

**GOLDMAN SACHS INTERNATIONAL**  
(Incorporated with unlimited liability in England)

Series K Programme for the issuance of Warrants, Notes and Certificates

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**Issue of up to SEK 100,000,000 Five-Year SEK Booster Certificates  
linked to the OMX Stockholm 30 Index, due March 14, 2023**  
(the "Securities" or the "Certificates")

**(ISIN: SE0010714246)**

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### **Prospectus**

This document constitutes a prospectus (this "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC as amended, including by Directive 2010/73/EU (the "**Prospectus Directive**") relating to the above-referenced Securities issued by Goldman Sachs International (the "**Issuer**" or "**GSI**"). This Prospectus should be read together with any documents incorporated by reference within it.

### **Programme**

The Securities are being issued under the Series K Programme for the issuance of Warrants, Notes and Certificates (the "**Programme**") of the Issuer.

### **Status of the Securities**

The Securities are unsecured and unsubordinated general obligations of the Issuer and not of any affiliate of the Issuer. 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 payment obligations of the Issuer in respect of the Securities are not guaranteed by any entity.

### **Information incorporated by reference**

This Prospectus incorporates by reference certain information from the base prospectus in relation to the Programme dated November 15, 2017 (the "**Base Prospectus**"). See the section entitled "*Documents Incorporated by Reference*" below. You should read this Prospectus together with such information from the Base Prospectus.

### **Statements in relation to prospects and financial or trading position**

In this Prospectus, where GSI makes statements that "there has been no material adverse change in the prospects" and "no significant change in the financial or trading position" of GSI, references in these statements to the "prospects" and "financial or trading position" of GSI are specifically to the Issuer's ability to meet its full payment obligations under the Securities in a timely manner.

### **Risk warning**

**You could lose some, and up to all, of your investment.** Before purchasing Securities, you should carefully consider the information in this Prospectus, in particular, the section entitled "*Risk Factors*" below.

The date of this Prospectus is December 28, 2017.

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## IMPORTANT NOTICES

### Approval and passporting under the EU Prospectus Directive

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF"), which is the Luxembourg competent authority for the purpose of the Prospectus Directive for approval of this Prospectus, as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the Securities. This Prospectus constitutes a prospectus for the purposes of Article 5.3 of the Prospectus Directive relating to the Securities, and should be read together with any documents incorporated by reference within it.

Application will be made for the Securities to be (i) admitted to trading on the NASDAQ OMX Stockholm Stock Exchange and (ii) listed on the Official List and admitted to trading on the Luxembourg Stock Exchange (each a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments). This Prospectus will be published on the websites of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the Issuer ([www.gspip.info](http://www.gspip.info)). On the approval of this Prospectus as a prospectus for the purpose of Article 5.3 of the Prospectus Directive by the CSSF, notification of such approval will be made to the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) in its capacity as the competent authority of the Kingdom of Sweden.

### CSSF disclaimer

Pursuant to Article 7(7) of the Luxembourg Law on Prospectuses for Securities dated July 10, 2005 (as amended), by approving this Prospectus, the CSSF gives no undertakings as to the economic and financial characteristics of the Securities or the quality or solvency of the Issuer.

### Credit ratings

The credit ratings of GSI<sup>1</sup> referred to in this Prospectus have been issued by Fitch, Inc. ("**Fitch**"), Moody's

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<sup>1</sup> The information for this rating has been extracted from information made available by each rating agency referred to below. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such ratings agencies, no facts have been omitted which would render the reproduced information inaccurate or misleading.

As at the date of this Prospectus the ratings for GSI were:

#### *Short-term debt:*

Fitch, Inc. rating was F1: An 'F1' rating indicates the highest short-term credit quality and the strongest intrinsic capacity for timely payment of financial commitments; may have an added '+' to denote any exceptionally strong credit feature.

Moody's rating was P-1: 'P-1' Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

S&P rating was A-1: A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

#### *Long-term debt:*

Fitch, Inc. rating was A: An 'A' rating indicates high credit quality and denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

Moody's rating was A1: Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk. Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

S&P rating was A+: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial

Investors Service, Inc. ("**Moody's**") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), none of which entities is established in the European Union or registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**"). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not either (1) issued or validly endorsed by a credit rating agency established in the European Union and registered with the European Securities and Markets Authority ("**ESMA**") under the CRA Regulation) or (2) issued by a credit rating agency established outside the European Union which is certified under the CRA Regulation.

The EU affiliates of Fitch, Moody's and S&P are registered under the CRA Regulation. The ESMA has approved the endorsement by such EU affiliates of credit ratings issued by Fitch, Moody's and S&P. Accordingly, credit ratings issued by Fitch, Moody's and S&P may be used for regulatory purposes in the EU.

Credit ratings may be adjusted over time, and there is no assurance that these credit ratings will be effective after the date of this Prospectus. A credit rating is not a recommendation to buy, sell or hold the Securities.

The list of credit rating agencies registered under the CRA Regulation (as updated from time to time) is published on the website of the ESMA ([www.esma.europa.eu/page/list-registered-and-certified-CRAs](http://www.esma.europa.eu/page/list-registered-and-certified-CRAs)).

### **Important U.S. Notices**

The Securities have not been, nor will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws. Except as provided below, Securities may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission in the United States nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

### **Post-issuance Information**

The Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations, and has not authorised the making or provision of any representation or information regarding the Issuer or the Securities other than as contained or incorporated by reference in this Prospectus, in any other document prepared in connection with the Programme or as expressly approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer. The delivery of this Prospectus shall not, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Issuer since the date hereof or, as the case may be, the date upon which this Prospectus has been most recently supplemented.

### **Restrictions and distribution and use of this Prospectus**

The distribution of this Prospectus and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action has been taken or will be taken to permit an offering of the Securities or the distribution of this Prospectus in any jurisdiction where any such action is required.

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commitment on the obligation is still strong. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

**Prospects and financial or trading position**

In the Summary section and elsewhere in this Prospectus, references to the "prospects" and "financial or trading position" of the Issuer, are specifically to the ability of the Issuer to meet its full payment obligations under the Securities in a timely manner. In addition, all such statements should be read in conjunction with and are qualified by the information contained in the documents incorporated by reference in this Prospectus.

## SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
A.1	<b>Introduction and warnings</b>	<p>This summary should be read as an introduction to this Prospectus. Any decision to invest in the Securities should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such Securities.</p>
A.2	<b>Consents</b>	<p>Subject to the conditions set out below, in connection with a Non-exempt Offer (as defined below) of Securities, the Issuer consents to the use of this Prospectus by Garantum Fondkommission AB, Norrmalmstorg 16, Box 7364, 103 90 Stockholm, Sweden (the "<b>Authorised Offeror</b>" or "<b>Distributor</b>")</p> <p>The consent of the Issuer is subject to the following conditions:</p> <ul style="list-style-type: none"> <li>(i) the consent is only valid during the period commencing on (and including) January 2, 2018 and ending on (and including) February 15, 2018 (the "<b>Offer Period</b>"); and</li> <li>(ii) the consent only extends to the use of this Prospectus to make Non-exempt Offers (as defined below) of the tranche of Securities in the Kingdom of Sweden.</li> </ul> <p>A "<b>Non-exempt Offer</b>" of Securities is an offer of Securities that is not within an exemption from the requirement to publish a prospectus under Directive 2003/71/EC, as amended.</p> <p><b>Any person (an "Investor") intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of Securities to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors in connection with the offer or sale of the Securities and, accordingly, this Prospectus will not contain such information and an Investor must obtain such information from the Authorised Offeror. Information in relation to an offer to the public will be made available at the time such sub-offer is made, and such information will also be provided by the relevant Authorised Offeror at the time of such offer.</b></p>
SECTION B – ISSUER		
B.1	<b>Legal and commercial name of the Issuer</b>	Goldman Sachs International (" <b>GSI</b> " or the " <b>Issuer</b> ").

<b>B.2</b>	<b>Domicile, legal form, legislation and country of incorporation of the Issuer</b>	GSI is a private unlimited liability company incorporated in England and Wales. GSI mainly operates under English law. The registered office of GSI is Peterborough Court, 133 Fleet Street, London EC4A 2BB, England.
<b>B.4b</b>	<b>Known trends with respect to the Issuer</b>	GSI's prospects will be affected, potentially adversely, by developments in global, regional and national economies, including in the United Kingdom, movements and activity levels, in financial, commodities, currency and other markets, interest rate movements, political and military developments throughout the world, client activity levels and legal and regulatory developments in the United Kingdom and other countries where GSI does business.
<b>B.5</b>	<b>The Issuer's group</b>	<p>Goldman Sachs Group UK Limited, a company incorporated under English law has a 100 per cent. shareholding in GSI. Goldman Sachs (UK) L.L.C. is established under the laws of the State of Delaware and has a 97.208 per cent. interest in Goldman Sachs Group UK Limited. Goldman Sachs Ireland Group Limited is established under the laws of Ireland and has a 2.792 per cent. interest in Goldman Sachs Group UK Limited. Goldman Sachs Ireland LLC is established under the laws of the State of Delaware and has a 100 per cent. shareholding in Goldman Sachs Ireland Group Limited. Goldman Sachs Ireland Group Holdings LLC is established under the laws of the State of Delaware and has a 75 per cent. interest in Goldman Sachs Ireland LLC. Goldman Sachs Global Holdings L.L.C. is established under the laws of the State of Delaware and has a 25 per cent. interest in Goldman Sachs Ireland LLC. The Goldman, Sachs &amp; Co. L.L.C. is established under the laws of the State of Delaware and has a one per cent. interest in Goldman Sachs Global Holdings L.L.C. The Goldman Sachs Group, Inc. is established in Delaware and has a 100 per cent. shareholding in Goldman Sachs Ireland Group Holdings LLC, The Goldman, Sachs &amp; Co. L.L.C. and Goldman Sachs (UK) L.L.C. and a 99 per cent. interest in Goldman Sachs Global Holdings L.L.C.</p> <p style="text-align: center;"><b>Holding Company Structure of GSI</b></p> <p>Note: The percentages given are for direct holdings of ordinary shares or equivalent. Minority shareholdings are held by other entities which are themselves owned, directly or indirectly, by The Goldman Sachs Group, Inc.</p>
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable; GSI has not made any profit forecasts or estimates.

<b>B.10</b>	<b>Audit report qualifications</b>	Not applicable; there are no qualifications in the audit report of GSI on its historical financial information.																																																
<b>B.12</b>	<b>Selected historical key financial information of the Issuer</b>	<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 millions)</i></th> <th colspan="2">As at and for the nine months ended (unaudited)</th> <th colspan="2">As at and for the year ended (audited)</th> </tr> <tr> <th>September 30, 2017</th> <th>September 30, 2016</th> <th>December 31, 2016</th> <th>December 31, 2015</th> </tr> </thead> <tbody> <tr> <td>Operating profit</td> <td>1,871</td> <td>2,065</td> <td>2,280</td> <td>2,939</td> </tr> <tr> <td>Profit on ordinary activities before taxation</td> <td>1,629</td> <td>1,815</td> <td>1,943</td> <td>2,661</td> </tr> <tr> <td>Profit for the financial period</td> <td>1,216</td> <td>1,344</td> <td>1,456</td> <td>2,308</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"><i>(in USD millions)</i></th> <th colspan="2">As of (unaudited)</th> <th colspan="2">As of (audited)</th> </tr> <tr> <th>September 30, 2017</th> <th>December 31, 2016</th> <th>December 31, 2015</th> <th></th> </tr> </thead> <tbody> <tr> <td>Fixed assets</td> <td>188</td> <td>140</td> <td>12</td> <td></td> </tr> <tr> <td>Current assets</td> <td>955,846</td> <td>934,129</td> <td>850,219</td> <td></td> </tr> <tr> <td>Total shareholder's funds</td> <td>31,379</td> <td>27,533</td> <td>26,353</td> <td></td> </tr> </tbody> </table>	<i>(in USD millions)</i>	As at and for the nine months ended (unaudited)		As at and for the year ended (audited)		September 30, 2017	September 30, 2016	December 31, 2016	December 31, 2015	Operating profit	1,871	2,065	2,280	2,939	Profit on ordinary activities before taxation	1,629	1,815	1,943	2,661	Profit for the financial period	1,216	1,344	1,456	2,308	<i>(in USD millions)</i>	As of (unaudited)		As of (audited)		September 30, 2017	December 31, 2016	December 31, 2015		Fixed assets	188	140	12		Current assets	955,846	934,129	850,219		Total shareholder's funds	31,379	27,533	26,353	
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	<b>No material adverse change</b>	There has been no material adverse change in the prospects of GSI since December 31, 2016.																																																
	<b>Significant changes</b>	Not applicable; there has been no significant change in the financial or trading position particular to GSI subsequent to September 30, 2017.																																																
<b>B.13</b>	<b>Recent events material to the evaluation of the Issuer's solvency</b>	Not applicable; there have been no recent events particular to GSI which are to a material extent relevant to the evaluation of GSI's solvency.																																																
<b>B.14</b>	<b>Issuer's position in its corporate group</b>	Please refer to Element B.5 above. GSI is part of a group of companies of which The Goldman Sachs Group, Inc. is the holding company (the " <b>Goldman Sachs Group</b> ") and transacts with, and depends on, entities within such group accordingly.																																																
<b>B.15</b>	<b>Principal activities</b>	The principal activities of GSI consist of securities underwriting and distribution, trading of corporate debt and equity services, non-U.S. sovereign debt and mortgage securities, execution of swaps and derivative instruments, mergers and acquisitions, financial advisory services for restructurings/private placements/lease and project financings, real estate brokerage and finance, merchant banking, stock brokerage and research.																																																
<b>B.16</b>	<b>Ownership and control of the Issuer</b>	Goldman Sachs Group UK Limited, a company incorporated under English law, has a 100 per cent. shareholding in GSI. See also Element B.5.																																																
<b>SECTION C – SECURITIES</b>																																																		
<b>C.1</b>	<b>Type and class of Securities</b>	<ul style="list-style-type: none"> <li>Cash settled Securities comprised of Index Linked Securities, being Five-Year SEK Booster Certificates linked to the OMX Stockholm 30 Index, due March 14, 2023 (the "<b>Securities</b>" or the "<b>Certificates</b>").</li> </ul>																																																



