period (and the subsequent two Business Day objection period) has not ended prior to the Maturity Date, then the Non-scheduled Early Repayment Amount for such Note will equal the Final Redemption Amount of the Note."

- (f) paragraph (b) entitled "Consequences" in General Note Condition 14 (*Events of Default*), on page 205 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"Consequences: If an Event of Default occurs and is continuing, the Holder of any Note may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare its Note to be immediately due and payable and unless all such defaults have been cured by the Issuer or the Guarantor (if applicable) prior to the receipt of such notice, the principal of the Note shall be immediately due and payable together with accrued interest (if any) unless the Redemption Amount or Interest Amount of the Note is linked to or determined by reference to an Underlying Asset(s), in which case the amount payable upon such acceleration shall be equal to the Non-scheduled Early Repayment Amount (and the payment of such amount shall be postponed until the Business Day after the Non-scheduled Early Repayment Amount has been finally determined)."

3. by amending the section entitled "Taxation" as follows:

- (a) the sub-section entitled "The proposed financial transaction tax ("FTT")", on page 569 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium,

Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt. Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating States. Although the FTT implementation was originally envisaged for 1 January 2014, the process has been delayed.

On 17 June 2016 the Council of the European Union discussed work on a proposal aimed at introducing the FTT in ten member states (Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain – "**Participating States**").

The FTT proposal is aimed at (i) ensuring that the financial sector pays its fair share of tax and (ii) discouraging transactions that do not enhance the efficiency of financial markets. The proposed directive defines how the FTT would be implemented in the Participating States. It mirrors the scope and objectives of the Commission's Proposal. It involves a minimum 0.1 per cent. tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01 per cent. tax rate. The proposed directive requires unanimous agreement of the Participating States, after consulting the European Parliament.

Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT."

- (b) the first paragraph under the sub-section entitled "Italian Tax Considerations", on page 593 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"Italian Tax Considerations

The following is a general overview of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Securities by Italian resident investors and does not in any way constitute, nor should it be relied upon as being, a tax advice or a tax opinion covering any or all of the relevant tax considerations surrounding or connected to the purchase, ownership or disposal of the Securities by Italian or non-Italian resident investors. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Securities, some of which may be subject to special rules. This overview is based upon Italian tax laws and published practice in effect as at 1 August 2016 which may be subject to change, potentially with retroactive effect."

- (c) the fourth paragraph beginning with "Where an Italian resident Investor" under sub-section 1 entitled "Securities representing debt instruments implying a "use of capital"", on page 593 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"Where an Italian resident Investor is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy - to which the Securities are effectively connected – of a non – Italian resident entity and the Securities are deposited with an authorised intermediary, interest, premium and other income from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Investor's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**", levied at the rate of 27.5 per

cent. which will be reduced to 24 per cent., with effect from fiscal year following that in progress on 31 December 2016) and, in certain circumstances, depending on the "status" of the Investor, also to regional tax on productive activities ("IRAP", generally levied at the rate of 3.9 per cent., even though regional surcharges may apply)."

- (d) the second, third and fourth paragraphs under sub-section 9 entitled "European Savings directive", on page 599 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

"However, on 10 November 2015, the Council of the European Union adopted Council Directive 2015/2060 of 10 November 2015 (the "**Directive 2015/2060**"), repealing the EU Savings Tax Directive with effect from 1 January 2016. Certain provisions of the EU Savings Tax Directive will continue to be effective during 2016 and Austria will continue to apply the EU Savings Directive until 31 December 2016 (and until 30 June 2017 in relation to some of its obligations or, in any case, until those obligations have been fulfilled). The repeal of the EU Savings Tax Directive is aimed at preventing overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

In order to implement in Italy the Directive 2015/2060, Law No. 122 of 7 July 2016 (the European Delegation Law 2015-2016) has repealed the Decree No. 84 with effect from 1 January 2016. Certain provisions of the Decree No. 84 will continue to be effective during 2016."

