

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

Management Group or Dealer (specify)

Nordea Bank Danmark A/S  
Christiansbro, Strandgade 3  
DK-1401 Copenhagen K  
Denmark

### Commissions

Management/Underwriting Commission (specify)  
Selling Concession (specify)  
Other (specify)

None

None

### 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)**

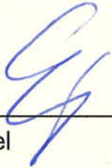
**Listing**

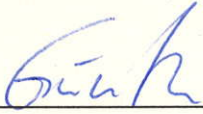
The above Final Terms comprise the details required to list this issue of Notes issued pursuant to the KfW Note Programme of KfW (as from October 29, 2010)

**Responsibility**

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

**KfW**

  
\_\_\_\_\_  
Klaus-Peter Eitel  
(Vice President)

  
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Normen Günther  
(Senior Manager)