		<ul style="list-style-type: none"> <li>• ISIN: SE0010714246; Valoren: 39414241.</li> </ul>
<b>C.2</b>	<b>Currency of the Securities</b>	The currency of the Securities will be Swedish Krona (" <b>SEK</b> ").
<b>C.5</b>	<b>Restrictions on the free transferability</b>	<p>The Securities may not be offered, sold or delivered within the United States or to U.S. persons as defined in Regulation S under the Securities Act ("<b>Regulation S</b>"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities law.</p> <p>Rights arising under the Securities (if applicable) will be exercisable by the holder of Securities only upon certification as to non-U.S. beneficial ownership.</p> <p>Further, the Securities may not be acquired by, on behalf of, or with the assets of any plans subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, other than certain insurance company general accounts.</p> <p>Subject to the above, the Securities will be freely transferable.</p>
<b>C.8</b>	<b>Rights attached to the Securities</b>	<p><b>Rights:</b> The Securities give the right to each holder of Securities (a "<b>Holder</b>") to receive a potential return on the Securities (see Element C.18 below), together with certain ancillary rights such as the right to receive notice of certain determinations and events and to vote on future amendments. The terms and conditions are governed under English law, provided that Swedish law will apply in respect of the title and registration of the Securities.</p> <p><b>Ranking:</b> The Securities are direct, unsubordinated and unsecured obligations of the Issuer and rank equally with all other direct, unsubordinated and unsecured obligations of the Issuer.</p> <p><b>Limitations to rights:</b></p> <ul style="list-style-type: none"> <li>• Notwithstanding that the Securities are linked to the performance of the underlying asset(s), Holders do not have any rights in respect of the underlying asset(s).</li> <li>• The terms and conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally and these provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Further, in certain circumstances, the Issuer may amend the terms and conditions of the Securities, without the Holders' consent.</li> <li>• The terms and conditions of the Securities permit the Issuer and the Calculation Agent (as the case may be), on the occurrence of certain events and in certain circumstances, without the Holders' consent, to make adjustments to the terms and conditions of the Securities, to redeem the Securities prior to maturity (where applicable) to postpone valuation of the underlying asset(s) or scheduled payments under the Securities, to change the currency in which the Securities are denominated, to substitute the Issuer with another permitted entity subject to certain conditions, and to take certain other actions with regard to the Securities and the underlying asset(s) (if any).</li> </ul>
<b>C.11</b>	<b>Admission to trading on a regulated market:</b>	Application will be made for the Securities to be admitted to trading on the regulated markets of (i) the NASDAQ OMX Stockholm Stock Exchange and (ii) the Luxembourg Stock Exchange.
<b>C.15</b>	<b>Effect of underlying instrument on value of</b>	<p>The amount payable on the Securities will depend on the performance of the underlying asset.</p> <p>If the Securities are not exercised early, then the cash settlement amount</p>

	<b>investment:</b>	payable on the maturity date will be determined in accordance with C.18 of this Summary.
<b>C.16</b>	<b>Expiration or maturity date:</b>	The maturity date is March 14, 2023 or, if later, the tenth business day following the Final Reference Date.
<b>C.17</b>	<b>Settlement procedure:</b>	Settlement of the Securities shall take place through Euroclear Sweden AB, the Swedish Central Securities Depository.  The Issuer will have discharged its payment obligations by payment to, or to the order of, the relevant clearing system in respect of the amount so paid.
<b>C.18</b>	<b>Return on the Securities:</b>	<p>The <b>Issue Price</b> per Security shall be SEK 10,000, and the return on the Securities will derive from:</p> <ul style="list-style-type: none"> <li>• the potential payment of a <b>Non-scheduled Early Repayment Amount</b> upon an unscheduled early redemption of the Securities (as described below); and</li> <li>• if the Securities are not previously exercised, or purchased and cancelled, the payment of the <b>Settlement Amount</b> on the scheduled maturity date of the Securities.</li> </ul> <p style="text-align: center;">_____</p> <p style="text-align: center;"><b><u>Non-scheduled Early Repayment Amount</u></b></p> <p><b>Unscheduled early redemption:</b> The Securities may be redeemed prior to the scheduled maturity (i) at the Issuer's option (a) if the Issuer determines a change in applicable law has the effect that performance by the Issuer or its affiliates under the Securities or hedging transactions relating to the Securities has become (or there is a substantial likelihood in the immediate future that it will become) unlawful or impracticable (in whole or in part), (b) where applicable, if the Calculation Agent determines that certain additional disruption events or adjustment events as provided in the terms and conditions of the Securities have occurred in relation to the underlying asset or (ii) upon notice by a Holder declaring such Securities to be immediately repayable due to the occurrence of an event of default which is continuing.</p> <p>In such case, the Non-scheduled Early Repayment Amount payable on such unscheduled early redemption shall be, for each Security, an amount representing the fair market value of the Security taking into account all relevant factors less all costs incurred by the Issuer or any of its affiliates in connection with such early redemption, including those related to unwinding of any underlying and/or related hedging and funding arrangement.</p> <p><b>The Non-scheduled Early Repayment Amount may be less than your initial investment and therefore you may lose some or all of your investment on an unscheduled early redemption.</b></p> <p style="text-align: center;">_____</p> <p style="text-align: center;"><b><u>Settlement Amount</u></b></p> <p>Unless previously exercised early, or purchased and cancelled, the Settlement Amount payable in respect of each Security on the maturity date will be determined in accordance with paragraph (i) or (ii) below (as applicable):</p> <p>(i) if the Reference Price (Final) is greater than or equal to the Barrier Level, the Settlement Amount payable in respect of each Security will be calculated in accordance with the following formula:</p>

$$CA \times \left\{ \begin{array}{l} 1 + P \times \text{Min} \left[ \text{Cap}; \text{Max} \left( 0; \left( \frac{\text{RP(Avg)}}{\text{RP(Initial)}} - 1 \right) \right) \right] + \\ \text{Max} \left[ 0; \left( \frac{\text{RP(Avg)}}{\text{RP(Initial)}} - (1 + P \times 0.20) \right) \right] \end{array} \right\}; \text{ or}$$

- (ii) if the Reference Price (Final) is less than the Barrier Level, the Settlement Amount payable in respect of each Security will be calculated in accordance with the following formula:

$$CA \times \frac{\text{Reference Price (Final)}}{\text{Reference Price (Initial)}}$$

Where:

- **Averaging Dates:** February 22, 2022, March 22, 2022, April 22, 2022, May 23, 2022, June 22, 2022, July 22, 2022, August 22, 2022, September 22, 2022, October 24, 2022, November 22, 2022, December 22, 2022, January 23, 2023 and February 22, 2023, each subject to adjustment in accordance with the terms and conditions.
- **Barrier Level:** an amount equal to 70 per cent. (70%) of the Reference Price (Initial).
- **CA:** Calculation Amount, SEK 10,000.
- **Cap:** 20 per cent. (20%), expressed as 0.20.
- **Closing Index Level:** in respect of any relevant day, the official closing level of the Index for such day.
- **Entry Level:** the lowest Closing Index Level observed across all the Entry Level Observation Dates.
- **Entry Level Observation Dates:** February 22, 2018, March 1, 2018, March 8, 2018, March 15, 2018, March 22, 2018 and March 29, 2018, each subject to adjustment in accordance with the terms and conditions.
- "**Max**" followed by a series of amounts (or values) inside brackets, means whichever is the greater of the amounts (or values) separated by a semi-colon inside those brackets. For example, "Max(x;y)" means the greater of component x and component y.
- "**Min**" followed by a series of amounts (or values) inside brackets, means whichever is the lesser of the amounts (or values) separated by a semi-colon inside those brackets. For example, "Min(x;y)" means the lesser of component x and component y.
- **Participation or P:** which is an amount as determined by the Calculation Agent on or around February 22, 2018, based on market conditions and which will be notified by the Issuer on or around the issue date (March 14, 2018), and which as of the date of this Prospectus is indicatively set at 2.00, but which may be a lesser or greater percentage provided that it will not be less than 1.70.
- **Reference Price (Avg) or RP(Avg):** the arithmetic mean of the Closing Index Level observed on each Averaging Date.
- **Reference Price (Final):** the Closing Index Level of the Index on the Valuation Date.
- **Reference Price (Initial) or RP(Initial):** the Entry Level of the Index.
- **Valuation Date:** February 22, 2023, subject to adjustment in accordance with the terms and conditions.

<b>C.19</b>	<b>Exercise price / final reference price of the underlying:</b>	Unless the Certificates have been redeemed or purchased and cancelled prior to the Maturity Date (scheduled for March 14, 2023), the closing index level of the Index will be determined on the Valuation Date.								
<b>C.20</b>	<b>The underlying asset:</b>	<p>The underlying asset is specified in the column entitled "Underlying Asset" (the "<b>underlying asset</b>" or "<b>Underlying Asset</b>"), in the table below:</p> <table border="1" data-bbox="544 409 1402 517"> <thead> <tr> <th data-bbox="544 409 759 450">Underlying Asset</th> <th data-bbox="759 409 975 450">Bloomberg page</th> <th data-bbox="975 409 1190 450">Reuters screen</th> <th data-bbox="1190 409 1402 450">Index Sponsor</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 450 759 517">OMX Stockholm 30 Index</td> <td data-bbox="759 450 975 517">OMX &lt;Index&gt;</td> <td data-bbox="975 450 1190 517">.OMXS30</td> <td data-bbox="1190 450 1402 517">The NASDAQ OMX Group, Inc.</td> </tr> </tbody> </table> <p><b>Index:</b> the index set forth in the table above in the column entitled "Underlying Asset".</p>	Underlying Asset	Bloomberg page	Reuters screen	Index Sponsor	OMX Stockholm 30 Index	OMX <Index>	.OMXS30	The NASDAQ OMX Group, Inc.
Underlying Asset	Bloomberg page	Reuters screen	Index Sponsor							
OMX Stockholm 30 Index	OMX <Index>	.OMXS30	The NASDAQ OMX Group, Inc.							
<b>SECTION D – RISKS</b>										
<b>D.2</b>	<b>Key risks that are specific to the Issuer</b>	<p>The payment 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 B.12 above to the "prospects" and "financial or trading position" of the Issuer, are specifically to the Issuer's ability to meet its full payment obligations under the Securities in a timely manner. Material information about the Issuer's financial condition and prospects is included in GSI's annual and interim reports. You should be aware, however, that each of the key risks highlighted below could have a material adverse effect on the Issuer'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 is subject to a number of key risks:</p> <ul style="list-style-type: none"> <li>• GSI's businesses have been and may continue to be adversely affected by conditions in the global financial markets and economic conditions generally.</li> <li>• GSI's businesses and those of its clients are subject to extensive and pervasive regulation around the world.</li> <li>• 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.</li> <li>• 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.</li> <li>• GSI's market-making activities have been and may be affected by changes in the levels of market volatility.</li> <li>• 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.</li> <li>• GSI's investment management business may be affected by the poor investment performance of its investment products.</li> <li>• GSI may incur losses as a result of ineffective risk management processes and strategies.</li> </ul>								

		<ul style="list-style-type: none"> <li>• 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.</li> <li>• A failure to appropriately identify and address potential conflicts of interest could adversely affect GSI's businesses.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Concentration of risk increases the potential for significant losses in GSI's market-making, underwriting, investing and lending activities.</li> <li>• The financial services industry is both highly competitive and interrelated.</li> <li>• 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.</li> <li>• Derivative transactions and delayed settlements may expose GSI to unexpected risk and potential losses.</li> <li>• GSI's businesses may be adversely affected if GSI is unable to hire and retain qualified employees.</li> <li>• GSI may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.</li> <li>• 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.</li> <li>• The growth of electronic trading and the introduction of new trading technology may adversely affect GSI's business and may increase competition.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<b>D.6</b>	<b>Key risks that are specific to the Securities:</b>	<ul style="list-style-type: none"> <li>• <b>Your capital is at risk. Depending on the performance of the underlying asset(s), you may lose some or all of your investment.</b></li> <li>• You could also lose some or all of your investment in the Securities</li> </ul>

		<p>where:</p> <ul style="list-style-type: none"> <li>◦ We (as Issuer) fail or are otherwise unable to meet our payment obligations;</li> <li>◦ You do not hold your Securities to maturity and the secondary sale price you receive is less than the original purchase price; or</li> <li>◦ Your Securities are redeemed early due to an unexpected event and the amount you receive is less than the original purchase price.</li> </ul> <ul style="list-style-type: none"> <li>• The estimated value of your Securities (as determined by reference to pricing models used by us) at the time the terms and conditions of your Securities are set on the trade date, will be less than the original issue price of your Securities.</li> <li>• Your Securities may not have an active trading market, and you may be unable to dispose of them.</li> <li>• You will be required to make your investment decision based on the indicative amounts or indicative range rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed or determined at the end of the offer period after their investment decision is made but will apply to the Securities once issued.</li> <li>• We give no assurance that application for listing and admission to trading will be granted (or, if granted, will be granted by the issue date) or that an active trading market in the Securities will develop. We may discontinue any such listing at any time.</li> <li>• As the return on the Securities is linked to the performance of the underlying asset multiplied by a leverage factor of over 100 per cent., the Securities will represent a very speculative and risky form of investment, since any loss in the value of the underlying asset carries the risk of a disproportionately higher loss in the value of and return on the Securities.</li> <li>• The return on the Securities (whether at maturity or otherwise) will be based on the average of the applicable values of the underlying asset. If the value of the underlying asset dramatically surged on a number of averaging dates, the amount payable may be significantly less than it would have been had the amount payable been linked only to the value of that underlying asset on one single date.</li> <li>• The amount payable (or deliverable) on the Securities (whether at maturity or otherwise) will be based on the performance of the underlying asset compared to the lowest value of the underlying asset observed across each of the specified entry level observation dates, and not just the value of the underlying asset on a single initial date. If the applicable level or price of the particular underlying asset increased significantly across the entry level observation dates, the return on your Securities may be significantly less than it would have been had the return been determined by reference to only the applicable value of the underlying asset on a single initial date.</li> <li>• Indices which are deemed '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 have other consequences which cannot be predicted.</li> </ul> <p><b>Risks associated with Securities linked to the underlying asset:</b></p> <ul style="list-style-type: none"> <li>• The value and return on the Securities depends on the performance of</li> </ul>
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		<p>the underlying asset, which may be subject to unpredictable change over time.</p> <ul style="list-style-type: none"> <li>• Past performance of the underlying asset is not indicative of future performance.</li> <li>• You will not have any rights of ownership in the underlying asset, and our obligations under the Securities to you are not secured by any assets.</li> <li>• Following a disruption event, the valuation of the underlying asset may be postponed and/or valued by us (as Calculation Agent) in our discretion.</li> <li>• Following the occurrence of certain extraordinary events in relation to the underlying asset or in relation to index linked securities, following the occurrence of an index adjustment event, depending on the terms and conditions of the particular Securities, amongst other potential consequences, the terms and conditions of your Securities may be adjusted, the underlying asset may be substituted, or the Securities may be redeemed early at the non-scheduled early repayment amount. Such amount may be less than your initial investment and you could lose some or all of your investment.</li> </ul> <p><b>Risks associated with Index Linked Securities:</b></p> <ul style="list-style-type: none"> <li>• The performance of indices is dependent upon many unpredictable factors, including in relation to its underlying components.</li> <li>• You may receive a lower return on the Securities than you would have received from investing in the components of the index directly because the index level may reflect the prices of such index components without including the value of dividends paid on those components.</li> <li>• The sponsor of an index may take any actions in respect of the index without regard to your interests as holders of the Securities, and any of these actions could negatively affect the value of and return on the Securities.</li> <li>• Your Securities may be adjusted or redeemed prior to maturity due to a change in law. Any such adjustment may have a negative effect on the value of and return on your Securities; the amount you receive following an early redemption may be less than your initial investment and you could lose some or all of your investment.</li> <li>• The Issuer of your Securities may be substituted with another company.</li> <li>• We may amend the terms and conditions of your Securities in certain circumstances without your consent.</li> </ul>
<b>SECTION E – OFFER</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds:</b>	The net proceeds from the issue of the Securities will be used in the general business of the Issuer, i.e., for making profit and/or hedging certain risks.
<b>E.3</b>	<b>Terms and conditions of the offer:</b>	<p>An offer of the Certificates will be made other than pursuant to Article 3(2) of the Prospectus Directive in the Kingdom of Sweden ("<b>Public Offer Jurisdiction</b>") during the period commencing on (and including) January 2, 2018 and ending on (and including) February 15, 2018 by the Authorised Offeror(s) (as at the date hereof, being Garantum Fondkommission AB, Norrmalmstorg 16, Box 7364, 103 90 Stockholm, Sweden)</p> <p>The Offer Price of the Securities is the Issue Price. The Authorised Offeror will offer and sell the Securities to its customers in accordance with arrangements in place between such Authorised Offeror and its customers by reference to the Issue Price and market conditions prevailing at the time.</p> <p>Offers of Securities are conditional on their issue. The Issuer may withdraw the</p>

		offer of the Securities in whole or in part at any time before the issue date in its discretion.
<b>E.4</b>	<b>Interests material to the issue/offer:</b>	Save as disclosed in Element E.7 below, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer, including conflicting interests.
<b>E.7</b>	<b>Estimated expenses:</b>	The Issue Price of 100 per cent. (100%) of the Aggregate Nominal Amount includes a selling commission of up to 6.00 per cent. (6.00%) of the Aggregate Nominal Amount which has been paid by the Issuer.