This Prospectus Supplement will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Responsibility

Each of Goldman Sachs International and Goldman, Sachs & Co. Wertpapier GmbH accepts responsibility for the information given in this Prospectus Supplement and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Rights of withdrawal

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Prospectus Supplement is published have the right exercisable until 3 August 2016, which is two working days after the publication of this Prospectus Supplement, to withdraw their acceptances.

Interpretation

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

References to the Base Prospectus shall hereafter mean the Base Prospectus as supplemented by this Prospectus Supplement.

U.S. notice

This Prospectus Supplement is not for use in, and may not be delivered to or inside, the United States.

Prospectus Supplement dated 1 August 2016

49913917(Ver4)/Ashurst(MGAGGI/TCHAGG)/JG

PROSPECTUS SUPPLEMENT NO. 6 TO THE BASE PROSPECTUS DATED 17 NOVEMBER 2015



GOLDMAN SACHS INTERNATIONAL
(Incorporated with unlimited liability in England)

**as Issuer and as Guarantor in respect of Securities issued by
Goldman, Sachs & Co. Wertpapier GmbH**

GOLDMAN, SACHS & CO. WERTPAPIER GMBH
(Incorporated with limited liability in Germany)

as Issuer

**SERIES K PROGRAMME FOR THE ISSUANCE OF
WARRANTS, NOTES AND CERTIFICATES**

This Prospectus Supplement

This prospectus supplement (the "**Prospectus Supplement**") to the base prospectus dated 17 November 2015 prepared by Goldman, Sachs & Co. Wertpapier GmbH ("**GSW**") as issuer and Goldman Sachs International ("**GSI**") as issuer and as guarantor in respect of Securities issued by GSW under their programme for the issuance of warrants, notes and certificates with respect to the securities (the "**Programme**") (the "**Original Base Prospectus**"), constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005, as amended (the "**Luxembourg Law**") and should be read in conjunction therewith and with Prospectus Supplement No. 1 to the Base Prospectus, dated 20 November 2015, Prospectus Supplement No. 2 to the Base Prospectus, dated 21 January 2016, Prospectus Supplement No. 3 to the Base Prospectus, dated 24 March 2016, Prospectus Supplement No. 4 to the Base Prospectus, dated 24 May 2016 and Prospectus Supplement No. 5 to the Base Prospectus, dated 1 August 2016 (the Original Base Prospectus, as so supplemented prior to this Prospectus Supplement, the "**Base Prospectus**"). On 17 November 2015, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus for the purposes of Article 7 of the Luxembourg Law.

Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement unless otherwise defined herein. This Prospectus Supplement shall form part of and be read in conjunction with the Base Prospectus.

Incorporation by reference

This Prospectus Supplement supplements the Base Prospectus by incorporating by reference Goldman Sachs International's unaudited quarterly financial report for the quarter ended 30 June 2016 ("**GSI's 2016 Second Quarter Financial Report**").

A copy of GSI's 2016 Second Quarter Financial Report has been filed with the CSSF in its capacity as competent authority under the Prospectus Directive.

GSI's 2016 Second Quarter Financial Report is incorporated by reference into, and forms part of, this Prospectus Supplement, and the information contained in this Prospectus Supplement and GSI's 2016 Second Quarter Financial Report, shall be deemed to update and, where applicable, supersede any information contained in the Base Prospectus, or any documents incorporated by reference therein.

