October 27, 2010

Final Terms

SEK 1,100,000,000 3.50 per cent. Notes due January 22, 2021 (the "Notes")

(to be consolidated and form a single series with the SEK 4,500,000,000 3.50 per cent. Notes due January 22, 2021 issued on September 22, 2010 and the SEK 1,000,000,000 3.50 per cent. Notes due January 22, 2021 issued on September 29, 2010)

Tranche **3**

issued under the

KfW Note Programme

dated June 28, 2010

of
KfW

Issue Price **97.8335** per cent. plus accrued interest for 37 days in the period from (and including) September 22, 2010 to (but excluding) October 29, 2010 amounting to SEK 3,956,944.44

Issue Date: **October 29, 2010**

These Final Terms are issued to give details of an issue of Notes under the KfW Note Programme of KfW (the "**Programme**") dated June 28, 2010.

They are to be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in the Simplified Base Prospectus pertaining to the Programme. All provisions in these Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "**Conditions**").

Capitalized Terms not otherwise defined herein shall have the meanings specified in the Conditions.

All references in these Final Terms to numbered sections and subparagraphs are to sections and subparagraphs of the Conditions.

Issuer **KfW**

Form of Conditions

☒ Long-Form

☐ Integrated

Language of Conditions

☐ German only

☒ English only

☐ English and German (English controlling)

☐ German and English (German controlling)

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1)

Currency and Denomination

Specified Currency	Swedish Krona ("SEK")
Aggregate Principal Amount	SEK 1,100,000,000
Specified Denomination	SEK 1,000,000
Number of notes to be issued in the Specified Denomination	1,100
New Global Note	Yes

☒ **TEFRA C**
Permanent Global Note

☐ **TEFRA D**
Temporary Global Note exchangeable for Permanent Global Note

☐ **Neither TEFRA D nor TEFRA C**
Permanent Global Note

Certain Definitions

Clearing System
☐ Clearstream Banking AG, Frankfurt am Main ("CBF")
☒ Clearstream Banking, société anonyme, Luxembourg ("CBL")
☒ Euroclear Bank SA/NV ("Euroclear")
☐ Other (specify)

Business Day
☒ TARGET
☒ Other (specify all relevant financial centres) Stockholm

INTEREST (§ 3)

☒ **Fixed Rate Notes**

Rate of Interest and Interest Payment Dates

Rate of Interest	3.50 per cent. per annum
Interest Commencement Date	September 22, 2010
Fixed Interest Date(s)	22 January in each year up to and including the Maturity Date. Short first coupon.
First Interest Payment Date	January 22, 2011
Deemed Interest Payment Date(s)	
Initial Broken Amount (for the Aggregate Principal Amount)	
Fixed Interest Date preceding the Maturity Date	
Final Broken Amount (for the Aggregate Principal Amount)	

Day Count Fraction

☐ Actual/365 or Actual/Actual (ISDA)
☐ Actual/Actual (ICMA)
☐ Actual/365 (Fixed)
☐ Actual/365 (Sterling)
☐ Actual/360
☒ 30/360 or 360/360 or Bond Basis
☐ 30E/360 or Eurobond Basis

REDEMPTION (§ 4)

Final Redemption
Notes other than Instalment Notes

Maturity Date — January 22, 2021

Redemption Month

Final Redemption Amount

☒ Aggregate Principal Amount
☐ Final Redemption Amount (for the specified Denomination)

Early Redemption — Not applicable

PAYMENTS (§ 5)

Payment Business Day
Business Day Convention

☐ Modified Following Business Day Convention
☐ FRN Convention (specify period(s))
☒ Folgender Geschäftstag-Konvention
Following Business Day Convention
☐ Vorangegangener Geschäftstag-Konvention
Preceding Business Day Convention

Adjustment of interest — No

Relevant Financial Centres (specify all) — Stockholm

TARGET — Yes

AGENT(S) (§ 6)

Fiscal Agent and Principal Paying Agent

☐ KfW, Frankfurt am Main
☒ Deutsche Bank Aktiengesellschaft, Frankfurt am Main
☐ Other (specify)

Calculation Agent/specified office — none

☐ Fiscal Agent
☐ Other (specify)

Required location of Calculation Agent (specify)

Determination Agent/specified office

Additional Paying Agent(s) — none

☐ KfW
☐ Deutsche Bank Aktiengesellschaft, Frankfurt am Main
☐ Deutsche Bank Luxembourg S.A.
☐ Additional Paying Agent(s)/specified office(s)

NOTICES (§ 10)

Place and medium of publication

☒ elektronischer Bundesanzeiger (Germany) and Clearing System

☐ Clearing System

☐ Other (specify)

GENERAL PROVISIONS APPLICABLE TO THE NOTE(S)

Listing(s)	Yes
☐ Frankfurt am Main	
☒ Luxembourg	
☐ Other	
Public Offer in Luxembourg	No
Method of distribution	
☒ Non-syndicated	
☐ Syndicated	
Management Details	Nordea Bank Danmark A/S Christiansbro, Strandgade 3 DK-1401 Copenhagen K Denmark
Management Group or Dealer (specify)	
Commissions	
Management/Underwriting Commission (specify)	None
Selling Concession (specify)	None
Other (specify)	
Stabilizing Dealer/Manager	None
Securities Identification Numbers	
Common Code	054341121
ISIN	XS0543411218
German Security Code	A1EL36
Any other securities number	
Eurosystem eligibility	
Intended to be held in a manner which would allow Eurosystem eligibility	No
Supplemental Tax Disclosure (specify)	None
Yield	Not applicable

Method of calculating the yield

☐ ICMA method: The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis

☐ Other method (specify)

Selling Restrictions

☒ TEFRA C

☐ TEFRA D

☐ Neither TEFRA C nor TEFRA D

Additional selling restrictions (specify)

The Kingdom of Sweden

The Dealer has represented and agreed that it has not and will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell Notes or distribute any draft or final document in relation to any such offer, invitation or sale in the Kingdom of Sweden except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act.

Governing Law **German law**

Other relevant Terms and Conditions (specify)

Listing

The above Final Terms comprise the details required to list this issue of Notes issued pursuant to the KfW Note Programme of KfW (as from October 29, 2010)

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms.

KfW

Klaus-Peter Eitel
(Vice President)

Normen Günther
(Senior Manager)