## RISK FACTORS

*An investment in your Securities is subject to the risks described below. You should carefully review (i) the applicable risk factors in the section entitled "Risk Factors" (pages 54 to 69) from the Base Prospectus incorporated by reference in this Prospectus (see the section entitled "Documents Incorporated by Reference" below) and (ii) the additional risk factors set out below, as well as the terms and conditions of the Securities described in this Prospectus. You should carefully consider whether the Securities are suited to your particular circumstances, including to consult your own professional advisers as necessary. We do not give to you as a prospective purchaser of Securities any assurance or guarantee as to the merits, performance or suitability of the Securities, and you should be aware that we act as an arm's-length contractual counterparty and not as an advisor or fiduciary.*

In these Risk Factors, "we" and "our" means Goldman Sachs.

### RISK WARNING OF POTENTIAL LOSS OF SOME OR ALL OF YOUR INVESTMENT

**You may lose some or all of your entire investment in the Securities where:**

- **The Issuer fails or is otherwise unable to meet its payment or delivery obligations:** The Securities are unsecured obligations. They 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 insurance scheme in any jurisdiction. Therefore, if the Issuer fails or is otherwise unable to meet its payment or delivery obligations under the Securities, you will lose some or all of your investment.
- **The final redemption amount of the Securities is less than the purchase price, due to the performance of the Underlying Asset:** Where the terms of your Securities do not provide for scheduled minimum payment of the face value or issue price of the Securities at maturity, whether you receive some or all of your money back at maturity (and any positive return) will depend on the performance of the Underlying Asset(s). Therefore, depending on the performance of the Underlying Asset(s), you may lose some or all of your investment.
- **The secondary sale price is less than the original purchase price:** The market price of your Securities prior to maturity may be significantly lower than the purchase price you pay for them. Consequently, if you sell your Securities before the stated scheduled redemption date, you may receive far less than your original invested amount.
- **The Securities are redeemed early due to an unexpected event and the amount you receive is less than the original purchase price:** Your Securities may be redeemed in certain extraordinary circumstances as described in this Prospectus prior to scheduled maturity and, in such case, the early redemption amount paid to you may be less than what you paid for the Securities.

**These circumstances are more fully described below.**

#### A. FACTORS THAT MAY AFFECT OUR ABILITY TO FULFIL OUR OBLIGATIONS UNDER THE SECURITIES

The Issuer may partially or wholly fail to meet its obligations under the Securities. Investors should therefore take the creditworthiness of the Issuer into account in their investment decision. Credit risk means the risk of insolvency or illiquidity of the Issuer, i.e., a potential, temporary or final inability to fulfil its interest and repayment obligations on time. An increased insolvency risk is typical of issuers that have a low creditworthiness.

Although the return on your Securities will be based on the performance of the Underlying Asset(s) (if

applicable), the payment of any amount due on, or delivery of any asset(s) deliverable under, the Securities is subject to the credit risk of the Issuer. The Securities are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on, or deliver any asset(s) deliverable under, the Securities, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness.

**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. Investors are dependent on our ability to pay all amounts due on the Securities, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness.**

Goldman Sachs International ("**GSI**") is a member of a group of companies of which The Goldman Sachs Group, Inc. is the holding company (the "**Goldman Sachs Group**" or "**Goldman Sachs**"). However, the Securities are not insured or guaranteed by The Goldman Sachs Group, Inc. ("**GSG**"), or any affiliate of GSG or any other entity. As a holder of Securities, **you will not have any recourse against The Goldman Sachs Group, Inc. or any other company in the Goldman Sachs Group other than GSI, and shall not have recourse against any other person, with respect to the performance of the Securities.**

**You should also read "*Risk Factors 2. Risks relating to GSI*" in the Base Prospectus incorporated by reference herein.**

**1. Risks relating to the potential exercise by a UK resolution authority of its resolution powers in relation to GSI**

The EU Bank Recovery and Resolution Directive ("**BRRD**") entered into force on July 2, 2014. EU member states were required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the BRRD by December 31, 2014 and to apply those with effect from January 1, 2015, except in relation to the bail-in provisions, which were to apply from January 1, 2016 at the latest. Its stated aim is to provide national "resolution authorities" with powers and tools to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The majority of the requirements of the BRRD have been implemented in the UK through the UK Banking Act 2009, as amended and related statutory instruments (together, the "**UK Banking Act**"). The UK Banking Act provides for a "resolution regime" granting substantial powers to the Bank of England (or, in certain circumstances, HM Treasury), to implement resolution measures (in consultation with other UK authorities) with respect to a UK financial institution (for example, such as GSI) where the UK resolution authority considers that the relevant institution is failing or is likely to fail, there is no reasonable prospect of other measures preventing the failure of the institution and resolution action is necessary in the public interest.

The resolution powers available to the UK resolution authority include powers to:

- write down the amount owing, including to zero, or convert the relevant securities into other securities, including ordinary shares of the relevant institution (or a subsidiary) - the so-called "bail-in" tool;
- transfer all or part of the business of the relevant institution to a "bridge bank";
- transfer impaired or problem assets to an asset management vehicle; and

- sell the relevant institution to a commercial purchaser.

In addition, the UK resolution authority is empowered to modify contractual arrangements, suspend enforcement or termination rights that might otherwise be triggered and disapply or modify laws in the UK (with possible retrospective effect) to enable the recovery and resolution powers under the UK Banking Act to be used effectively.

You should assume that, in a resolution situation, financial public support will only be available to GSI (or any member of Goldman Sachs Group) as a last resort after the relevant UK resolution authorities have assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool.

**You should be aware that the exercise of any such resolution power or even the suggestion of any such potential exercise in respect of GSI (or any member of the Goldman Sachs Group) could have a material adverse effect on the rights of holders of Securities, and could lead to a loss of some or all of the investment. The resolution regime is designed to be triggered prior to insolvency of the relevant institution, and holders of securities issued by such institution may not be able to anticipate the exercise of any resolution power (including exercise of the "bail-in" tool) by the UK resolution authority. Further, holders of securities issued by an institution which has been taken into a resolution regime will have very limited rights to challenge the exercise of powers by the UK resolution authority, even where such powers have resulted in the write down of the securities or conversion of the securities to equity.**

## **B. FACTORS WHICH ARE MATERIAL FOR THE PURPOSES OF ASSESSING THE MARKET RISKS IN RELATION TO THE SECURITIES**

### **1. Risks associated with the value and liquidity of your Securities**

#### **1.1 The estimated value of your Securities (as determined by reference to pricing models used by us) at the time the terms and conditions of your Securities are set on the trade date, will be less than the original issue price of your Securities**

The original issue price for your Securities will exceed the estimated value of your Securities as from the trade date, as determined by reference to our pricing models and taking into account our credit spreads. The difference between the estimated value of your Securities as of the time the terms and conditions of your Securities were set on the trade date and the original issue price is a result of many factors, including among others on issuance (the underwriting discount and commissions where permitted by applicable law), the expenses incurred in creating, documenting and marketing the Securities and our own internal funding costs (being an amount based on what we would pay to holders of a non-structured security with a similar maturity). The difference may be greater when the Securities are initially traded on any secondary markets and may gradually decline in value during the term of the Securities. Information with respect to the amount of these inducements, commissions and fees are included in this Prospectus and may be obtained from the Issuer upon request.

In estimating the value of your Securities as of the time the terms and conditions of your Securities were set on the trade date, our pricing models consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the Securities. These pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, the actual value you would receive if you sold your Securities in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your Securities determined by reference to our models due to,

among other things, any differences in pricing models or assumptions used by others.

## **1.2 The value and quoted price of your Securities (if any) at any time will reflect many factors and cannot be predicted**

The value and quoted price of your Securities (if any) at any time will reflect many factors and cannot be predicted. The following factors, amongst others, many of which are beyond our control, may influence the market value of your Securities:

- the volatility — i.e., the frequency and magnitude of changes — of the levels of the Underlying Asset or basket of Underlying Assets;
- whether your Securities are linked to a single Underlying Asset or a basket of Underlying Assets;
- the level, price, value or other measure of the Underlying Asset(s) to which your Securities are linked, the participation rate, the weighting multipliers, the cap level and/or the buffer level and/or other payout term, as applicable;
- the dividend rates of the stocks underlying the Underlying Asset(s);
- economic, financial, regulatory, political, military and other events that affect stock markets generally and the stocks underlying the Underlying Asset(s) or basket of Underlying Asset(s), and which may affect the closing level of the Underlying Asset(s) or the basket closing level;
- economic, financial, regulatory, geographic, judicial, political and other developments that affect the level, value or price of the Underlying Asset(s), and real or anticipated changes in those factors;
- interest rates and yield rates in the market;
- the time remaining until your Securities mature; and
- our creditworthiness, whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings or changes in other credit measures.

If we make a market in the Securities, the price quoted by us would reflect any changes in market conditions and other relevant factors, including any deterioration in our creditworthiness or perceived creditworthiness. These changes may adversely affect the value of your Securities, including the price you may receive for your Securities in any market making transaction. To the extent that we make a market in the Securities, the quoted price will reflect the estimated value determined by reference to our pricing models at that time, plus or minus its customary bid and ask spread for similar sized trades of structured securities and subject to the declining excess amount described in risk factor 1.1 (*The estimated value of your Securities (as determined by reference to pricing models used by us) at the time the terms and conditions of your Securities are set on the trade date, will be less than the original issue price of your Securities*) above.

Further, if you sell your Securities, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount. This commission or discount will further reduce the proceeds you would receive for your Securities in a secondary market sale.

If you sell your Securities prior to maturity, you may receive less than the face amount or initial purchase price of your Securities. You cannot predict the future performance of the applicable Underlying Asset(s) based on its historical performance.

You should note that the issue price and/or offer price of the Securities may include subscription fees, placement fees, direction fees, structuring fees and/or other additional costs. Any such fees and costs may not be taken into account for the purposes of determining the price of such Securities on the secondary market and could result in a difference between the original issue price and/or offer price, the theoretical value of the Securities, and/or the actual bid/offer price quoted by any intermediary in the secondary market. Any such difference may have an adverse effect on the value of the Securities, particularly immediately following the offer and the issue date relating to such Securities, where any such fees and/or costs may be deducted from the price at which such Securities can be sold by the initial investor in the secondary market.

There is no assurance that we or any other party will be willing to purchase your Securities at any price and, in this regard, we are not obligated to make a market in the Securities. See risk factor 1.3 (*Your Securities may not have an active trading market; the aggregate nominal amount or number of Securities outstanding at any time may be significantly less than the outstanding on the issue date, and this could have a negative impact on your ability to sell your Securities in the secondary market*) below.

**1.3 Your Securities may not have an active trading market; the aggregate nominal amount or number of Securities outstanding at any time may be significantly less than the outstanding on the issue date, and this could have a negative impact on your ability to sell your Securities in the secondary market**

Unless we expressly tell you otherwise, or to the extent that the rules of any stock exchange on which the Securities are listed and admitted to trading require us to provide liquidity in respect of the Securities, there may be little or no secondary market for your Securities and you may be unable to sell them.

If we do make a market for the Securities, we may cease to do so at any time without notice to you and we are not obligated to provide any quotation of bid or offer price(s) of the Securities which is favourable to you.

For those Securities for which an application will be or has been made to be listed and admitted to trading on a stock exchange, we give no assurance that such application will be accepted, that any particular Securities will be so admitted, or that an active trading market in the Securities will develop. We may discontinue any such listing at any time and this may have a material adverse effect on a purchaser's ability to resell its Securities in the secondary market.

Even if a secondary market for your Securities develops, it may not provide significant liquidity and transaction costs in any secondary market could be high. As a result, the difference between bid and asked prices for your Securities in any secondary market could be substantial. See also risk factor 1.2 (*The value and quoted price of your Securities (if any) at any time will reflect many factors and cannot be predicted*) above. There may be less liquidity in the secondary market for the Securities also if they are exclusively offered to retail investors without any offer to institutional investors.

If so indicated in this Prospectus, on the Issue Date a specified amount of Securities will be issued to and made available for sale by GSI as dealer, and may be listed and admitted to trading on one or more regulated markets of any European Economic Area Member State for purchase by investors. However, the Issuer and GSI (acting as dealer) will reserve the right to cancel some or all of the Securities held by GSI at any time prior to the final maturity of the Securities. Accordingly, the aggregate nominal amount or number of Securities outstanding at any time may be significantly less than that outstanding on the Issue Date, and this could have a negative impact on your ability to sell the Securities in the secondary market. Any such right of cancellation by GSI shall be exercised in accordance with applicable laws, the terms and conditions of the Securities and the applicable rules of the relevant stock exchange(s) and markets, including as to notification.

You should therefore not assume that the Securities can be sold at a specific time or at a specific price during their life, and you should assume that you may need to hold them until they mature.

## **2. Risks associated with certain products or product features**

### **2.1 If your Securities include a leverage factor of over 100 per cent. there may be a higher risk of loss**

If the terms and conditions of your Securities provide that the amount payable or deliverable on the Securities is based upon the performance, price, value or level of the Underlying Asset(s) multiplied by a factor which is over 100 per cent., the Securities may have a disproportionate exposure to any negative performance of the Underlying Asset(s). In such circumstances, the Securities will represent a very speculative and risky form of investment, since any loss in the value of the Underlying Asset(s) carries the risk of a disproportionately higher loss in the value of and return on the Securities.