This Prospectus Supplement and the document incorporated by reference into this Prospectus Supplement will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

Amendments to the Summary

The Summary shall be amended by virtue of this Prospectus Supplement, as follows:

- by replacing Element B.12 (*Selected historical key financial information of the Issuer*), on pages 4 to 5 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, with the following:

B.12	Selected historical key financial information of the Issuer	[The following table shows selected key historical financial information in relation to GSI:										
		<table border="0"> <tr> <td></td> <td colspan="2" style="text-align: center;">Six months ended (unaudited)</td> <td colspan="2" style="text-align: center;">Year ended</td> </tr> <tr> <td style="text-align: center;"><i>(in USD)</i></td> <td style="text-align: center;">30 June 2016</td> <td style="text-align: center;">30 June 2015</td> <td style="text-align: center;">31 December 2015</td> <td style="text-align: center;">31 December 2014</td> </tr> </table>		Six months ended (unaudited)		Year ended		<i>(in USD)</i>	30 June 2016	30 June 2015	31 December 2015	31 December 2014
			Six months ended (unaudited)		Year ended							
		<i>(in USD)</i>	30 June 2016	30 June 2015	31 December 2015	31 December 2014						
		Operating Profit	1,533,000,000	1,347,000,000	2,939,000,000	2,275,000,000						
		Profit on ordinary activities before taxation	1,368,000,000	1,226,000,000	2,661,000,000	2,060,000,000						
		Profit for the financial period	1,016,000,000	992,000,000	2,308,000,000	1,608,000,000						
			As of six months ended (unaudited)		As of							
			June 2016		December 2015	December 2014						
		<i>(in USD)</i>										
		Fixed Assets	68,000,000		12,000,000	14,000,000						
		Current Assets	1,143,839,000,000		850,219,000,000	967,411,000,000						
		Total Shareholders' funds	27,415,000,000		26,353,000,000	21,997,000,000]						
		[The following table shows selected key historical financial information in relation to GSW:										
<table border="0"> <tr> <td></td> <td colspan="2" style="text-align: center;">As of and for the year ended</td> </tr> <tr> <td></td> <td style="text-align: center;">31 December 2015 (EUR)</td> <td style="text-align: center;">31 December 2014 (EUR)</td> </tr> </table>		As of and for the year ended			31 December 2015 (EUR)	31 December 2014 (EUR)						
	As of and for the year ended											
	31 December 2015 (EUR)	31 December 2014 (EUR)										
Operating income	677,585.76	527,606.85										
Taxation on income	-216,316.24	-170,401.49										
Net Income	461,269.52	357,205.36										
	As at											
	31 December 2015 (EUR)	31 December 2014 (EUR)										
Total assets	4,975,138,387.11	4,574,414,791.34										
Total capital and reserves	3,334,779.14	2,873,509.62]										

		<p>[There has been no material adverse change in the prospects of GSI since 31 December 2015.]</p> <p>[There has been no material adverse change in the prospects of GSW since 31 December 2015.]</p> <p>[Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 30 June 2016.]</p> <p>[Not applicable; there has been no significant change in the financial or trading position particular to GSW subsequent to 31 December 2015.]</p>
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2. by replacing Element B.19 (B.12) (*Selected historical key financial information of the Guarantor*) in the Summary, on page 8 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall be replaced with the following:

B.19 (B.12)	Selected historical key financial information of the Guarantor	<p>[The following table shows selected key historical financial information in relation to GSI:</p> <table border="1"> <thead> <tr> <th rowspan="2"><i>(in USD)</i></th> <th colspan="2">Six months ended (unaudited)</th> <th colspan="2">Year ended</th> </tr> <tr> <th>30 June 2016</th> <th>30 June 2015</th> <th>31 December 2015</th> <th>31 December 2014</th> </tr> </thead> <tbody> <tr> <td>Operating Profit</td> <td>1,533,000,000</td> <td>1,347,000,000</td> <td>2,939,000,000</td> <td>2,275,000,000</td> </tr> <tr> <td>Profit on ordinary activities before taxation</td> <td>1,368,000,000</td> <td>1,226,000,000</td> <td>2,661,000,000</td> <td>2,060,000,000</td> </tr> <tr> <td>Profit on ordinary activities after taxation</td> <td>1,016,000,000</td> <td>992,000,000</td> <td>2,308,000,000</td> <td>1,608,000,000</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"><i>(in USD)</i></th> <th>As of (unaudited) June 2016</th> <th colspan="2">As of</th> </tr> <tr> <th></th> <th>December 2015</th> <th>December 2014</th> </tr> </thead> <tbody> <tr> <td>Fixed Assets</td> <td>68,000,000</td> <td>12,000,000</td> <td>14,000,000</td> </tr> <tr> <td>Current Assets</td> <td>1,143,839,000,000</td> <td>850,219,000,000</td> <td>967,411,000,000</td> </tr> <tr> <td>Total Shareholders' Funds</td> <td>27,415,000,000</td> <td>26,353,000,000</td> <td>21,997,000,000</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of GSI since 31 December 2015.</p> <p>Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to 30 June 2016.]</p>	<i>(in USD)</i>	Six months ended (unaudited)		Year ended		30 June 2016	30 June 2015	31 December 2015	31 December 2014	Operating Profit	1,533,000,000	1,347,000,000	2,939,000,000	2,275,000,000	Profit on ordinary activities before taxation	1,368,000,000	1,226,000,000	2,661,000,000	2,060,000,000	Profit on ordinary activities after taxation	1,016,000,000	992,000,000	2,308,000,000	1,608,000,000	<i>(in USD)</i>	As of (unaudited) June 2016	As of			December 2015	December 2014	Fixed Assets	68,000,000	12,000,000	14,000,000	Current Assets	1,143,839,000,000	850,219,000,000	967,411,000,000	Total Shareholders' Funds	27,415,000,000	26,353,000,000	21,997,000,000
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Amendments to the Base Prospectus

The Base Prospectus shall be amended by virtue of this Prospectus Supplement as follows:

1. by replacing the first paragraph under the sub-section entitled "Goldman Sachs International" in the section "Documents Incorporated by Reference", on page 97 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, with the following:

"GSI files documents and information with the *Commission de Surveillance du Secteur Financier* (the "CSSF") The following documents, which GSI has filed with the CSSF, are hereby incorporated by reference into this Base Prospectus:

- (a) The Unaudited Quarterly Financial Report of GSI for the period ended 30 June 2016 ("**GSI's 2016 Second Quarter Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 June 2016 ("**GSI's 2016 Second Quarter Financial Statements**").
- (b) The Unaudited Quarterly Financial Report of GSI for the period ended 31 March 2016 ("**GSI's 2016 First Quarter Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 31 March 2016 ("**GSI's 2016 First Quarter Financial Statements**").
- (c) The Annual Report for the fiscal year ended 31 December 2015 of GSI ("**GSI's 2015 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2015 ("**GSI's 2015 Financial Statements**").
- (d) The Unaudited Quarterly Financial Report of GSI for the period ended 30 September 2015 ("**GSI's 2015 Third Quarter Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 September 2015 ("**GSI's 2015 Third Quarter Financial Statements**").
- (e) The Unaudited Half-Yearly Financial Report of GSI for the period ended 30 June 2015 ("**GSI's 2015 Half-Yearly Financial Report**"), containing in Part 2, the unaudited financial statements of GSI for the period ended 30 June 2015 ("**GSI's 2015 Half-Yearly Financial Statements**").
- (f) The Annual Report for the fiscal year ended 31 December 2014 of GSI ("**GSI's 2014 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2014 ("**GSI's 2014 Financial Statements**").
- (g) The Annual Report for the fiscal year ended 31 December 2013 of GSI ("**GSI's 2013 Annual Report**"), containing, in Part 2, the Directors' Report and Financial Statements of GSI for the period ended 31 December 2013 ("**GSI's 2013 Financial Statements**").