### **2.2 The return on your Securities may be linked to the level, price, rate or other applicable value of the Underlying Asset(s) on a number of averaging dates**

The terms and conditions of your Securities may provide that the amount payable (or deliverable) on the Securities (whether at maturity or otherwise) will be based on the arithmetic average of the applicable levels, prices, rates or other applicable values of the Underlying Asset(s) on each of the specified averaging dates, and not the simple performance of the Underlying Asset(s) over the term of the Securities. An averaging feature could result in a lower value of and return on the Securities than if there was no averaging feature. For example, if the applicable level, price, rate or other applicable value of the particular Underlying Asset(s) dramatically increases on an averaging date (but not the other averaging dates), the return on your Securities may be significantly less than it would have been had it been linked only to the applicable level, price, rate or other value of the Underlying Asset(s) on that single date.

### **2.3 The potential for the value of your Securities to increase may be limited**

If the terms and conditions of your Securities provide that the Securities are subject to a cap, your ability to participate in any change in the value of the Underlying Asset(s) over the term of the Securities will be limited, no matter how much the level, price, rate or other applicable value of the Underlying Asset(s) may rise beyond the cap level over the life of the Securities. Accordingly, the return on your Securities may be significantly less than if you had purchased the Underlying Asset(s) directly.

In addition, if the upside participation rate on your Securities is less than 100 per cent. and, at maturity, the final level, price, rate or other applicable value of the Underlying Asset(s) exceeds the initial level, price, rate or other applicable value of the Underlying Asset(s), the return on your Securities may be significantly less than had you purchased the Underlying Asset(s) directly or an investment linked to the Underlying Asset(s) on a leveraged or one to one basis. This is because an upside participation rate of less than 100 per cent. will have the effect of reducing your exposure to any positive return on the Underlying Asset(s).

### **2.4 The return on your Securities may be linked to the lowest or highest level or price of the Underlying Asset(s) on a number of entry level observation dates**

The terms and conditions of your Securities may provide that the amount payable (or deliverable) on the Securities (whether at maturity or otherwise) will be based on the performance of the Underlying Asset(s) compared to the lowest levels or prices of the Underlying Asset(s) observed across each of the specified entry level observation dates, and not just the price or level of the Underlying Asset(s) on a single initial date. Such a feature could result in a lower value of and return on the Securities than if there was no entry level feature. For example, if the applicable level or price of the particular Underlying Asset(s) increased significantly across the entry level observation dates, the value of and return on your Securities may be

significantly less than it would have been had the return been determined by reference to only the applicable level or price of the Underlying Asset(s) on a single initial date.

### **3. Risks associated with certain terms of the Securities, including adjustment, early redemption, substitution, Issuer call option, exercise and amendments**

#### **3.1 Your Securities may be redeemed prior to maturity due to a change in law event, and you may lose some or all of your investment**

Where, due to a change in law, our performance under the Securities or hedging transactions relating to the Securities has become (or is likely in the immediate future to become) illegal or impractical, we may, in our discretion, redeem the Securities.

If we elect to early redeem the Securities, if permitted by applicable law, we shall pay to you an amount equal to the non-scheduled early repayment amount of such Securities. Unless the terms of your Securities provide that "Par" is applicable, the non-scheduled early repayment amount will be determined on the basis of market quotations obtained from qualified financial institutions or, where insufficient market quotations are obtained, will be an amount determined by us to be the fair market value of such Securities immediately prior to such early redemption (taking into account such illegality), adjusted to account fully for any of our reasonable expenses and costs including, those relating to the unwinding of our related hedging and funding arrangements (if any). The non-scheduled early repayment amount may be less than your initial investment and you may therefore lose some or all of your investment.

Following any such early redemption of the Securities, you may not be able to reinvest the proceeds from such redemption at a comparable return and/or with a comparable interest rate for a similar level of risk. You should consider such reinvestment risk in light of other available investments when you purchase the Securities.

#### **3.2 The Issuer of your Securities may be substituted with another company**

The Issuer may be substituted as principal obligor under the Securities by any company from the Goldman Sachs Group of companies. Whilst the new issuer will provide an indemnity in your favour in relation to any additional tax or duties that become payable solely as a result of such substitution, you will not have the right to consent to such substitution.

#### **3.3 We may amend the terms and conditions of your Securities in certain circumstances without your consent; amendments to the Securities will bind all holders thereof**

The terms and conditions of the Securities may be amended by us without your consent as a holder of the Securities in any of the following circumstances:

- to correct a manifest or proven error or omission;
- where the amendment is of a formal, minor or technical nature; or
- where such amendment will not materially and adversely affect the interests of holders.

In certain other circumstances, the consent of a defined majority of holders is required to make amendments. The terms and conditions of the Securities contain provisions for holders of Securities to call and attend meetings to vote upon such matters or to pass a written resolution in the absence of such a meeting. Resolutions passed at such a meeting, or passed in writing, can bind all holders of Securities, including investors that did not attend or vote, or who do not consent to the amendments.

### **4 Risks associated with foreign exchange rates**

**You may be exposed to foreign exchange risk on your Securities**

Where the terms of your Securities provide that payments will be made in a currency which is different from the currency of the Underlying Asset(s), and the Securities do not have a 'quanto' feature (as described in the next paragraph), or in the case of Underlying Asset(s) that themselves contain currency conversions (such as a global equity index that converts all stock prices to a single currency for purposes of calculating the index level), you may be exposed not only to the performance of the Underlying Asset(s) but also to the performance of such foreign currency, which cannot be predicted. Depreciation of the currency in which the payments under the Securities is denominated or the currency of the Underlying Asset(s) could result in a decrease in the value of and return on your Securities.

If the Underlying Asset(s) are not denominated in the currency of the Securities and at the same time only the performance of the Underlying Asset(s) in their denominated currency is relevant to the payout on the Securities, the Securities are referred to as currency-protected Securities or Securities with a "quanto" feature. Under such "quanto" feature, any change in the rate of exchange between the currency of the Underlying Asset(s) and the Securities is disregarded for the purposes of determining the return on the Securities. Accordingly, a "quanto" feature means that you will not have the benefit of any change in the rate of exchange between the currency of the Underlying Asset(s) and the Securities that would otherwise increase the performance of the Underlying Asset(s) in the absence of such "quanto" feature. In addition, changes in the relevant exchange rate may indirectly influence the level, price, rate or other applicable value of the relevant Underlying Asset(s) which, in turn, could have a negative effect on the value of and return on the Securities.

Further, foreign exchange fluctuations between your home currency and the currency in which payments under the Securities is denominated may affect you if you intend to convert gains or losses from the exercise or sale of Securities into your home currency.

Foreign exchange rates are, and have been, highly volatile and determined by supply and demand for currencies in the international foreign exchange markets; such fluctuations in rates are subject to economic factors, including, among others, inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks.

Foreign currency exchange rates can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Thus, a particular concern in purchasing Securities with foreign exchange risks as described above is that their yields or payouts could be significantly and unpredictably affected by governmental actions. Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in the country of the relevant currency or elsewhere could lead to significant and sudden changes in the exchange rate of that currency and others. These changes could negatively (or positively) affect the value of and return on the Securities as participants in the global currency markets move to buy or sell the relevant currency in reaction to these developments.

Governments have imposed from time to time and may in the future impose exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a currency that could affect exchange rates as well as the availability of the currency for a Security at its maturity or on any other payment date. In addition, your ability to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by



governmental actions.

**5. Risks associated with Securities that reference one or more Underlying Asset(s)**

**5.1 The value of and return on your Securities depends on the performance of the Underlying Asset(s)**

The return on your Securities may depend on the performance of one or more Underlying Asset(s). The level, price, rate or other applicable value of the Underlying Asset(s) may be subject to unpredictable change over time. This degree of change is known as "volatility". The volatility of an Underlying Asset may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of and return on the Securities. Volatility does not imply direction of the level, price, rate or other applicable value, though an Underlying Asset that is more volatile is likely to increase or decrease in value more often and/or to a greater extent than one that is less volatile.

Where the performance of an Underlying Asset in relation to your Securities is calculated on a "European basis" – i.e., a comparison is made between the Underlying Asset's level, price, rate or other applicable value on a start date and a future date to determine performance – you will not benefit from any increase in the Underlying Asset's level, price, rate or other applicable value from the start date up to, but excluding, the specified date on which the Underlying Asset's price will be determined for the purpose of your Securities.

**5.2 Past performance of an Underlying Asset is not indicative of future performance**

You should not regard any information about the past performance of the Underlying Asset(s) as indicative of the range of, or trends in, fluctuations in the Underlying Asset(s) that may occur in the future.

**5.3 You will not have any rights of ownership in the Underlying Asset(s)**

The Underlying Asset(s) will not be held by us for your benefit and, as such, you will not have any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Underlying Asset(s).

**5.4 Following a disruption event, the valuation of the Underlying Asset(s) may be postponed and/or valued by us in our discretion**

If we (as Calculation Agent) determine that a disruption event in relation to the Underlying Asset(s) has occurred which affects the determination of the level, price, rate or other applicable value of the Underlying Asset(s) on any relevant day, we may postpone the valuation and ultimately determine the level, price, rate or other applicable value in our discretion. Any such postponement and/or alternative valuation may have a negative effect on the value of and return on your Securities. In the event that the valuation day of the Underlying Asset(s) is postponed, the date on which final cash settlement or physical delivery is made on your Securities may be postponed.

**5.5 Following the occurrence of certain extraordinary events in relation to the Underlying Asset(s) or with respect to index linked securities, following the occurrence of an index adjustment event, the terms and conditions of your Securities may be adjusted or the Securities may be redeemed early at the non-scheduled early repayment amount**

If we (as Calculation Agent) determine that an extraordinary event (as described below in relation to each type of Underlying Asset) has occurred in relation to the Underlying Asset(s) or an Index Adjustment Event has occurred in relation to an Index, then we may adjust the terms and conditions of the Securities

(without your consent) to account for such event or we may redeem the Securities early. Any adjustment made to the terms and conditions of the Securities may have a negative effect on the value of and return on the Securities.

In the event of early redemption, we will pay to you the non-scheduled early repayment amount. Unless the terms of your Securities provide that "Par" is applicable, the non-scheduled early repayment amount will be determined on the basis of market quotations obtained from qualified financial institutions or, where insufficient market quotations are obtained, will be an amount determined by us to be the fair market value of the Securities immediately prior to (and taking into account the circumstances leading to) such early redemption (and the fact that such circumstances are taken into account will tend to reduce any amount payable on the Securities on early redemption), adjusted to account fully for our reasonable expenses and costs including those relating to the unwinding of any underlying and/or related hedging and funding arrangements. The non-scheduled early repayment amount may be less than your initial investment and you may therefore lose some or all of your investment.

Following any such early redemption of the Securities, you may not be able to reinvest the proceeds from an investment at a comparable return and/or with a comparable interest rate for a similar level of risk. You should consider such reinvestment risk in light of other available investments when you purchase the Securities.

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

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate, equity, commodity, foreign exchange rate and other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following any such reforms, benchmarks may perform differently than in the past or disappear entirely, or there could be other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to such a benchmark.

Key regulatory proposals and initiatives in this area include (amongst others) IOSCO's Principles for Financial Market Benchmarks, published in July 2013 (the "**IOSCO Benchmark Principles**"), the EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"), and the transition, proposed by the UK's Financial Conduct Authority (the "**FCA**"), away from LIBOR to one or more alternative benchmarks.

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. Subsequent implementation reviews have found that widespread efforts are being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed. However, the reviews also note that, as the "benchmarks industry" is in a state of flux, IOSCO may need to take further steps in the future – although it is not yet clear what these steps might be.

The Benchmark Regulation entered into force in June 2016 and will become fully applicable in the EU on January 1, 2018 (save that certain provisions, including those related to "critical benchmarks", took effect as at June 30, 2016), subject to certain transitional provisions. The Benchmark Regulation applies to "contributors" to, "administrators" of, and "users" of benchmarks in the EU. When fully applicable (from January 1, 2018), it will, among other things, (a) require EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibit the use in the EU of benchmarks provided by EU administrators which are not authorised or

registered in accordance with the Benchmark Regulation, and (c) prohibit the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an "equivalence" decision has been adopted in accordance with the Benchmark Regulation, or (ii) where such equivalence decision is pending, "recognised" by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as EURIBOR, will, when fully applicable, apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices. This will include "proprietary" indices or strategies where these are used to (i) determine the amount payable under, or the value of, certain financial instruments (including securities and OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or traded via a systematic internaliser), (ii) determine the amount payable under certain financial contracts, or (iii) measure the performance of an investment fund. The requirements of the Benchmark Regulation vary depending on the category of benchmark in question. In particular, a lighter touch regime applies to benchmarks which are not interest rate or commodity benchmarks where the total average value of financial instruments, financial contracts or investment funds referencing the benchmark over a period of six months is less than €50bn (subject to further conditions).

The Benchmark Regulation could have a material impact on Securities linked to a benchmark rate or index. For example:

- a rate or index which is a benchmark could be prohibited from being used in the EU if (subject to applicable transitional provisions) its administrator is (i) based in the EU and does not obtain authorisation or registration, or (ii) based in a non-EU jurisdiction which does not satisfy the "equivalence" conditions and is not "recognised" pending an equivalence decision. 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 Benchmark Regulation, and such changes could reduce or increase the rate or level or affect the volatility of the published rate or level, and could lead to adjustments to the terms of the Securities, including the Calculation Agent determination of the rate or level in its discretion.

In a speech in July 2017, the Chief Executive of the FCA announced that by the end of 2021 the FCA would no longer seek to persuade LIBOR panel banks to continue to submit rates to the LIBOR administrator, and that the market should begin planning transition to alternative reference rates that are based on actual transactions (such as SONIA (the Sterling Over Night Index Average)).

Ongoing international and/or national reform initiatives and the increased regulatory scrutiny of benchmarks generally could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any applicable regulations or requirements. Such factors may discourage market participants from continuing to administer or contribute to benchmarks, trigger changes in the rules or methodologies used in respect of benchmarks, and/or lead to the disappearance of benchmarks, including LIBOR. This could result in (i) adjustments to the terms and conditions and/or early redemption provisions and/or provisions relating to discretionary valuation by the Calculation Agent, (ii) delisting, and/or (iii) other consequences for Securities linked to any such benchmarks. Any such consequence could have a material adverse effect on the value of and return on any such Securities.

## **6. Risks associated with particular types of Underlying Assets**

### **6.1 Risks associated with Indices as Underlying Assets**

#### **(a) Various unpredictable factors may affect the performance of equity Indices**

Equity indices are comprised of a synthetic portfolio of shares, and as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares that underlie such Index, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy, as well as the index composition, which may change over time.

#### **(b) Actions by the index sponsor may negatively affect the Securities**

The sponsor of the Index(s) will have no involvement in the offer and sale of the Securities and will have no obligation to you as a holder of Securities. For example, the sponsor can add, delete or substitute the components of an index at its discretion, and may also alter the methodology used to calculate the level of the Index. The sponsor may also alter, discontinue or suspend calculation or dissemination of the Index. Any of these actions may have a detrimental impact on the level of the Index, which in turn could have a negative impact on the value of and return on your Securities.

#### **(c) You may receive a lower return on Securities linked to equity Indices than if you held the underlying shares directly**

The value of and return on Securities that depend on the performance of one or more equity Indices may be less than the value of and return on a direct holding of the shares of the companies comprising the components of the Index. This is because the closing index level on any specified valuation date may reflect the prices of such index components without taking into account any dividend payments on those component shares. Accordingly, you may receive a lower return on Securities linked to one or more equity Indices than you would have received had you invested directly in those shares.

#### **(d) The occurrence of an index adjustment event or the replacement of the index sponsor by a successor index sponsor may have a negative effect on your Securities**

If the sponsor of an Index makes a material alteration to the Index or cancels the Index and no successor exists, or if the sponsor fails to calculate and announce the Index, we (as Calculation Agent) shall, (i) (if "Calculation Agent Adjustment" is specified as applicable in the relevant Final Terms) if we determine the event to have a material effect on the Securities, calculate the level of the Index according to the previous formula and method, (ii) (if "Index Substitution" is specified as applicable in the relevant Final Terms) replace the Index with another index (or basket of indices) or (iii) (if "Related Exchange Adjustment" is specified as applicable in the relevant Final Terms) adjust the terms and conditions of the Securities (without your consent). Any such action may have a negative effect on the value and return on the Securities.

If we believe that the proposed action above would not achieve a commercially reasonable result, we may redeem the Securities early. In such event, we will pay to you the non-scheduled early repayment amount. The non-scheduled early repayment amount may be less than your original investment and you may lose some or all of your money. See also risk factor 5.5 (*Following the occurrence of certain extraordinary events in relation to the Underlying Asset(s) or with respect to index linked securities, following the occurrence of an index adjustment event, the terms and conditions of your Securities may be adjusted or the Securities may be redeemed early at the non-scheduled early repayment amount*).

If an index is calculated by a successor index sponsor, or, is replaced by a successor index, the successor

index or index as calculated by the successor index sponsor, will be deemed to be the index if approved by us (as Calculation Agent). Any such successor index may perform poorly and may result in holders of Securities receiving less than they otherwise expected.

Any of these events may have a negative effect on the value of and return on your Securities.

## **7. Risks associated with discretionary powers of the Issuer and the Calculation Agent including in relation to our hedging arrangements**

As described elsewhere in these risk factors, the occurrence of certain events – relating to the Issuer, our hedging arrangements, the Underlying Asset(s), taxation, the relevant currency or other matters – the occurrence of which may give rise to discretionary powers on our part (as Issuer or as Calculation Agent) under the terms and conditions of the Securities.

In relation to the Underlying Asset(s), a key investment objective of the Securities is to allow holders to gain an economic exposure to the Underlying Asset(s). Therefore, if an Underlying Asset is materially impacted by an unexpected event or the relevant level, price, rate or other applicable value can no longer be calculated, then it may not be possible to achieve the investment objective of your Securities based on their original terms. In that case, we may have discretionary powers under the terms and conditions of the Securities (as described elsewhere in these risk factors) to (i) adjust the terms and conditions of the Securities to preserve the original economic terms and rationale, (ii) in certain cases, substitute the Underlying Asset(s) for another, (iii) calculate the relevant level, price, rate or other applicable value itself, (iv) postpone payment (v) redeem the Securities early or (vi) apply some combination thereof.

In relation to our hedging arrangements, we (including through one or more affiliates of the Issuer) may enter into one or more arrangements to cover our exposure to the relevant cash amounts to be paid or assets to be delivered under the Securities as these fall due. We describe some of the potential types of arrangements in risk factor 10.1 (*Anticipated hedging activities by Goldman Sachs or our distributors may negatively impact investors in the Securities and cause our interests and those of our clients and counterparties to be contrary to those of investors in the Securities*) below. The particular hedging arrangements (if any) undertaken by us, and their cost, will likely be a significant determinant of the price and the economic terms and conditions of your Securities. Accordingly, if an event occurs which negatively impacts our hedging arrangements, we may have discretionary powers under the terms and conditions of your Securities as described in the paragraph immediately above to account for such impact on our heading arrangements. The exercise by us of such discretionary powers may have a negative impact on the value of and return on your Securities.

## **8. Risks associated with taxation**

### **8.1 Tax laws may change and this may have a negative impact on your Securities**

Tax law and practice is subject to change, possibly with retrospective effect and this could adversely affect the value of your Securities to you and/or their market value generally. Any such change may (i) cause the tax treatment of the relevant Securities to change from what you understood the position to be at the time of purchase; (ii) render the statements in this document concerning relevant tax law and practice in relation to the Securities inaccurate or inapplicable in some or all respects to certain Securities or have the effect that this document does not include material tax considerations in relation to certain Securities; or (iii) give us the right to redeem the Securities early, if such change has the effect that our performance under the Securities or hedging transaction relating to the Securities is unlawful or impracticable (see risk factor 3.1 (*Your Securities may be redeemed prior to maturity due to a change in law event, and you may lose some or all of your investment*)). **You should consult your own tax advisers about the tax implications of holding any Security and of any transaction involving any**

**Security.****9. Risks associated with certain terms of public offers or listings****9.1 Certain specific information may not be known at the beginning of an offer period**

This Prospectus may provide that certain specific information relating to your Securities (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine or calculate amounts payable or assets deliverable in respect of the Securities) may not be fixed or determined until the end of the offer period. In such case, this Prospectus will specify in place of the relevant amounts, levels, percentages, prices, rates or values (as applicable), such indicative amounts, levels, percentages, prices, rates or values (as applicable), or an indicative range thereof, which may be subject to a minimum or maximum amount, level, percentage, price, rate or value (as applicable).

The actual amounts, levels, percentages, prices, rates or values (as applicable) will be determined based on market conditions by the Issuer on or around the end of the offer period and may be the same as or different from any indicative amount specified in this Prospectus, provided that such actual amounts will not be less than any indicative minimum amount specified therein and will not be more than any indicative maximum amount specified therein.

You will be required to make your investment decision based on the indicative amounts or indicative range rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed or determined at the end of the offer period after their investment decision is made but will apply to the Securities once issued.

If terms of the Securities provide that an indicative range of amounts, levels, percentages, prices, rates or values (as applicable), you should, for the purposes of evaluating the risks and benefits of an investment in the Securities, assume that the actual amounts, levels, percentages, prices, rates or values (as applicable) fixed or determined at the end of the offer period may have a negative impact on the amounts payable or assets deliverable in respect of the Securities and consequently, have an adverse impact on the return on the Securities (when compared with other amounts, levels, percentages, prices, rates or values (as applicable) within any indicative range, or less than any indicative maximum amount, or greater than any indicative minimum amount). You should therefore make your decision to invest in the Securities on that basis.

**9.2 Potential conflicts of interest relating to distributors or other entities involved in the offer or listing of the Securities**

Potential conflicts of interest may arise in connection with the Securities, as any distributors or other entities involved in the offer and/or the listing of the Securities as indicated in this Prospectus, will act pursuant to a mandate granted by the Issuer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

**9.3 Certain considerations relating to public offers of the Securities**

If the Securities are distributed by means of a public offer, under certain circumstances indicated in the terms of the Securities, the Issuer and/or the other entities indicated in the terms of the Securities will have the right to withdraw or revoke the offer, and the offer will be deemed to be null and void according to the terms indicated in the terms of the Securities.

The Issuer and/or the other entities specified in the terms of the Securities may also terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the terms of the Securities. Any such termination may occur even where

the maximum amount for subscription in relation to that offer (as specified in the terms of the Securities), has not been reached. In such circumstances, the early closing of the offer may have an impact on the aggregate number of Securities issued and, therefore, may have an adverse effect on the liquidity of the Securities.

Furthermore, under certain circumstances indicated in the terms of the Securities, the Issuer and/or the other entities indicated in the terms of the Securities will have the right to extend the offer period and/or to postpone the originally designated issue date, and related interest payment dates and the maturity date. For the avoidance of doubt, this right applies also in the event that the Issuer publishes a supplement to the Base Prospectus in accordance with the provisions of the Prospectus Directive.

## **10. Risks associated with conflicts of interest between Goldman Sachs and purchasers of Securities**

The various roles and trading activities of Goldman Sachs could create conflicts of interest between you and us.

### **10.1 Anticipated hedging activities by Goldman Sachs or our distributors may negatively impact investors in the Securities and cause our interests and those of our clients and counterparties to be contrary to those of investors in the Securities**

In anticipation of the sale of the Securities, we and/or our affiliates expect to hedge our obligations under the Securities by purchasing futures and/or other instruments linked to the Underlying Asset(s) or components thereof, or, if applicable, the foreign currencies in which Underlying Asset(s) are denominated, as applicable. We also expect to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the Underlying Asset(s) or any components thereof (the "**Underlying Components**"), at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the final valuation date for your Securities. Alternatively, we may hedge all or part of our obligations under the Securities with unaffiliated distributors of the Securities which we expect will undertake similar market activity. We may also enter into, adjust and unwind hedging transactions relating to other underlier-linked securities whose returns are linked to changes in the level of the Underlying Asset(s) or one or more of the Underlying Components, as applicable.

In addition to entering into such transactions itself, or distributors entering into such transactions, Goldman Sachs may structure such transactions for its clients or counterparties, or otherwise advise or assist clients or counterparties in entering into such transactions. These activities may be undertaken to achieve a variety of objectives, including: permitting other purchasers of the Securities or other securities to hedge their investment in whole or in part; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with, or contrary to, those of investors in the Securities; hedging the exposure of Goldman Sachs to the Securities including any interest in the Securities that it reacquires or retains as part of the offering process, through its market-making activities or otherwise; enabling Goldman Sachs to comply with its internal risk limits or otherwise manage firmwide, business unit or product risk; and/or enabling Goldman Sachs to take directional views as to relevant markets on behalf of itself or its clients or counterparties that are inconsistent with or contrary to the views and objectives of the investors in the Securities.

Any of these hedging or other activities may adversely affect the levels of the Underlying Asset(s) — directly or indirectly by affecting the price of the Underlying Components — and therefore the market value of your Securities and the amount we will pay on your Securities, if any, at maturity. In addition, you should expect that these transactions will cause Goldman Sachs or its clients, counterparties or distributors to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the Securities. Neither Goldman Sachs nor any distributor will have

any obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the Securities, and may receive substantial returns on hedging or other activities while the value of the Securities declines. In addition, if the distributor from which you purchase Securities is to conduct hedging activities in connection with the Securities, that distributor may otherwise profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the distributor receives for the sale of the Securities to you. You should be aware that the potential to earn fees in connection with hedging activities may create a further incentive for the distributor to sell the Securities to you in addition to the compensation they would receive for the sale of the Securities.

### **10.2 Goldman Sachs' trading and investment activities for its own account or for its clients could negatively impact investors in the Securities**

Goldman Sachs is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, it acts as an investor, investment banker, research provider, investment manager, investment advisor, market maker, trader, prime broker and lender. In those and other capacities, Goldman Sachs purchases, sells or holds a broad array of investments, actively trades securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own account or for the accounts of its customers, and will have other direct or indirect interests, in the global fixed income, currency, commodity, equity, bank loan and other markets. Any of Goldman Sachs' financial market activities may, individually or in the aggregate, have an adverse effect on the market for your Securities, and you should expect that the interests of Goldman Sachs or its clients or counterparties will at times be adverse to those of investors in the Securities.

Goldman Sachs regularly offers a wide array of securities, financial instruments and other products into the marketplace, including existing or new products that are similar to your Securities, or similar or linked to the Underlying Asset(s). Investors in the Securities should expect that Goldman Sachs will offer securities, financial instruments, and other products that will compete with the Securities for liquidity, research coverage or otherwise.

### **10.3 Goldman Sachs' market-making activities could negatively impact investors in the Securities**

Goldman Sachs actively makes markets in and trades financial instruments for its own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. Goldman Sachs' activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which Goldman Sachs takes positions, or expects to take positions, include securities and instruments of the Underlying Asset(s) or the Underlying Components thereof, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated. Market making is an activity where Goldman Sachs buys and sells on behalf of customers, or for its own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that Goldman Sachs will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the Securities.

If Goldman Sachs becomes a holder of any Underlying Asset or Underlying Component thereof, as applicable, in its capacity as a market-maker or otherwise, any actions that it takes in its capacity as securityholder, including voting or provision of consents, will not necessarily be aligned with, and may be inconsistent with, the interests of investors in the Securities.



**10.4 You should expect that Goldman Sachs personnel will take research positions, or otherwise make recommendations, provide investment advice or market colour or encourage trading strategies that might negatively impact investors in the Securities**

Goldman Sachs and its personnel, including its sales and trading, investment research and investment management personnel, regularly make investment recommendations, provide market colour or trading ideas, or publish or express independent views in respect of a wide range of markets, issuers, securities and instruments. They regularly implement, or recommend to clients that they implement, various investment strategies relating to these markets, issuers, securities and instruments. These strategies include, for example, buying or selling credit protection against a default or other event involving an issuer or financial instrument. Any of these recommendations and views may be negative with respect to the Underlying Asset(s) or Underlying Components thereof, as applicable, or other securities or instruments similar to or linked to the foregoing or result in trading strategies that have a negative impact on the market for any such securities or instruments, particularly in illiquid markets. In addition, you should expect that personnel in the trading and investing businesses of Goldman Sachs will have or develop independent views of the Underlying Asset(s) or Underlying Components thereof, as applicable, the relevant industry or other market trends, which may not be aligned with the views and objectives of investors in the Securities.

**10.5 Goldman Sachs regularly provides services to, or otherwise has business relationships with, a broad client base, which may include the sponsors or issuers of the Underlying Asset(s) or Underlying Components thereof or other entities that are involved in the transaction**

Goldman Sachs regularly provides financial advisory, investment advisory and transactional services to a substantial and diversified client base, and you should assume that Goldman Sachs will, at present or in the future, provide such services or otherwise engage in transactions with, among others, the sponsors or issuers of the Underlying Asset(s) or Underlying Components thereof, or transact in securities or instruments or with parties that are directly or indirectly related to the foregoing. These services could include making loans to or equity investments in those companies, providing financial advisory or other investment banking services, or issuing research reports. You should expect that Goldman Sachs, in providing such services, engaging in such transactions, or acting for its own account, may take actions that have direct or indirect effects on the Underlying Asset(s) or Underlying Components thereof, as applicable, and that such actions could be adverse to the interests of investors in the Securities. In addition, in connection with these activities, certain Goldman Sachs personnel may have access to confidential material non-public information about these parties that would not be disclosed to Goldman Sachs employees that were not working on such transactions as Goldman Sachs has established internal information barriers that are designed to preserve the confidentiality of non-public information. Therefore, any such confidential material non-public information would not be shared with Goldman Sachs employees involved in structuring, selling or making markets in the Securities or with investors in the Securities.