Cross-Reference List

GSI Information in the Financial Statements	GSI's 2016 Second Quarter Financial Report	GSI's 2016 First Quarter Financial Report	GSI's 2015 Annual Report	GSI's 2015 Third Quarter Financial Report
Management Report / Strategic Report	pp. 2-25	p.2	pp. 2-48	pp.2-21
Report of the Directors	N/A	N/A	pp. 49-50	N/A
Balance Sheet	p. 27	p.25	p. 54	p. 23
Profit and Loss Account	p. 26	p.24	p. 53	p. 22
Statements of Cash Flows	p. 29	p.27	p. 56	p. 25

Notes to the Financial Statements	pp. 30-48	pp.28-45	pp. 57-94	pp. 26-46
Independent Auditors' Report	N/A	N/A	pp. 51-52	N/A

GSI Information in the Financial Statements	GSI's 2015 Interim Financial Report	GSI's 2014 Annual Report	GSI's 2013 Annual Report
Management Report / Strategic Report	pp. 2-25	pp. 2-54	pp. 2-49
Report of the Directors	N/A	pp. 56-58	pp. 51-53
Balance Sheet	p. 29	p. 62	p. 57
Profit and Loss Account	p. 28	p. 61	p. 56
Statements of Cash Flows	p. 31	p. 63	N/A ¹
Notes to the Financial Statements	pp. 32-59	pp. 64-103	pp. 58-84
Independent Auditors' Report	N/A	pp. 59-60	p. 54-55

Additional information relating to "Alternative Performance Measures" (as defined in the Guidelines published by the European Securities and Markets Authority) contained in GSI's 2016 Second Quarter Financial Report is set out in the section "Important Legal Information" on page 644 of the Original Base Prospectus."

- by replacing the fourth paragraph under the sub-heading "General Information on Goldman Sachs International" in the section "Goldman Sachs International", on page 562 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, with the following:

"There have been no principal investments made by GSI since the date of its last published financial statements. A description of GSI's principal future investments on which its management body has already made firm commitments may be found at page 35 of GSI's 2016 Second Quarter Financial Report, which has been incorporated by reference into this Base Prospectus as set out above."

- by replacing the sub-section "Selected Financial Information" in the section "Goldman Sachs International", on page 565 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, with the following:

"Selected Financial Information

The selected financial information set out below has been extracted from (i) GSI's 2015 Financial Statements, which have been audited by PricewaterhouseCoopers LLP and on which

PricewaterhouseCoopers LLP issued an unqualified audit report and (ii) GSI's 2016 Second Quarter Financial Statements, which have not been audited.

GSI's 2015 Financial Statements have been prepared in accordance with FRS 101. GSI's 2015 Financial Statements are incorporated by reference into this Base Prospectus. GSI's 2016 Second Quarter Financial Statements have been prepared in accordance with FRS 104. GSI's 2016 Second Quarter Financial Statements are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with the financial statements included in such documents, the notes thereto and report thereon.

The following table shows selected key historical financial information in relation to GSI:

	Six months ended		Year ended	
	30 June 2016 (USD)	30 June 2015 (USD)	31 December 2015 (USD)	31 December 2014 (USD)
Operating Profit	1,533,000,000	1,347,000,000	2,939,000,000	2,275,000,000
Profit on ordinary activities before taxation	1,368,000,000	1,226,000,000	2,661,000,000	2,060,000,000
Profit for the financial year	1,016,000,000	992,000,000	2,308,000,000	1,608,000,000
	As of (unaudited) June 2016 (USD)		As of December 2015 (USD)	December 2014 (USD)
Fixed Assets	68,000,000		12,000,000	14,000,000
Current Assets	1,143,839,000,000		850,219,000,000	967,411,000,000
Total Shareholders' Funds	27,415,000,000		26,353,000,000	21,997,000,000

4. by replacing sub-section 3 entitled "No Significant change and no material adverse change" on page 645 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, with the following:

"There has been no significant change in the financial or trading position of GSW since 31 December 2015.

There has been no significant change in the financial or trading position of GSI since 30 June 2016.

There has been no material adverse change in the prospects of GSW or GSI since 31 December 2015."