In any offering under the Programme, as well as in all other circumstances in which Goldman Sachs receives any fees or other compensation in any form relating to services provided to or transactions with any other party, no accounting, offset or payment in respect of the Securities will be required or made; Goldman Sachs will be entitled to retain all such fees and other amounts, and no fees or other compensation payable by any party or indirectly by holders of the Securities will be reduced by reason of receipt by Goldman Sachs of any such other fees or other amounts. Any such fees or other amounts received by Goldman Sachs will be made in accordance with all applicable laws and regulations.

**10.6 An offering of the Securities may reduce an existing exposure of Goldman Sachs or facilitate a transaction or position that serves the objectives of Goldman Sachs or other parties**

A completed offering of Securities may reduce Goldman Sachs' existing exposure to the Underlying Asset(s) or Underlying Components thereof, as applicable, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated, including exposure gained through hedging transactions in anticipation of this offering. An offering of Securities will effectively transfer a portion of Goldman Sachs' exposure (and indirectly transfer the exposure of Goldman Sachs' hedging or other counterparties) to investors in the Securities.

The terms of an offering (including the selection of the Underlying Asset(s) and the establishment of other transaction terms) may have been selected in order to serve the investment or other objectives of Goldman Sachs or another client or counterparty of Goldman Sachs. In such a case, Goldman Sachs would typically receive the input of other parties that are involved in or otherwise have an interest in the offering, transactions hedged by the offering, or related transactions. The incentives of these other parties would normally differ from and in many cases be contrary to those of investors in the Securities.

Every such offering of Securities will be designed, distributed and monitored in accordance with all applicable legal and regulatory requirements (including any product governance requirements).

#### **10.7 Other investors in the Securities may not have the same interests as you**

Other investors in the Securities are not required to take into account the interests of any other investor in exercising remedies or voting or other rights in their capacity as securityholders or in making requests or recommendations to us as to the establishment of other transaction terms. The interests of other investors may, in some circumstances, be adverse to your interests. For example, certain investors may take short positions (directly or indirectly through derivative transactions) on assets that are the same or similar to your Securities, Underlying Asset(s) or other similar securities, which may adversely impact the market for or value of your Securities.

#### **10.8 As Calculation Agent, we will have the authority to make determinations that could affect the market value and return on your Securities**

Unless otherwise specified in the terms of the Securities, the Calculation Agent will be Goldman Sachs International. The Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Securities have occurred, and (ii) to determine the consequence of such event, including potentially, revised calculations, adjustments, postponements or early redemption of the Securities. See risk factor 7 (*Risks associated with discretionary powers of the Issuer and the Calculation Agent including in relation to our hedging arrangements*) above. Any such determination made by the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all purchasers of the Securities. Any such determinations may have an adverse impact on the value of and return on the Securities.

#### **10.9 Risks associated with potential 'bail-in' of Securities**

See risk factor 1 (*Risks relating to the potential exercise by a UK resolution authority of its resolution powers in relation to GSI*) above.

## PERFORMANCE SCENARIOS

**THE SCENARIOS AND FIGURES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY. THE SETTLEMENT AMOUNT IN RESPECT OF EACH NOMINAL AMOUNT OF EACH SECURITY EQUAL TO THE CALCULATION AMOUNT WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SECURITIES.**

The Issue Price is 100 per cent. (100%) of the Aggregate Nominal Amount. The Aggregate Nominal Amount is up to SEK 100,000,000. The Nominal Amount is SEK 10,000. The Cap is 20 per cent. (20%), expressed as 0.20. The Barrier Level is 70 per cent. (70%) of the Reference Price (Initial).

For the purposes of these Performance Scenarios only, Participation is deemed to be 2.00. The actual Participation will be determined by the Issuer on or around February 22, 2018 and may be a lesser or greater percentage than 2.00 (but shall not be less than 1.70). Therefore as the actual Participation may be lower than the deemed values used for the purposes of these Performance Scenarios, the actual amounts received by investors may be less than the amounts stated in the Performance Scenarios below.

**Scenario 1 – negative scenario:** *The Reference Price (Final) is equal to 69 per cent. (69%) of the Reference Price (Initial).*

In this scenario, the Certificates will be redeemed on the Maturity Date and the Settlement Amount payable per Certificate (of the Nominal Amount) will be SEK 6,900. **In this scenario, an investor who purchased the Certificates at the Issue Price will sustain a substantial loss of the original amount invested.**

**Scenario 2 – negative scenario:** *The Reference Price (Final) is equal to zero.*

In this scenario, the Certificates will be redeemed on the Maturity Date and the Settlement Amount payable per Certificate (of the Nominal Amount) will be zero. **In this scenario, an investor will sustain a total loss of the original amount invested.**

**Scenario 3 – neutral scenario:** *The Reference Price (Final) is equal to the Barrier Level and the Reference Price (Avg) is equal to the Reference Price (Initial).*

In this scenario, the Certificates will be redeemed on the Maturity Date and the Settlement Amount payable per Certificate (of the Nominal Amount) will be SEK 10,000. **In this scenario, an investor who purchased the Certificates at the Issue Price will receive an amount equal to the original amount invested.**

**Scenario 4 – positive scenario:** *The Reference Price (Final) is greater than the Barrier Level and the Reference Price (Avg) is greater than or equal to 120 per cent. (120%) but less than or equal to 140 per cent. (140%) of the Reference Price (Initial).*

In this scenario, the Certificates will be redeemed on the Maturity Date and the Settlement Amount payable per Certificate (of the Nominal Amount) will be SEK 14,000.

**Scenario 5 – positive scenario:** *The Reference Price (Final) is greater than the Barrier Level and the Reference Price (Avg) is equal to 200 per cent. (200%) of the Reference Price (Initial).*

In this scenario, the Certificates will be redeemed on the Maturity Date and the Settlement Amount payable per Certificate (of the Nominal Amount) will be SEK 20,000.

**DOCUMENTS INCORPORATED BY REFERENCE**

This Prospectus should be read and construed in conjunction with the documents incorporated by reference into this Prospectus. The information contained in the following documents (other than any documents which are incorporated by reference into such following documents) is hereby incorporated by reference into this Prospectus and deemed to form a part of this Prospectus:

- (i) the base prospectus dated November 15, 2017 relating to issues of non-equity securities under the Programme by Goldman Sachs International and Goldman Sachs & Co. Wertpapier GmbH (the "**Base Prospectus**");
- (ii) the Annual Report for the fiscal year ended December 31, 2016 of GSI ("**GSI's 2016 Annual Report**"), containing, in Part II, the Directors' Report and Audited Financial Statements of GSI for the period ended December 31, 2016 ("**GSI's 2016 Financial Statements**");
- (iii) the Annual Report for the fiscal year ended December 31, 2015 of GSI ("**GSI's 2015 Annual Report**"), containing, in Part II, the Directors' Report and Audited Financial Statements of GSI for the period ended December 31, 2015 ("**GSI's 2015 Financial Statements**");
- (iv) the Current Report on Form 8-K dated September 12, 2017 of The Goldman Sachs Group, Inc. ("**GSG's September 12, 2017 Form 8-K**"), including Exhibit 99.1 ("**Exhibit 99.1 to GSG's September 12, 2017 Form 8-K**"), as filed with the U.S. Securities and Exchange Commission on September 12, 2017; and
- (v) the Unaudited Quarterly Financial Report of GSI for the period ended September 30, 2017 ("**GSI's 2017 Third Quarter Financial Report**"), containing, in Part II, the Unaudited Financial Statements of GSI for the period ended September 30, 2017 ("**GSI's 2017 Third Quarter Financial Statements**").

The table below sets out the relevant page references for the information incorporated into this Prospectus by reference. The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 809/2004 (as amended). Information not incorporated by reference is not relevant for the investor or are covered in other parts of this Prospectus.

The Luxembourg Stock Exchange will publish such documents on its website at [www.bourse.lu](http://www.bourse.lu).

<b>Information incorporated by reference</b>	<b>Page reference</b>
<b><i>From the Base Prospectus</i></b>	
Risk Factors	
2. <i>Risks relating to GSI</i>	Pages 54-69
Commonly Asked Questions about the Programme	Pages 116-127
General Terms and Conditions of the Instruments	Pages 128-182
Payout Conditions	Pages 249-281
Introduction to the Index Linked Conditions	Pages 319-326
Index Linked Conditions	Pages 327-357
Book-Entry Clearing Systems	Pages 627-629
Use of Proceeds	Page 630
Goldman Sachs International	
<i>General Information on Goldman Sachs International*</i>	Page 631
<i>Capitalisation</i>	Pages 631-632
<i>Corporate Governance</i>	Page 632
<i>Management of GSI</i>	Page 632
<i>GSI Board Audit Committee</i>	Pages 633
The proposed financial transactions tax (" <b>FTT</b> ")	Pages 638
United Kingdom Tax Considerations	Pages 638-641

Luxembourg Tax Considerations	Pages 641-642
Swedish withholding tax	Pages 680-681
United States Tax Considerations	Pages 681-685
Selling Restrictions	Pages 686-709
Offers and Sales and Distribution Arrangements	Page 710
Alternative Performance Measures	Pages 720-721
Index of Defined Terms	Pages 725-736

***From GSI's 2016 Annual Report***

Strategic Report	Pages 2-48
Directors' Report	Pages 49-50
Balance Sheet	Page 54
Profit and Loss Account	Page 53
Statements of Cash Flows	Page 56
Notes to the Financial Statements	Pages 57-91
Independent Auditors' Report	Pages 51-52

***From GSI's 2015 Annual Report***

Strategic Report	Pages 2-48
Directors' Report	Pages 49-50
Balance Sheet	Page 54
Profit and Loss Account	Page 53
Statements of Cash Flows	Page 56
Notes to the Financial Statements	Pages 57-94
Independent Auditors' Report	Pages 51-52

***From GSG's September 12, 2017 Form 8-K\*\****

Item 7.01: Regulation FD Disclosure	Page 2
Cautionary Note on Forward-Looking Statements	Page 2
Item 9.01: Financial Statements and Exhibits	Page 2
Signature	Page 3
Exhibit 99.1: Goldman Sachs presentation, dated September 12, 2017, at the 2017 Barclays Global Financial Services Conference	Pages 4-27 (marked as pp. 1-24 of Exhibit 99.1)

***From GSI's 2017 Third Quarter Financial Report***

Management Report	Pages 2-23
Balance Sheet	Page 25
Profit and Loss Account	Page 24
Statements of Cash Flows	Page 27
Notes to the Financial Statements	Pages 28-44

\* The reference to "paragraph 3 of the Memorandum of Association of GSI" in the sixth paragraph under the heading, *General Information on Goldman Sachs International*, on page 631 of the Base Prospectus shall be deleted and replaced with "Article 2 of the Articles of Association of GSI dated February 20, 2017".

\*\* The page numbers referenced above in relation to the GSG's September 12, 2017 Form 8-K relate to the order in which the pages appear in the PDF version of such document.

Additional information relating to "Alternative Performance Measures" (as defined in the Guidelines published by the European Securities and Markets Authority) contained in GSI's 2015 Annual Report is set out in the section "Alternative Performance Measures" on pages 720 and 721 of the Base Prospectus, which is incorporated by reference into this Prospectus.

GSI will provide without charge to each person to whom this Prospectus is delivered, upon his or her written or oral request, a copy of the documents referred to above which has been incorporated by reference into this Prospectus, excluding exhibits to the documents unless they are specifically incorporated by reference into the

documents. Investors can request the documents from Investor Relations, 200 West Street, New York, New York 10282, USA, telephone +1 (212) 902-0300. This Prospectus has been filed with the Commission de Surveillance du Secteur Financier, and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**CONTRACTUAL TERMS**

ISIN: SE0010714246

Valoren: 39414241

PIPG Tranche Number: 93296

The terms and conditions ("**Conditions**") of the Securities shall comprise (i) the General Instrument Conditions as completed and/or amended by (ii) the terms of the relevant Underlying Asset Conditions specified to be applicable by these Contractual Terms, as further completed and/or amended by (iii) these Contractual Terms. In the event of any inconsistency between the General Instrument Conditions and the applicable Underlying Asset Conditions, the latter shall prevail; in the event of any inconsistency between these General Instrument Conditions as completed and/or amended by the applicable Underlying Asset Conditions and these Contractual Terms, these Contractual Terms shall prevail. All references in the General Instrument Conditions and the applicable Underlying Asset Conditions to "Final Terms" shall be deemed to be references to these Contractual Terms.

*The General Instrument Conditions and applicable Underlying Asset Conditions are incorporated by reference herein: see "Documents Incorporated by Reference" above.*

Terms used herein shall be deemed to be defined as such for the purposes of the General Instrument Conditions as completed and/or amended by the applicable Underlying Asset Conditions set forth in the Base Prospectus.

- |    |  |  |
|----|--|--|
| 1. | <b>Tranche Number:</b>   | One.   |
| 2. | <b>Settlement Currency(ies):</b>                               | Swedish Krona (" <b>SEK</b> ").  |
| 3. | <b>Aggregate Nominal Amount of Certificates in the Series:</b> |  |
|    | (i) Series:  | Up to SEK 100,000,000.   |
|    | (ii) Tranche:  | Up to SEK 100,000,000.   |
|    |  | The final Aggregate Nominal Amount to be issued under this Tranche will be determined by the Issuer on or around February 22, 2018 and published on the website of the Issuer ( <i>www.gspip.info</i> ) on or around the Issue Date. |
|    | (iii) Trading in Nominal:                                      | Applicable.  |
|    | (iv) Nominal Amount:   | SEK 10,000.  |
| 4. | <b>Issue Price:</b>  | 100 per cent. (100%) of the Aggregate Nominal Amount.  |
| 5. | <b>Calculation Amount:</b>                                     | SEK 10,000.  |
| 6. | <b>Issue Date:</b>   | March 14, 2018.  |
| 7. | <b>Maturity Date:</b>  | Scheduled Maturity Date is March 14, 2023.   |
|    | (i) Strike Date:   | Not Applicable.  |

- (ii) Relevant Determination Date (General Instrument Condition 2(a)): The Last Averaging Date.  
Where "**Last Averaging Date**" means the Averaging Date falling latest in time after adjustment (if any) of the Averaging Dates pursuant to the Conditions.
- (iii) Scheduled Determination Date: February 22, 2023.
- (iv) First Maturity Date Specific Adjustment: Not Applicable.
- (v) Second Maturity Date Specific Adjustment: Applicable.
- Specified Day(s) for the purposes of "Second Maturity Date Specific Adjustment": 14 Business Days.
  - Maturity Date Business Day Convention for the purposes of "Second Maturity Date Specific Adjustment": No Adjustment.
- (vi) Business Day Adjustment: Not Applicable.
- (vii) American Style Adjustment: Not Applicable.
8. **Underlying Asset(s):** The Index (as defined below).

#### VALUATION PROVISIONS

9. **Valuation Date(s):** February 22, 2023, subject to adjustment in accordance with Index Linked Condition 1.1 (*Single Index and Reference Dates*).
10. **Entry Level Observation Dates:** February 22, 2018, March 1, 2018, March 8, 2018, March 15, 2018, March 22, 2018 and March 29, 2018.
- (i) Entry Level: Lowest is Applicable.
  - (ii) Entry Level Observation Period: Not Applicable.
  - (iii) Consequences of Non-Scheduled Trading Days, Non-Common Disrupted Days or Disrupted Days in respect of an Entry Level Observation Date:
    - (a) Index Linked Condition 1.2: Not Applicable – paragraph 54(xiv) below will apply to each Entry Level Observation Date.
    - (b) Index Linked Condition 1.4: Not Applicable.
    - (c) Index Linked Condition 1.6: Not Applicable.
    - (d) Index Linked Condition 1.8: Not Applicable.



11. **Initial Valuation Date:** Not Applicable.
12. **Averaging:** Applicable.
- (i) **Averaging Dates:** February 22, 2022, March 22, 2022, April 22, 2022, May 23, 2022, June 22, 2022, July 22, 2022, August 22, 2022, September 22, 2022, October 24, 2022, November 22, 2022, December 22, 2022, January 23, 2023 and February 22, 2023, each such date subject to adjustment in accordance with Index Linked Condition 1.2 (*Single and Averaging Reference Dates*).
- (ii) **Initial Averaging Date(s):** Not Applicable.
- (iii) **Last Averaging Date:** As defined in paragraph 7(ii) above.
- (iv) **Last Initial Averaging Date:** Not Applicable.
- (v) **Final Set First Averaging Date:** Not Applicable.
- (vi) **Initial Average Price:** Not Applicable.
13. **Asset Initial Price:** Entry Level.
14. **Adjusted Asset Final Reference Date:** Not Applicable.
15. **Adjusted Asset Initial Reference Date:** Not Applicable.
16. **FX (Final) Valuation Date:** Not Applicable.
17. **FX (Initial) Valuation Date:** Not Applicable.
18. **Final FX Valuation Date:** Not Applicable.
19. **Initial FX Valuation Date:** Not Applicable.

#### COUPON PAYOUT CONDITIONS

20. **Coupon Payout Conditions:** Not Applicable.
21. **Interest Basis:** Not Applicable.
22. **Interest Commencement Date:** Not Applicable.
23. **Fixed Rate Instrument Conditions (General Instrument Condition 11):** Not Applicable.
24. **BRL FX Conditions (Coupon Payout Condition 1.1(c)):** Not Applicable.
25. **FX Security Conditions (Coupon Payout Condition 1.1(d)):** Not Applicable.
26. **Floating Rate Instrument Conditions (General Instrument Condition 12):** Not Applicable.

27. **Change of Interest Basis (General Condition 13):** Not Applicable.
28. **Conditional Coupon (Coupon Payout Condition 1.3):** Not Applicable.
29. **Range Accrual Coupon (Coupon Payout Condition 1.4):** Not Applicable.

#### AUTOCALL PAYOUT CONDITIONS

30. **Automatic Early Exercise (General Instrument Condition 15):** Not Applicable.
31. **Autocall Payout Conditions:** Not Applicable.

#### SETTLEMENT AMOUNT AND PAYOUT CONDITIONS

32. **Settlement:** Cash Settlement is applicable.  
The Settlement Amount will be determined in accordance with the Annex (*Payout Terms*).
33. **Single Limb Payout (Payout Condition 1.1):** Not Applicable – see the Annex (*Payout Terms*).
34. **Multiple Limb Payout (Payout Condition 1.2):** Not Applicable – see the Annex (*Payout Terms*).
35. **Warrants Payout (Payout Condition 1.3):** Not Applicable – see the Annex (*Payout Terms*).
36. **Barrier Event Conditions (Payout Condition 2):** Not Applicable – see the Annex (*Payout Terms*).
37. **Trigger Event Conditions (Payout Condition 3):** Not Applicable.
38. **Currency Conversion:** Not Applicable.
39. **Physical Settlement (General Instrument Condition 7(e)):** Not Applicable.
40. **Non-scheduled Early Repayment Amount:** Fair Market Value.  
– Adjusted for any reasonable expenses and costs: Applicable.

#### EXERCISE PROVISIONS

41. **Exercise Style of Certificates (General Instrument Condition 7):** The Certificates are European Style Instruments. General Instrument Condition 7(b) is applicable.
42. **Exercise Period:** Not Applicable.
43. **Specified Exercise Dates:** Not Applicable.

44. **Expiration Date:** Valuation Date.  
 – Expiration Date is Business Day Adjusted: Not Applicable.
45. **Redemption at the option of the Issuer (General Instrument Condition 16):** Not Applicable.
46. **Automatic Exercise (General Instrument Condition 8(c)):** The Certificates are Automatic Exercise Instruments – General Instrument Condition 8(c) is applicable.
47. **Minimum Exercise Number (General Instrument Condition 10(a)):** Not Applicable.
48. **Permitted Multiple (General Instrument Condition 10(a)):** Not Applicable.
49. **Maximum Exercise Number:** Not Applicable.
50. **Strike Price:** Not Applicable.
51. **Closing Value:** Not Applicable.

**SHARE LINKED INSTRUMENT / INDEX LINKED INSTRUMENT / COMMODITY LINKED INSTRUMENT / FX LINKED INSTRUMENT / INFLATION LINKED INSTRUMENT / MULTI-ASSET BASKET LINKED INSTRUMENT**

52. **Type of Certificates:** The Certificates are Index Linked Instruments – the Index Linked Conditions are applicable.
53. **Share Linked Instruments:** Not Applicable.
54. **Index Linked Instruments:** Applicable.
- (i) Single Index, Index Basket or Multi-Asset Basket: Single Index.
- (ii) Name of Index(ices): OMX Stockholm 30 Index (*Bloomberg: OMX <Index>; Reuters: .OMXS30*) (the "**Index**").
- (iii) Type of Index: Unitary Index.
- (iv) Exchange(s): NASDAQ OMX Stockholm Stock Exchange.
- (v) Related Exchange(s): All Exchanges.
- (vi) Options Exchange: Not Applicable.
- (vii) Index Sponsor: The NASDAQ OMX Group, Inc.
- (viii) Valuation Time: Default Valuation Time.
- (ix) Index-Linked Derivatives Contract Provisions: Not Applicable.

- (x) Initial Index Level: Not Applicable.
- (xi) Initial Closing Index Level: Not Applicable.
- (xii) Initial Average Index Level: Not Applicable.
- (xiii) Initial Average Closing Index Level: Not Applicable.
- (xiv) Single Index and Reference Dates – Consequences of Disrupted Days: Applicable in respect of each Entry Level Observation Date and the Valuation Date – as specified in Index Linked Condition 1.1 (*Single Index and Reference Dates*).
  - (a) Maximum Days of Disruption: As specified in Index Linked Condition 7.
  - (b) No Adjustment: Not Applicable.
- (xv) Single Index and Averaging Reference Dates – Consequences of Disrupted Days: Applicable in respect of each Averaging Date – as specified in Index Linked Condition 1.2 (*Single Index and Averaging Reference Dates*).
  - (a) Omission: Not Applicable.
  - (b) Postponement: Applicable.
  - (c) Modified Postponement: Not Applicable.
  - (d) Maximum Days of Disruption: As specified in Index Linked Condition 7.
  - (e) No Adjustment: Not Applicable.
- (xvi) Index Basket and Reference Dates – Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day): Not Applicable.
- (xvii) Index Basket and Averaging Reference Dates – Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day): Not Applicable.
- (xviii) Index Basket and Reference Dates – Basket Valuation (Common Scheduled Trading Day but Individual Disrupted Day): Not Applicable.
- (xix) Index Basket and Averaging Reference Dates – Basket Valuation (Common Scheduled Trading Day but Individual Disrupted Day): Not Applicable.
- (xx) Index Basket and Reference Dates – Basket Valuation (Common Scheduled Trading Day and Common Disrupted

	Day):	
	(xxi) Index Basket and Averaging Reference Dates – Basket Valuation (Common Scheduled Trading Day and Common Disrupted Day):	Not Applicable.
	(xxii) Fallback Valuation Date:	Not Applicable.
	(xxiii) Index Modification:	Calculation Agent Adjustment.
	(xxiv) Index Cancellation:	Calculation Agent Adjustment.
	(xxv) Index Disruption:	Calculation Agent Adjustment.
	(xxvi) Change in Law:	Applicable.
	(xxvii) Correction of Index Level:	Applicable.
	(xxviii) Correction Cut-off Date:	In respect of the Index, each Initial Valuation Date, the Valuation Date and each Averaging Date, seven Business Days prior to the Maturity Date.
	(xxix) Index Disclaimer:	Applicable to an Index.
55.	<b>Commodity Linked Instruments (Single Commodity or Commodity Basket):</b>	Not Applicable.
56.	<b>Commodity Linked Instruments (Single Commodity or Commodity Basket):</b>	Not Applicable.
57.	<b>FX Linked Instruments:</b>	Not Applicable.
58.	<b>Inflation Linked Instruments:</b>	Not Applicable.
59.	<b>Multi-Asset Basket Linked Instruments:</b>	Not Applicable.
<b>GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES</b>		
60.	<b>FX Disruption Event/CNY FX Disruption Event/Currency Conversion Disruption Event (General Instrument Condition 14):</b>	Not Applicable.
61.	<b>Rounding (General Instrument Condition 24):</b>	
	(i) Non-Default Rounding – calculation values and percentages:	Not Applicable.
	(ii) Non-Default Rounding – amounts due and payable:	Not Applicable.
	(iii) Other Rounding Convention:	Not Applicable.
62.	<b>Additional Business Centre(s):</b>	TARGET and Stockholm.

- Non-Default Business Day: Applicable.
- 63. **Principal Financial Centre:** Not Applicable.
- 64. **Form of Certificates:** Euroclear Sweden Registered Instruments.
- 65. **Minimum Trading Number (General Instrument Condition 5(b)):** One Certificate (corresponding to a nominal amount of SEK 10,000).
- 66. **Permitted Trading Multiple (General Instrument Condition 5(b)):** One Certificate (corresponding to a nominal amount of SEK 10,000).
- 67. **Calculation Agent (General Instrument Condition 19):** Goldman Sachs International.

#### DISTRIBUTION

- 68. **Method of distribution:** Non-syndicated.
  - (i) If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable.
  - (ii) Date of Subscription Agreement: Not Applicable.
  - (iii) If non-syndicated, name and address of Dealer: Goldman Sachs International, Peterborough Court, 133 Fleet Street, London EC4A 2BB, England.
- 69. **Non-exempt Offer:** An offer of the Certificates may be made by the placers other than pursuant to Article 3(2) of the Prospectus Directive in the Kingdom of Sweden (the "**Public Offer Jurisdiction**") during the period commencing on (and including) January 2, 2018 and ending on (and including) February 15, 2018 (the "**Offer Period**"). See further paragraph entitled "Terms and Conditions of the Offer" below.
- 70. **Prohibition of Sales to EEA Retail Investors:** Not Applicable.

Signed on behalf of Goldman Sachs International:

By: .....

Duly authorised

## OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

Application will be made by the Issuer (or on its behalf) for the Certificates to be listed on the Official List and admitted to trading on the regulated markets of the NASDAQ OMX Stockholm Stock Exchange and the Luxembourg Stock Exchange with effect from, at the earliest, the Issue Date.

No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Issue Date).

The Issuer has no duty to maintain the listing (if any) of the Certificates on the relevant stock exchange(s) over their entire lifetime. The Certificates may be suspended from trading and/or de-listed at any time in accordance with applicable rules and regulations of the relevant stock exchange(s).
2. **LIQUIDITY ENHANCEMENT AGREEMENTS** Not Applicable.
3. **RATINGS** Not Applicable.
4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER**

A selling commission of up to 6.00 per cent. (6.00%) of the Aggregate Nominal Amount will be paid to the Distributor in respect of this offer.

Save as stated above and as discussed in the risk factor, "Risks associated with conflicts of interest between Goldman Sachs and purchasers of Securities", so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.
5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**
  - (i) Reasons for the offer: The net proceeds from the issue of the Securities will be used in the general business of the Issuer, i.e., for making profit and/or hedging certain risks.
  - (ii) Estimated net proceeds: Not Applicable.
  - (iii) Estimated total expenses: Not Applicable.
6. **PERFORMANCE AND VOLATILITY OF THE UNDERLYING ASSET**

Details of the past and further performance and volatility of the Underlying Asset may be obtained from Bloomberg and Reuters. However, past performance is not indicative of future performance.

See the section entitled "*Performance Scenarios*" above for examples of the potential return on the Securities in various hypothetical scenarios.
7. **OPERATIONAL INFORMATION**



Any Clearing System(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Euroclear Sweden AB.

Delivery: Delivery against payment.

Names and addresses of additional Paying Agent(s) (if any): Not Applicable.

Operational contact(s) for Principal Programme Agent: eq-sd-operations@gs.com.

## 8. TERMS AND CONDITIONS OF THE OFFER

Offer Period: An offer of the Certificates will be made by the placers other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdiction during the period commencing on (and including) January 2, 2018 and ending on (and including) February 15, 2018.

Offer Price: Issue Price.

Conditions to which the offer is subject: The offer of the Certificates for sale to the public in the Public Offer Jurisdiction is subject to the relevant regulatory approvals having been granted, and the Certificates being issued.

The Offer Period is subject to adjustment by or on behalf of the Issuer in accordance with the applicable regulations and any adjustments to such period will be published by way of notice which will be available on the website of the Issuer ([www.gspip.info](http://www.gspip.info)).

The offer of the Certificates may be withdrawn in whole or in part at any time before the Issue Date at the discretion of the Issuer.

Description of the application process: The subscription forms will be collected by the distributor either directly from end investors or via brokers who are allowed to collect forms on behalf of the distributor. There is no preferential subscription right for this offer.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable.

Details of the minimum and/or maximum amount of application: The minimum amount of application per investor will be SEK 10,000 in nominal amount of the Securities.