5. sub-section 4 entitled "Litigation" on page 645 of the Original Base Prospectus, as supplemented prior to this Prospectus Supplement, shall now read as follows:

"4. Litigation

Save as disclosed in (i) paragraph (c) of Note 27 to the Financial Statements (page 92) of GSI's 2014 Annual Report, (ii) paragraph (c) of Note 17 to the Financial Statements (page 43) of GSI's 2015 Half-Yearly Financial Report, (iii) "Legal Proceedings" of Note 15 to the Financial Statements (pages 33 and 34) of GSI's 2015 Third Quarter Financial Report, (iv) "Legal Proceedings" of Note 25 to the Financial Statements (pages 77 and 78) of GSI's 2015 Annual Report, (v) "Legal Proceedings" of Note 15 to the Financial Statements (pages 33 and 34) of GSI's 2016 First Quarter Financial Report and (vi) "Legal Proceedings" of Note 15 to the Financial Report (page 35) of GSI's 2016 Second Quarter Financial Report, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GSI or GSW is aware) during the 12 months

before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on GSI or GSW."

6. the section "Important Legal Information" shall be supplemented by including a new sub-section 14 as follows:

"14. Alternative Performance Measures ("APMs")

The table below presents the APMs in respect of GSI's 2016 Second Quarter Financial Report that is prepared in accordance with U.K. Generally Accepted Accounting Practices (U.K. GAAP).

”
”

APM	Page number(s)	Definition, components and basis of calculation of the APM	Reconciliation of the APM	Use of the APM	Comparative APM
Effective tax rate	9	<p>The effective tax rate is the tax expense divided by the accounting profit.</p> <p>Components/basis of calculation: “Tax on profit on ordinary activities” divided by “Profit on ordinary activities before taxation”.</p> <p>This APM and its components relate to the performance of the past reporting period.</p>	<p>GSI’s effective tax rate for the first half of 2016 was 25.7%.</p> <p>Reconciliation: \$352M/\$1,368M. Both numbers are presented on page 26 of GSI’s 2016 Second Quarter Financial Report.</p>	<p>This APM is meaningful as it is used as a comparison to the U.K. tax rate applicable to GSI.</p>	<p>GSI’s effective tax rate for the first half of 2015 was 19.1%.</p> <p>Reconciliation: \$234M/\$1,226M. Both numbers are presented on page 26 of GSI’s 2016 Second Quarter Financial Report.</p>
Basis points attributable to the results for the period	12	<p>Basis points attributable to the results for the period refers to the unaudited profit as a percentage of risk-weighted assets (RWAs) that is included in GSI’s regulatory capital ratios.</p> <p>Components/basis of calculation: “Profit for the financial period” divided by “Total RWAs”. The “Total RWAs” is calculated in accordance with CRD IV.</p> <p>This APM and its components relate to the performance of the past reporting period.</p>	<p>GSI’s CET1 ratio and Total capital ratio as of June 2016 included approximately 46 basis points attributable to its results for the first half of 2016.</p> <p>Reconciliation: \$1,016M/\$222,689M. “Profit for the financial period” is disclosed on page 26 of GSI’s 2016 Second Quarter Financial Report. “Total RWAs” is disclosed on page 12 of GSI’s 2016 2016 Second Quarter Financial Report.</p>	<p>This APM is meaningful as it quantifies the component of GSI’s regulatory capital ratios that has not been audited.</p>	<p>Not applicable as is comparable to current CET1 ratio and Total capital ratio and not to prior period.</p>

Responsibility

Each of Goldman Sachs International and Goldman, Sachs & Co. Wertpapier GmbH. accepts responsibility for the information given in this Prospectus Supplement and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Rights of withdrawal

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Prospectus Supplement is published have the right exercisable until 30 August 2016, which is two working days after the publication of this Prospectus Supplement, to withdraw their acceptances.

Interpretation

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

References to the Base Prospectus shall hereafter mean the Base Prospectus as supplemented by this Prospectus Supplement.

U.S. notice

This Prospectus Supplement is not for use in, and may not be delivered to or inside, the United States.

Prospectus Supplement dated 26 August 2016