The maximum amount of application will be subject

<p>Details of the method and time limits for paying up and delivering the Certificates:</p>	<p>only to availability at the time of application.</p> <p>Each subscriber shall pay the Issue Price to the relevant Distributor who shall pay the Issue Price reduced by the selling commission to the Issuer.</p>
<p>Manner in and date on which results of the offer are to be made public:</p>	<p>The delivery of the subscribed Securities will be done after the Offer Period on the Issue Date.</p> <p>The results of the offer will be filed with the <i>Commission de Surveillance du Secteur Financier</i> (CSSF) and published on the websites of the Luxembourg Stock Exchange (<i>www.bourse.lu</i>) and the Issuer (<i>www.gspip.info</i>) at or around the Issue Date.</p>
<p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</p>	<p>Not Applicable.</p>
<p>Whether tranche(s) have been reserved for certain countries:</p>	<p>The Certificates will be offered to the public in the Public Offer Jurisdiction.</p>
	<p>Offers may only be made by offerors authorised to do so in the Public Offer Jurisdiction. Neither the Issuer nor the Dealer has taken or will take any action specifically in relation to the Certificates referred to herein to permit a public offering of such Certificates in any jurisdiction other than the Public Offer Jurisdiction.</p> <p>In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.</p> <p>Notwithstanding anything else in the Base Prospectus, the Issuer will not accept responsibility for the information given in this Prospectus in relation to offers of Certificates made by an offeror not authorised by the Issuer to make such offers.</p>
<p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</p>	<p>Allocation of Securities is simultaneous with the acceptance of the offer by each individual investor and subject to (i) the availability of funds in his or her account for the total amount invested and (ii) the total amount for which acceptances have been received not exceeding the maximum Aggregate Nominal Amount of Certificates in the Series.</p>
<p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</p>	<p>There are no expenses specifically charged to the subscriber or purchaser other than that specified in the</p>

following paragraph.

The Issue Price of 100 per cent. (100%) of the Aggregate Nominal Amount includes a selling commission of up to 6.00 per cent. (6.00%) of the Aggregate Nominal Amount which has been paid by the Issuer.

Please refer to "Swedish withholding tax" and "Luxembourg Tax Considerations" in the section entitled "Taxation" in the Base Prospectus.

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

Garantum Fondkommission AB, Norrmalmstorg 16, Box 7364, 103 90 Stockholm, Sweden, and such other placers as may be notified to potential investors from time to time by publication on the Issuer's website ([www.gspip.info](http://www.gspip.info)) in accordance with the applicable laws and regulations of the Public Offer Jurisdiction.

**Consent to use the Prospectus:**

Identity of financial intermediary(ies) that are allowed to use the Prospectus:

Garantum Fondkommission AB, Norrmalmstorg 16, Box 7364, 103 90 Stockholm, Sweden, and such other placers as may be notified to potential investors from time to time by publication on the Issuer's website ([www.gspip.info](http://www.gspip.info)) in accordance with the applicable laws and regulations of the Public Offer Jurisdiction.

Offer period during which subsequent resale or final placement of Instruments by financial intermediaries can be made:

The Offer Period.

Conditions attached to the consent:

The financial intermediary named above (i) has the Issuer's consent to use this Prospectus in respect of offers of the Securities made in the Public Offer Jurisdiction provided that it complies with all applicable laws and regulations, and (ii) has the Issuer's consent to use this Prospectus in respect of private placements of the Securities that do not subject the Issuer or any affiliate of the Issuer to any additional obligation to make any filing, registration, reporting or similar requirement with any financial regulator or other governmental or quasi-governmental authority or body or securities exchange, or subject any officer, director or employee of the Issuer or any affiliate of the Issuer to personal liability, where such private placements are conducted in compliance with the applicable laws of the relevant jurisdictions thereof.

If prior to the listing of the Securities on the NASDAQ OMX Stockholm Stock Exchange and the

Luxembourg Stock Exchange any of the conditions attached to the consent are amended, any such information will be the subject of a supplement to this Prospectus under Article 16 of the Prospectus Directive.

## 8. UNITED STATES TAX CONSIDERATIONS

### Section 871(m) Withholding Tax

The U.S. Treasury Department has issued regulations under which amounts paid or deemed paid on certain financial instruments that are treated as attributable to U.S.-source dividends could be treated, in whole or in part depending on the circumstances, as a "dividend equivalent" payment that is subject to tax at a rate of 30 per cent. (or a lower rate under an applicable treaty). We have determined that, as of the issue date of the Certificates, the Certificates will not be subject to withholding under these rules. In certain limited circumstances, however, it is possible for United States alien holders to be liable for tax under these rules with respect to a combination of transactions treated as having been entered into in connection with each other even when no withholding is required. United States alien holders should consult their tax advisor concerning these regulations, subsequent official guidance and regarding any other possible alternative characterisations of their Certificates for United States federal income tax purposes. See "*United States Tax Considerations – Dividend Equivalent Payments*" in the Base Prospectus for a more comprehensive discussion of the application of Section 871(m) to the Certificates.

## 9. INDEX DISCLAIMER

### OMX Stockholm 30 Index (the "Index")

The Securities are not sponsored, endorsed, sold or promoted by Nasdaq, Inc. or its affiliates (Nasdaq, Inc., with its affiliates, are referred to as the "**Corporations**"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Securities. The Corporations make no representation or warranty, express or implied to the owners of the Securities or any member of the public regarding the advisability of investing in securities generally or in the Securities particularly, or the ability of the Index to track general stock market performance. The Corporations' only relationship to Goldman Sachs International ("**Licensee**") is in the licensing of the NASDAQ<sup>®</sup>, and OMX Stockholm 30 Index<sup>™</sup> registered trademarks, and certain trade names of the Corporations and the use of the Index which is determined, composed and calculated by NASDAQ without regard to Licensee or the Securities. Nasdaq has no obligation to take the needs of the Licensee or the owners of the Securities into consideration in determining, composing or calculating the Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Securities to be issued or in the determination or calculation of the equation by which the Securities is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Securities.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY

LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

## ANNEX

## PAYOUT TERMS

1. **Settlement Amount**

Unless the Certificates are exercised early, are adjusted, or are purchased and cancelled, in each case in accordance with the Conditions, each Certificate (of the Nominal Amount) shall be redeemed on the Maturity Date by payment of the Settlement Amount, which will be an amount determined by the Calculation Agent in accordance with paragraph (i) or (ii) below, as applicable:

- (i) if the Reference Price (Final) is greater than or equal to the Barrier Level, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula:

$$NA \times \left\{ \begin{array}{l} 1 + P \times \text{Min} \left[ \text{Cap}; \text{Max} \left( 0; \left( \frac{RP(\text{Avg})}{RP(\text{Initial})} - 1 \right) \right) \right] \\ + \text{Max} \left[ 0; \left( \frac{RP(\text{Avg})}{RP(\text{Initial})} - (1 + P \times 0.20) \right) \right] \end{array} \right\}; \text{ or}$$

- (ii) if the Reference Price (Final) is less than the Barrier Level, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula:

$$NA \times \frac{\text{Reference Price (Final)}}{\text{Reference Price (Initial)}}$$

2. **Definitions**

For the purposes of this Prospectus, the following terms and expressions shall have the following meanings. Terms not defined herein shall be given their respective meanings as contained in the Contractual Terms or the Base Prospectus, as applicable.

"**Asset Initial Price**" means the Entry Level of the Underlying Asset.

"**Barrier Level**" means an amount equal to 70 per cent. (70%) of the Reference Price (Initial), as determined by the Calculation Agent.

"**NA**" means the Nominal Amount defined in paragraph 3(iv) of the Contractual Terms, being SEK 10,000.

"**Cap**" means 20 per cent. (20%), expressed as 0.20.

"**Entry Level**" means the lowest Reference Price observed across all Entry Level Observation Dates for the Underlying Asset.

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"**Min**" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"**Participation**" or "**P**" means an amount as determined by the Calculation Agent on or around February

22, 2018 based on market conditions and which is specified in a notice published by the Issuer on or around the Issue Date. As of the date of this Prospectus, the Participation is indicatively set at 2.00, but which may be a lesser or greater amount provided that it will not be less than 1.70.

"**Reference Price**" means the Closing Index Level of the Index.

"**Reference Price (Avg)**" or "**RP(Avg)** " means the arithmetic mean of the Closing Index Level of the Index on each of the Averaging Dates.

"**Reference Price (Final)**" means the Closing Index Level of the Index on the Valuation Date, as determined by the Calculation Agent.

"**Reference Price (Initial)**" or "**RP(Initial)**" means the Asset Initial Price.

"**Underlying Asset** " means the Index.

## GENERAL INFORMATION

### 1. Authorisations

The Programme has been authorised pursuant to a written resolution of the Executive Committee of the Board of Directors of GSI passed on September 28, 1998.

### 2. Financial Statements

The statutory financial statements of GSI for the periods ended December 31, 2016 and December 31, 2015 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.

### 3. No significant change and no material adverse change

There has been no significant change in the financial or trading position of GSI since September 30, 2017.

There has been no material adverse change in the prospects of GSI since December 31, 2016.

In this Prospectus, references to the "prospects" and "financial or trading position" of GSI are specifically to the ability of GSI to meet its full payment obligations under the Securities in a timely manner. Material information about GSI's financial condition and prospects is included in GSI's annual and interim reports, which are incorporated by reference into this Prospectus.

### 4. Litigation

Save as disclosed in (i) "Legal Proceedings" of Note 16 to the Financial Statements (Unaudited) (pages 34 and 35) of GSI's 2017 Third Quarter Financial Report and (ii) "Legal Proceedings" of Note 22 to GSI's 2016 Financial Statements (pages 75 and 76) of GSI's 2016 Annual Report, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which GSI is aware) during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on GSI.

### 5. Availability of Documents

For so long as any Securities shall be outstanding, copies of the following documents may be obtained free of charge upon request during normal business hours from the specified office of the Issuer and the office of the Luxembourg Paying Agent and each of the Paying Agents:

- (a) the constitutional documents of the Issuer;
- (b) the programme agency agreement in relation to the Securities dated May 29, 2015;
- (c) the deed of covenant made by the Issuer dated May 29, 2015;
- (d) a copy of this Prospectus and any document incorporated by reference herein; and
- (e) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

### 6. Responsibility statement



The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Where information contained in this Prospectus has been sourced from a third party, this information has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

7. **Content of websites does not form part of this Prospectus**

No content of any website, cited or referred to in this Prospectus, shall be deemed to form part of, or be incorporated by reference into this Prospectus.

8. **De-listing**

Although no assurance is made as to the liquidity of the Securities as a result of their listing on the Official List of the Luxembourg Stock Exchange or NASDAQ OMX Stockholm Stock Exchange, as the case may be, delisting the Securities from the Luxembourg Stock Exchange or NASDAQ OMX Stockholm Stock Exchange, as the case may be, may have a material adverse effect on a purchaser's ability to resell its Securities in the secondary market.

9. **Non-equity securities**

The Securities will not constitute "equity securities" for the purposes of Article 2(1)(b) of the Prospectus Directive and Article 2(1)(v) of the Luxembourg Law dated July 10, 2005 as amended on July 3, 2012 on prospectuses for securities (the "**Luxembourg Prospectus Law**").

10. **Consent to use this Prospectus**

Subject to the conditions set out below, in connection with a Non-exempt Offer (as defined below) of Securities, the Issuer consents to the use of this Prospectus by Garantum Fondkommission AB, Norrmalmstorg 16, Box 7364, 103 90 Stockholm, Sweden (the "**Authorised Offeror**" or "**Distributor**"). Any new information with respect to the Authorised Offeror unknown at the time of the approval of this Prospectus but which has become known to the Issuer thereafter and which is relevant to such Non-exempt Offer will be published by way of notice which will be available on the website of the Issuer ([www.gspip.info](http://www.gspip.info)).

The consent of the Issuer is subject to the following conditions:

- (i) the consent is only valid during the period from (and including) January 2, 2018 to (and including) February 15, 2018 (the "**Offer Period**"); and
- (ii) the consent only extends to the use of this Prospectus to make Non-exempt Offers (as defined below) of the Securities in the Kingdom of Sweden.

A "**Non-exempt Offer**" of Securities is an offer of Securities that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive.

The Issuer may (i) give consent to one or more additional Authorised Offerors after the date of this Prospectus, and/or (ii) remove or add conditions and, if it does so, such information in relation to the Securities will be published by way of notice which will be available on the website of the of the Issuer ([www.gspip.info](http://www.gspip.info)).

The Issuer accepts responsibility for the content of this Prospectus in relation to any person purchasing

Securities pursuant to a Non-exempt Offer where the offer to the Investor is made (i) by an Authorised Offeror (or the Issuer or Dealer named herein), (ii) in a Member State for which the Issuer has given its consent, (iii) during the Offer Period for which the consent is given and (iv) in compliance with the other conditions attached to the giving of the consent, all as set forth in this Prospectus or as subsequently published in accordance with the paragraph immediately above. However, neither the Issuer nor the Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Any person (an "**Investor**") intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of Securities to an Investor by the relevant Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors in connection with the offer or sale of the Securities and, accordingly, this Prospectus will not contain such information and an Investor must obtain such information from the relevant Authorised Offeror. **Information in relation to an offer to the public will be made available at the time such sub-offer is made, and such information will also be provided by the relevant Authorised Offeror at the time of such offer.**

#### 11. Selected Financial Information

The selected financial information set out below has been extracted from (i) GSI's 2016 Financial Statements, and (ii) GSI's 2015 Financial Statements, in each case, which have been audited by PricewaterhouseCoopers LLP and on which PricewaterhouseCoopers LLP issued an unqualified audit report and (iii) GSI's 2017 Third Quarter Financial Statements, which have not been audited.

GSI's 2016 Financial Statements have been prepared in accordance with FRS 101. GSI's 2015 Financial Statements have been prepared in accordance with FRS 101. GSI's 2017 Third Quarter Financial Statements have been prepared in accordance with FRS 104. GSI's 2016 Financial Statements, GSI's 2015 Financial Statements and GSI's 2017 Third Quarter Financial Statements are incorporated by reference into this 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:

<i>(in USD millions)</i>	As at and for the nine months ended (unaudited)		As at and for the year ended (audited)	
	September 30, 2017	September 30, 2016	December 31, 2016	December 31, 2015
Operating profit	1,871	2,065	2,280	2,939
Profit on ordinary activities before taxation	1,629	1,815	1,943	2,661
Profit for the financial period	1,216	1,344	1,456	2,308
	As of (unaudited)		As of (audited)	
<i>(in USD millions)</i>	September 30, 2017		December 31, 2016	December 31, 2015
Fixed assets	188		140	12
Current assets	955,846		934,129	850,219
Total shareholder's funds	31,379		27,533	26,353

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**Registered Office of GSI**

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
England

**Principal Programme Agent**

**Citigroup Global Markets Deutschland AG**

Reuterweg 16  
60323 Frankfurt am Main  
Federal Republic of Germany

**Transfer Agents**

**Banque Internationale à Luxembourg, société**

**anonyme**  
69 route d'Esch  
L-2953 Luxembourg  
Grand Duché de Luxembourg

**Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
England

**Swedish Paying Agent**

**Skandinaviska Enskilda Banken AB (publ)**

Sergels Torg 2, ST H1  
SE-106 40, Stockholm  
Sweden

**Fiscal Agent**

**Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
England

**Calculation Agent**

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
England

**Auditors to GSI**

**PricewaterhouseCoopers LLP**

7 More London Riverside  
London SE1 2RT  
England

**Legal Advisers to the Issuer**

*as to English law*

**Ashurst LLP**

Broadwalk House  
5 Appold Street  
London EC2A 2HA  
England